

Metawear Limited  
Annual Report  
Financial Year – 2021-2022



*V. K. Nair*



**METAWEAR LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2022**

(₹ in Lakhs)

PARTICULARS	Note No.	As at Mar 31, 2022
<b>ASSETS</b>		
Non-Current Assets		
Intangible Assets	2	34.19
Deferred tax assets (net)	3	21.26
<b>Total Non-Current Assets</b>		<b>55.45</b>
Current Assets		
Inventories	4	102.65
Financial Assets		
Trade Receivables	5	68.92
Cash and Cash Equivalents	6	0.12
Bank Balances other than above	7	136.97
Others Financial Assets	8	0.20
Other Current Assets	9	25.68
<b>Total Current Assets</b>		<b>334.54</b>
<b>Total Assets</b>		<b>389.99</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity Share Capital	10	100.00
Other Equity	11	136.81
<b>Total Equity</b>		<b>236.81</b>
Liabilities		
Current Liabilities		
Financial Liabilities		
Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises		-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	12	124.18
Other Financial Liabilities	13	19.60
Other Current Liabilities	14	9.40
<b>Total Current Liabilities</b>		<b>153.18</b>
Significant accounting policies	1	
<b>Total Equity and Liabