

Independent Auditors' Report

To,
The Members of
Metro Athleisure 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 2026, 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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, the profit 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 Directors Report but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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 when it becomes available 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.



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 for the audit of financial statement

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



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Chartered Accountants

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.

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

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

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

Report on other legal and regulatory requirements

1. As required by 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;
 - (e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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



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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 2026 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 23 and 37 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 to Note 45 of the financial statements.
 - v. Based on our examination which included test checks, the Company has used 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 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.



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Independent Auditors' Report (continued)

- 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: 26118991MSGYDR1320

Place: Mumbai

Date: 11th May 2026

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2026

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

- (i) The Company does not have any Property, Plant and Equipment (including right-of-use assets) and Intangible Assets. Accordingly, our comments on clause (a),(b),(c) & (d) is not applicable.

No proceedings have been initiated or are pending against the Company as on 31st March 2026 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.

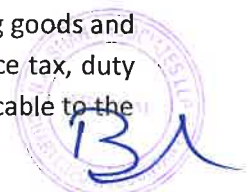
- (iv) The Company has not granted any loans or provided guarantees or security or made any investments to the parties covered under section 185 of the Act during the year. The Company has complied with the provisions of section 186 of the Act in respect of the investments made by the Company and there are no transactions of loans or guarantees or securities provided to the parties.

- (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



N. A. SHAH ASSOCIATES LLP
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[Referred to in point 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

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, 2026, 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, outstanding statutory dues relating to referred to in sub-clause (a) above which have not been deposited as on 31st March, 2026 on account of disputes are given below:

Name of the Statutes	Nature of dues	Disputed amount (in lakhs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Fine imposed u/s 270 of the Income tax Act, 1961	29.73	AY 2017-2018	CIT(Appeals)
The Central Goods and Services Tax Act, 2017	Disallowance of Input Tax Credit	12.25	FY 2017-2018	Sales Tax Officer Class II, Delhi
The Central Goods and Services Tax Act, 2017	Disallowance of Input Tax Credit	31.71	FY 2019-20	Sales Tax Officer Class II, Delhi
The Central Goods and Services Tax Act, 2017	Disallowance of Input Tax Credit	18.72	FY 2020-21	Commercial Tax Officer, Chandigarh

As per traces (Income Tax portal) there is outstanding demand of Rs. 2.44 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. (refer note 23 of the financial statements).

(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.



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

- 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 2026. 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.
- (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 28 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.



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Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2026

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

- (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 not incurred cash losses during the financial year ended 31st March 2026 and 31st March 2025.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (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 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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 1 to the Independent Auditors' Report for the year ended 31st March, 2026

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

- (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

B. Kapadia



Bhavin Kapadia

Partner

Membership No. 118991

UDIN: 26118991MSGYDR1320

Place: Mumbai

Date: 11th May 2026

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 2 to Independent Auditor's Report for the year ended 31st March 2026

[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, 2026 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 2026, 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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Annexure 2 to Independent Auditor's Report for the year ended 31st March 2026

[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

B. Kapadia

Bhavin Kapadia

Partner

Membership No.: 118991

UDIN: 26118991MSGYDR1320

Place: Mumbai

Date: 11th May 2026



Metro Athleisure Limited
Balance Sheet as on March 31, 2026

(₹ in Lakhs)				
	Particulars	Note	As at March 31, 2026	As at March 31, 2025
A	ASSETS			
1	Non - Current assets			
	(a) Property, plant and equipment	3	-	-
	(b) Intangible assets	4	-	-
	(c) Financial Assets			
	(i) Investments	5	1	1
	(ii) Other financial assets	6	271	2
	(d) Non-current tax assets	24E	7	2
	Total Non - Current Assets		279	5
2	Current Assets			
	(a) Inventories	7	9	64
	(b) Financial assets			
	(i) Investments	5	78	100
	(ii) Trade receivables	8	95	370
	(iii) Cash and cash equivalents	9	5	9
	(iv) Bank Balances other than cash and cash equivalents	9.1	809	500
	(c) Other current assets	10	219	208
	Total Current Assets		1,215	1,251
	Total Assets		1,494	1,256
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share capital	11	9,783	9,783
	(b) Other Equity	12	(9,839)	(10,230)
	Total Equity		(56)	(447)
	LIABILITIES			
2	Non - Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	1,446	1,446
	(b) Provisions	14	1	1
	Total Non - Current Liabilities		1,447	1,447
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade payables:			
	a. Due of Micro and small enterprises	15	13	108
	b. Due of creditors other than micro and small enterprises		88	144
	(b) Other current liabilities	16	1	4
	(c) Provisions*	14	1	0
	Total Current Liabilities		103	256
	Total Equity and Liabilities		1,494	1,256

See accompanying notes from 1 to 46 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

For and on behalf of the Board of Directors
Metro Athleisure Limited
[CIN: U51909MH2016PLC288788]

B. Kapadia


Bhavin Kapadia
Partner
Membership No: 118991

Mumbai
Dated: May 11, 2026

Kaushal
Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Deepa
Deepa Sood
Company Secretary
(Membership No: 16019)

Mumbai
Dated: May 11, 2026

Nissan
Nissan Joseph
Director
(DIN No. 06701972)



Metro Athleisure Limited

Statement of Profit and Loss for the year ended March 31, 2026

(₹ in Lakhs)

	Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Income			
	Revenue from operations	17	798	1,118
	Other Income	18	163	176
	Total Income		961	1,294
2	Expenses			
	Purchase of stock-in-trade		484	247
	Change in Inventories of stock-in-trade-Decrease	19	55	679
	Employee benefits expense	20	15	25
	Finance costs	21	2	35
	Depreciation and amortisation expense	3 and 4	-	20
	Other expenses	22	14	200
	Total expenses		570	1,206
3	Profit for the year before tax		391	88
4	Tax expense :	24		
	Current tax		-	-
	Deferred tax		-	-
	Earlier year tax written off / (back)		-	(1)
5	Profit / (Loss) for the year		391	89
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	-	-
6	Other Comprehensive Income for the year		-	-
7	Total Comprehensive Income for the year		391	89
	Earnings per equity share			
	Basic Earnings per share (in ₹)	25	9.58	2.18
	Diluted Earnings per share (in ₹)		3.99	0.91

See accompanying notes from 1 to 46 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 11, 2026

For and on behalf of the Board of Directors
Metro Athleisure Limited

[CIN: U51909MH2016PLC288788]

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Nissan Joseph
Director
(DIN No. 06701972)

Deepa Sood
Company Secretary
(Membership No: 16019)

Mumbai
Dated: May 11, 2026



Metro Athleisure Limited
Statement of Cash Flows
for the year ended March 31, 2026

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit / (Loss) before tax	391	88
Adjustments for:		
Depreciation and amortisation expense	-	20
Interest income	(76)	(1)
Gain on sale of property, plant and equipment	-	(66)
Gain on debt portion of financial instrument measured at FVTPL	-	(3)
Net gain on sale of investments #	(1)	-
Finance Cost	2	35
Liabilities no longer required, written back	(51)	(102)
Operating profit / (loss) before working capital changes	265	(29)
Adjustments for:		
Decrease in Trade Receivables	276	43
Decrease in Inventories	55	679
Decrease / (Increase) in non-current and current assets	(279)	564
Increase / (Decrease) in Trade payables	(101)	104
Decrease in other financial liability	(0)	-
Decrease in non-current and current liabilities	(3)	(81)
Increase in provisions #	1	(0)
Cash generated / (used) in operations	214	1,281
Direct taxes (refund) (net)	(5)	23
Net cash generated / (used) in operating activities	209	1,304
B Cash flow from investing activities		
Proceeds from Sale of Property, plant and equipment	-	80
Purchase (sale) of Mutual Funds	22	(100)
Interest received	76	1
Net cash generated from (used in) investing activities	98	(19)
C Cash flow from financing activities		
Repayment of current borrowings	-	(862)
Interest paid	(2)	(35)
Net cash (used)/generated from financing activities	(2)	(897)
Net increase in cash and cash equivalents during the year (A+B+C)	305	388
Cash and cash equivalents (opening balance)	509	121
Cash and cash equivalents (closing balance)	814	509

Aggregate value is less than ₹ 0.50 lakhs

Notes:

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

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

B. Kapadia

Bhavin Kapadia

Partner

Membership No: 118991



For and on behalf of the Board of Directors
Metro Athleisure Limited

[CIN: U51909MH2016PLC288788]

Kaushal

Kaushal Parekh

Director and CFO

(DIN No. 09794399)

Nissan Joseph

Nissan Joseph

Director

(DIN No. 06701972)

Deepa

Deepa Sood

Company Secretary

(Membership No: 16019)



Mumbai

Dated: May 11, 2026

Mumbai

Dated: May 11, 2026

Metro Athleisure Limited
Statement of Changes in Equity
for the year ended March 31, 2026

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the current reporting year	4,083	4,083
Changes in Equity Share Capital during the year	-	-
- Changes in Equity Share Capital due to prior period errors	-	-
- Restated balance at the beginning of the current year	4,083	4,083
- Movement during the year	-	-
Balance at the end of the current reporting year	4,083	4,083

Preference share capital

Particulars	March 31, 2026	March 31, 2025
	No. of Shares	No. of Shares
At the commencement of the year	5,700	5,700
Less: Conversion into equity shares	-	-
At the end of the period	5,700,000	5,700,000

Other equity

Particulars	Retained Earnings	Securities Premium	Capital Reserve	Capital Redemption Reserve	Export Turnover Reserve	General Reserve	Amalgamation Adjustment Deficit Account	Equity portion of Financial Instrument	Other comprehensive Income	Remeasurements of the defined benefit plans	Total attributable to equity shareholders
Balance as at March 31, 2024	(17,485)	2,095	7,527	69	4	2,335	(5,308)	641	(198)	(198)	(10,319)
Total comprehensive income for the year	89	-	-	-	-	-	-	-	-	-	89
Balance as at March 31, 2025	(17,396)	2,095	7,527	69	4	2,335	(5,308)	641	(198)	(198)	(10,230)
Total comprehensive income for the year	391	-	-	-	-	-	-	-	-	-	391
Balance as at March 31, 2026	(17,004)	2,095	7,527	69	4	2,335	(5,308)	641	(198)	(198)	(9,839)

See accompanying notes from 1 to 46 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. Kapadia
Partner
Membership No: 118991

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Nissan Joseph
Director
(DIN No. 06701972)

Deepa Sood
Company Secretary
(Membership No: 16019)



1 Company Overview

Metro Athleisure Limited (MAL) is engaged in the business of trading in footwear and apparel. The Company operates through wholesale and retail channels, catering to customers in the athleisure and lifestyle segment.

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

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

The standalone financial statements for the year ended March 31, 2026, were approved for issue by the Board of Directors on May 11, 2026.

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 11th May 2026.

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:

The Company has accumulated losses and negative net worth as on 31st March 2026. 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 and expected cash inflow out of internal accrual, 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 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



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) 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)

h) 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.

i) 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.

j) 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)

k) 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.

l) 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 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.



2(A) Material Accounting Policies: (Continued)

Leases (continued)

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.

m) 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.



2(A) Material Accounting Policies: (Continued)

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.

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



2(A) Material Accounting Policies: (Continued)

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.

n) 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;
- 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.



2(A) Material Accounting Policies: (Continued)

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.

o) 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.

p) 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.

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.

q) 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.



2(A) Material Accounting Policies: (Continued)

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
- 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.

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.



2(A) Material Accounting Policies: (Continued)

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

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 not retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.



2(A) Material Accounting Policies: (Continued)

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.

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).



2(A) Material Accounting Policies: (Continued)

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.

r) 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.

s) 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 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 2026, MCA has not modified any new standards or amendments to the existing standards applicable to the Company.



3 Property, Plant and Equipment

Sr. No.	Description of Asset	Gross Block					Accumulated Depreciation					Net Block			
		As at April 1, 2025	Reclassification	Transfer pursuant to demerger	Additions	Disposals	As at March 31, 2026	As at April 1, 2025	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	On Disposals	Asset Classified as Held for Sale	As at March 31, 2026	As at March 31, 2025
TANGIBLE ASSETS															
1	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Electrical Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Description of Asset	Gross Block					Accumulated Depreciation					Net Block				
		As at April 1, 2024	Reclassification	Transfer pursuant to demerger	Additions	Disposals	Asset Classified as Held for Sale	As at March 31, 2025	As at 1 April 2024	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	On Disposals	Asset Classified as Held for Sale	As at March 31, 2025	As at March 31, 2024
TANGIBLE ASSETS																
1	Furniture and Fixtures	117	-	-	-	(117)	-	-	91	-	-	20	(111)	-	-	25
2	Electrical Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Equipments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Building	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-
7	Leasehold Improvements	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		119	-	-	-	(117)	-	2	93	-	-	20	(111)	-	2	25

4 Other intangible assets

Sr. No.	Description of Asset	Gross Block					Accumulated Depreciation					Net Block				
		As at April 1, 2025	Reclassification	Transfer pursuant to demerger	Additions	Disposals	Asset Classified as Held for Sale	As at March 31, 2026	As at April 1, 2025	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	On Disposals	Asset Classified as Held for Sale	As at March 31, 2026	As at March 31, 2025
INTANGIBLE ASSETS																
1	Computer Software															
2	License															
	TOTAL															

Sr. No.	Description of Asset	Gross Block					Accumulated Depreciation					Net Block	
		As at April 1, 2024	Reclassification	Transfer pursuant to demerger	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Reclassification	Transfer pursuant to demerger	Depreciation charge for the year	As at March 31, 2025	As at March 31, 2024
INTANGIBLE ASSETS													
1	Computer Software	16	-	-	-	-	16	16	-	-	-	16	-
2	License	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	16	-	-	-	-	16	16	-	-	(1)	16	-



5 Investments

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Investment in Equity shares of Saraswat Co-operative Bank Limited (Unquoted) (2 equity shares of face value of ₹ 10 each)	1	1	-	-
Investment carried at Fair value through Profit and Loss (FVTPL)				
Quoted				
Investment in Mutual Funds				
Axis Liquid Fund - Direct Growth	-	-	78	100
Total	1	1	78	100
Aggregate carrying value of quoted investments	-	-	-	100
Market value of quoted investments	-	-	-	100
Aggregate carrying value of unquoted investments	1	1	-	-

6 Other Financial Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Bank deposits with original maturity beyond 12 months	270	2	-	-
Deposits	1	-	-	-
Total	271	2	-	-

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

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-Trade	9	64
Total	9	64

8 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivable considered good - Unsecured	95	370
Credit impaired	752	771
Total	847	1,141
Less: Loss Allowance for credit impaired	(752)	(771)
Total	95	370

Note:

(i) For information about credit risk and market risk of trade receivables (Refer note 31).

(ii) For terms and conditions relating to related party receivables (Refer note 28).

8.1 Trade Receivables ageing schedule

As at March 31, 2026

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade receivables – considered good	91	-	-	5	96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	51	641	692
(iv) Disputed Trade Receivables– considered good	-	-	59	-	59
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Trade Receivables	91	-	110	646	847
Less : Allowances					(752)
Net Trade Receivables					95

As at March 31, 2025

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
(i) Undisputed Trade receivables – considered good	291	56	-	23	370
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	110	661	771
(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	291	56	110	684	1,141
Less : Allowances					(771)
Net Trade Receivables					370

8.2 Movement of Loss Allowance

(₹ in Lakhs)

Particulars	Total
Balance as at March 31, 2024	772
Less: Reversal of provision	(1)
Balance as at March 31, 2025	771
Less: Reversal of provision	(19)
Balance as at March 31, 2026	752



9 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
Current accounts	5	9
Cash in hand	-	-
Total	5	9

Aggregate value is less than ₹ 0.50 lakhs

9.1 Bank Balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposit with original maturity of more than 3 months, but within 12 months	809	500
Total	809	500

10 Other Assets

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Advance to vendors	-	-	18	-
Receivable from Government authorities	-	-	201	208
Total	-	-	219	208



11 Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	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:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	4,082,789	4,083	4,082,789	4,083
Add / (Less): Movements during the year	-	-	-	-
Shares outstanding at the end of the year	4,082,789	4,083	4,082,789	4,083

(B) Preference Shares:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	5,700,000	5,700	5,700,000	5,700
Add / (Less): Movements during the year	-	-	-	-
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

Notes to the financial statements (Continued)

For the year ended March 31, 2026

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.

The Company had 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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	Number of Shares	%	Number of Shares	%
Metro Brands Limited	5,700,000	100.00%	5,700,000	100.00%



12

Other Equity

Particulars	As at	
	March 31, 2026	March 31, 2025
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 (Balance at the beginning and end of the year)	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	(17,396)	(17,485)
Add: Transferred from Statement of Profit and Loss	391	89
Closing Balance	(17,005)	(17,396)
(ix) Other Comprehensive Income		
-Remeasurements of defined benefit plans (Balance at the beginning and end of the year)	(199)	(199)
Total	(9,839)	(10,230)

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 - Profit / (Loss) that the Company has earned / incurred during the year.
- (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

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
(Unsecured)				
ICD from Metro Brands Ltd.	-	-	-	-
18,00,000 Optionally Convertible Debentures (OCD) (Debt portion of financial instrument)	1,446	1,446	-	-
Total	1,446	1,446	-	-

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. 2,087 lakhs (March 31, 2025 - Rs. 2,087 lakhs) (Refer note 30)

- 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.



14 Provisions

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Provision for employee benefits:				
Gratuity (refer note 27) #	-	-	1	-
Compensated absences (refer note 27) #	1	1	0	0
Total	1	1	1	0

Aggregate value is less than ₹ 0.50 lakhs

15 Trade Payables

Particulars	(₹ in Lakhs)	
	As at	As at
	March 31, 2026	March 31, 2025
Due to Micro and small enterprises (Ref note 26)	13	108
Due to others	88	144
Total	101	252

15.1 Trade Payables ageing schedule

As at March 31, 2026							(₹ in Lakhs)
Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
MSME	8	4	1	-	-	13	
Others	-	25	3	-	28	56	
Disputed Dues - MSME	-	-	-	-	-	-	
Disputed Dues - Others	-	32	-	-	-	32	
Unbilled dues	-	-	-	-	-	-	
Total Trade Payables	8	61	4	-	28	101	

As at March 31, 2025							(₹ in Lakhs)
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
MSME	51	24	4	29	-	108	
Others	1	115	-	28	-	144	
Disputed Dues - MSME	-	-	-	-	-	-	
Disputed Dues - Others	-	-	-	-	-	-	
Unbilled dues	-	-	-	-	-	-	
Total Trade Payables	52	139	4	57	-	252	

16 Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at	As at
	March 31, 2026	March 31, 2025
Statutory Dues	0	4
Employee benefits payable	1	-
Total	1	4



Metro Athleisure Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2026**17 Revenue from Operations**

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Sale of Products (Refer note 34)	638	1,118
Other Recovery (Refer note 37)	160	-
Total	798	1,118

18 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Interest Income	76	1
Fair value adjustment at FVTPL on debt portion of financials instrument	-	3
Gain on sale of PPE	-	66
Recovery of doubtful debts	19	-
Liabilities no longer required, written back	51	-
Miscellaneous Income	17	106
Total	163	176

19 Change in Inventories of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Opening stock		
Stock-in-trade (including goods in transit)	64	743
Total	64	743
Closing stock		
Stock-in-trade (including goods in transit)	9	64
Total	9	64
(Increase)/ Decrease in stock-in-trade	55	679



Metro Athleisure Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2026**20 Employee benefits expense**

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Salaries and wages	14	22
Contributions to : Provident and other funds	1	2
Staff welfare expenses #	0	1
Total	15	25

Aggregate value is less than ₹ 0.50 lakhs

21 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Interest expense on others	2	35
Total	2	35

22 Other expenses

(₹ in Lakhs)

Particulars	For the year ended March 31 2026	For the year ended March 31, 2025
Electricity charges	-	2
Warehouse expenses	-	27
Rent	-	8
Insurance	-	1
Rates and taxes	3	4
Repairs and maintenance #	0	1
Advertisement and sales promotion	-	9
Travelling and conveyance	-	2
Commission and brokerage	-	59
Transportation and octroi charges	-	29
Legal and professional charges	3	49
Bank Charges not related to borrowings #	0	1
Payment to auditors	3	3
Miscellaneous expenses	5	5
Total	14	200

Aggregate value is less than ₹ 0.50 lakhs



Metro Athleisure Limited
Note 5 to the financial statements (Continued)
For the year ended March 31, 2026

23 Contingent Liabilities :

		(` in Lakhs)	
	Particulars	As at March 31, 2026	As at March 31, 2025
A	Contingent liabilities :		
(i)	Claims against the Company not acknowledged as debt (Being disputed under District and Sessions Court, Ludhiana)	54	54
(ii)	Fine imposed u/s 270 of the Income tax Act, 1961	30	30
(iii)	GST Claims against the Company not acknowledged as debt (Being disputed under Sales Tax Officer Class II, Delhi) (F.Y. 2019-20)	32	18
(iv)	GST Claims against the Company not acknowledged as debt (Being disputed under Commercial Tax Officer, Chandigarh) (F.Y. 2020-21)	19	19
(v)	GST Claims against the Company not acknowledged as debt (Being disputed under Sales Tax Officer Class II, Delhi) (F.Y. 2017-18)	12	-
B	Commitments		
(i)	Corporate guarantee	1	1
(ii)	Bank guarantee against fixed deposits	-	1

Note :

- As per traces (Income Tax portal) there is an outstanding demand of Rs. 2.43 lakhs (excluding interest) (March 31, 2025 – Rs. 8 lakh) 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".

24 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, 2026	For the year ended March 31, 2025
	Current tax	-	-
	Earlier year tax provision / (written back)	-	(1)
	Tax expense for the year	-	(1)

(ii) Tax expense recognised in other comprehensive income - Rs. Nil (March 31, 2025 - Rs. Nil)

B. Reconciliation of Effective Tax Rate:

		(` in Lakhs)	
	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Profit / (loss) before income taxes	391	88
	At India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	99	22
	Adjustments to reconcile expected income tax expense to reported income tax expense		
	Deferred tax asset not recognised on losses	(99)	(22)
	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, 2025	Recognised in Profit and loss for the year	Net Deferred tax asset / (liabilities)
	Deferred tax liabilities	-	-	-
	Deferred tax assets	-	-	-
	Deferred tax asset / (liabilities) as at March 31, 2026	-	-	-

		(` in Lakhs)		
	Particulars	Opening as on April 1, 2024	Recognised in Profit and loss for the year	Net Deferred tax asset / (liabilities)
	Deferred tax liabilities	-	-	-
	Property, plant and equipment & Intangible assets	-	-	-
	Deferred tax assets	-	-	-
	Disallowances under section 43B	-	-	-
	Disallowances under section 40(a)(ia)	-	-	-
	Carry forward Losses and Others	-	-	-
	Deferred tax asset / (liabilities) as at March 31, 2025	-	-	-

The Company has carry forward business loss and unabsorbed depreciation. There is no reasonable certainty that sufficient future taxable income would be generated and accordingly deferred tax asset has not been recognised.



26 Income Taxes (Continued)

D Unrecognised deferred tax asset:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Carry forward business losses	1,787	1,896
Unabsorbed Depreciation	89	595
Capital losses	258	258
Total	2,134	2,748

Note: In the current year, the carry forward losses and unabsorbed depreciation are based on income tax return filed for A.Y. 2025-26 and provisional tax losses computed for F.Y. 2025-26.

E Tax assets :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advance tax and TDS	7	2
Total	7	2

25 Earnings per Share (EPS) :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Basic EPS		
(i) Net Profit / (Loss) attributable to Equity Shareholders	391	89
(ii) Weighted average number of Equity Shares outstanding (Nos.)	4,082,789	4,082,789
Basic Earnings Per Share (Rs.) (i/ii)	9.59	2.17
(i) Weighted average number of Equity Shares outstanding (Nos.)	4,082,789	4,082,789
(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)	9,782,789	9,782,789
Diluted Earning Per Share (Rs.) {(i) / (iii)}	4.00	0.91

26 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, 2026	As at March 31, 2025
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal amount	13	70
(ii) Interest due thereon	-	38
(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 (adjusted from vendor balances);	2	10
(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;	-	-
(d) The amount of interest accrued and remaining unpaid as at 31st March	-	38
(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.	-	38

Principal amount due to Micro and Small Enterprises amounts to Rs. 13 lakhs (March 2025 - Rs. 70 lakhs) and interest overdue on the same amounts to Nil (March 2025 - Rs. 38 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.



27 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, 2026	For the year ended March 31, 2025
(i) Change in Defined Benefit Obligation		
Balance at the beginning of the year	1	2
Adjustment of:		
Current Service Cost #	0	0
Benefit paid directly by the employer	-	-
Liability transferred in on account of acquisitions	-	-
Past Service cost #	0	-
Interest Cost #	0	0
- Change in Financial Assumptions #	(0)	0
- Experience Changes #	0	0
Benefits Paid	-	(1)
Balance at the end of the year	2	1
(ii) Change in Fair value of assets		
Balance at the beginning of the year	1	133
Expected Return on Plan Assets excluding interest income #	(0)	(6)
Interest Income #	0	10
Contributions by the employer	-	(135)
Benefits payments from plan assets	-	-
Balance at the end of the year	1	1
(iii) Net Asset / (Liability) recognized in the Balance Sheet		
Present value of the funded defined benefit obligation at the end of the year	(2)	(1)
Fair Value of Plan Assets	1	1
Funded Status (Surplus/ (Deficit)) #	(1)	(0)
Net Asset / (Liability) in the Balance Sheet #	(1)	(0)
Gratuity amount recoverable from LIC	-	-
Excess funds contributed to LIC in earlier years	-	-
(iv) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost #	0	0
Net Interest Cost #	0	(9)
Past Service Cost #	0	0
Amount charged to the Statement of Profit and Loss #	0	(9)
(v) Re-measurements recognized in Other Comprehensive Income(OCI):		
Changes in Financial Assumptions	-	-
Experience Adjustments	-	-
Actual return on Plan assets less interest on plan assets	-	-
Amount recognized in Other Comprehensive Income(OCI)	-	-
(vi) Maturity Profile of Defined Benefit Obligation:		
Within the next 12 months #	0	0
Between 1 and 5 years #	1	0
Between 6 and 10 years #	1	0
11 Years and above	3	2
(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)	(0)
1% decrease in discount rate	0	0
1% increase in salary escalation rate	0	0
1% decrease in salary escalation rate	(0)	(0)
1% increase in employee turnover rate	0	0
1% decrease in employee turnover rate	(0)	(0)
The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds		
Actuarial Assumptions:		
Discount Rate (p.a.)	7.27%	6.73%
Expected Return on Plan Assets (p.a.)	7.27%	6.73%
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	11

Aggregate value is less than ₹ 0.50 lakhs



27 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, 2025 - Nil).

(II) Compensated Absences:

The liability towards compensated absences for the year ended March 31, 2025 is based on actuarial valuation carried out by using Projected Unit Credit Method amounting to Rs. 1 lakhs (March 31, 2024 - Rs. 1 lakhs).

a. Financial assumptions

Particulars	March 31, 2026	March 31, 2025
Discount Rate (p.a.)	7.27%	6.73%
Salary Escalation Rate (p.a.)	6.00%	6.00%

b. Demographic assumptions:

Particulars	March 31, 2026	March 31, 2025
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 20 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is:

Particulars	March 31, 2026	March 31, 2025
Provident, Family Pension and other Funds	1	2
Employees State Insurance Scheme #	0	0
Total	1	2

Aggregate value is less than ₹ 0.50 lakhs



28 Related Party Disclosures :

A List of parties exercising control:

Name of Related Parties	Nature of Relationship
Metro Brands Limited	Holding Company
Metmill Footwear Private Limited	Fellow Subsidiary Company

B List of Related Parties where control exists:

Name of Related Parties	Nature of Relationship
Key Management Personnel / Directors	
Ms. Farah Malik Bhanji	Director
Mr. Kaushal Parekh - CFO	Director and Chief Financial Officer
Mr. Nissan Joseph	Director
Mr. Mohammed Iqbal Hasanally Dossani	Whole-time Director
Ms Deepa Sood (w.e.f. January 15, 2025)	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, 2026	March 31, 2025
<u>Sales of products (net off sales return)</u>		
Metro Brands Limited	685	792
<u>ICD Repaid</u>		
Metro Brands Limited	-	862
<u>Interest on ICD Taken</u>		
Metro Brands Limited	-	25
<u>Received on account of demerger</u>		
Metro Brands Limited	-	269
<u>Remuneration</u>		
Ms. Krutika Mohan Rane (w.e.f. September 12, 2023) (cease to be w.e.f. December 24, 2024)	-	4

(D) Outstanding balances:

Name of Related Parties	(₹ in Lakhs)	
	March 31, 2026	March 31, 2025
<u>Borrowings</u>		
Metro Brands Limited	1,446	1,446
<u>Trade Receivables</u>		
Metro Brands Limited	91	364

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
Notes to the financial statements (Continued)
For the year ended March 31, 2026

29 Financial Instruments:

Classification of Financial Assets and Liabilities :

(₹ in Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at Amortized cost:		
Investments	1	1
Trade Receivables	95	370
Cash and Cash Equivalents	5	9
Bank Balances other than cash and cash equivalents	809	500
Other Non Current Financial Assets	271	2
Other Current Financial Assets	-	-
Financial assets at Fair Value through P&L:		
Investment (Current)	78	100
Total	1,259	982
Financial liabilities at Amortized cost:		
Trade Payables	100	252
Borrowings-Current	-	-
Financial liabilities at FVTPL:		
Borrowings - Non-current	1,446	1,446
Total	1,546	1,698

30 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, 2026	As at March 31, 2025
Financial Liabilities at Fair Value through profit or loss:		
Optionally Convertible Debentures (OCD) - Level 3	1,446	1,446
Total	1,446	1,446

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, 2026.

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



Metro Athleisure Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2026

31 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.

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, 2026	As at March 31, 2025
Trade Payables USD #	-	-

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, 2026	As at March 31, 2025
Trade Payables USD #	-	-

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

Aggregate value is less than ₹ 0.50 lakhs



31 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 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 8.2 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.

		(₹ in Lakhs)			
As at March 31, 2026	Carrying Value	Contractual values			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Non derivative financial liability:					
Trade Payables	101	101	-	-	101
Borrowings	1,446	-	1,446	-	1,446

		(₹ in Lakhs)			
As at March 31, 2025	Carrying Value	Contractual values			
		Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Non derivative financial liability:					
Trade Payables	252	252	-	-	252
Borrowings	1,446	-	1,446	-	1,446

32 Capital Management :

The Company's objectives when managing capital are to

- (a) maximise shareholder value and provide benefits to other stakeholders and
- (b) 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.

(₹ in Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Total Debt (Bank and other borrowings)	1,446	1,446
Total Equity	(56)	(447)
Liquid Investments including bank deposits	814	509
Debt to Equity (Net)	(11.18)	(2.09)

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

33 Leases

There are no lease agreement as on 31st March 2026 and 31st March 2025



34 Revenue from contract with customer

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

Particulars			For the year ended March 31, 2026		For the year ended March 31, 2025	
			914		1,754	
Revenue as per contracted price						
Adjustments						
Sales return (Incl provision for sales return)			3		5	
Discounts			113		631	
Revenue from contract with customers			798		1,118	

35 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.

36 Ratios

Ratio	Numerator	Denominator	Times/%	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance	Explanation for variation by more than 25%
(a) Current Ratio	Total current assets	Total Current Liabilities	Times	11.76	4.89	140.4%	Decrease in Trade payable as on year end compare to last year
(b) Debt-Equity Ratio	Total Borrowings including current and non-current lease liabilities	Total Equity	Times	(25.60)	(3.23)	692.6%	Changed in current year total equity due to profit during the current year
(c) Debt Service Coverage Ratio	Earnings available for debt servicing	Principal + interest repayment of loan	Times	0.27	0.10	171.7%	Increase in profit during current year
(d) Return on Equity Ratio	Profit for the year (PAT)	Total Equity	%	-6.92%	-0.20%	-	Increase in profit during current year
(e) Inventory turnover ratio	Cost of Good Sold	Average Inventory	Times	14.83	2.30	544.6%	Lower average inventory in current year
(f) Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	Times	3.43	2.85	20.5%	Lower average trade receivables in current year
(g) Trade payables turnover ratio	Purchase of stock in trade	Average Trade payables	Times	2.75	0.98	180.9%	Lower average trade payable in current year
(h) Net capital turnover ratio	Revenue from operations	Total current assets less total current liabilities	Times	0.72	1.12	-35.9%	Decrease in Revenue and increase in total assets during current year
(i) Net profit ratio	Profit for the year (PAT)	Net sales	%	40.74%	7.00%	482.0%	Increase in profit during current year
(j) Return on Capital employed	Earning before interest and tax, arrived by adding back Finance costs on Profit before tax (EBIT)	Capital employed	%	28.15%	9.00%	212.7%	Increase in profit during current year
(k) Return on investment	Income from invested funds including fair valuation	Average funds invested	%	8.61%	0.12%	NA	Increase in Investment Income in current year

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



- 37 During the year, the Company has entered into a settlement agreement with the Batra Group in respect of indemnification of Company Warranties specified in Securities Purchase Agreement ("SPA") dated 19th October 2022. Pursuant to settlement agreement, the Batra Group has made a full and final payment of Rs. 160 lakhs to the Company. The Company has filed an application for an Advance Ruling to determine the applicability of Goods and Services Tax (GST) on the aforesaid settlement transaction. Pending receipt of the ruling and considering the uncertainty involved, no GST liability has been recognised in the books of account by either party as at the reporting date. Any GST liability that may arise pursuant to the outcome of the Advance Ruling shall be borne by the Batra Group and accordingly no obligation is expected to arise for the Company.
- 38 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.
- 39 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 40 The Company has not entered into any transactions with struck off companies as per section 248 of the Companies Act, 2013.
- 41 There is no delay in creation or satisfaction of charge which has been registered with Registrar of Companies (ROC) during the year.
- 42 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.
- 43 The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 44 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).
- 45 (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.
- 46 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. As the company does not fulfil the eligibility criteria for applicability of Section 135 (1) in the preceding financial year, 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/W100149

Bhavin Kapadia
Partner
Membership No: 118991



Mumbai
Dated: May 11, 2026

For and on behalf of the Board of Directors
Metro Athleisure Limited
[CIN: U51909MH2016PLC288788]

Kaushal Parekh
Director and CFO
(DIN No. 09794399)

Deepa Sood
Company Secretary
(Membership No: 16019)

Mumbai
Dated: May 11, 2026

Nissan Joseph
Director
(DIN No. 06701972)

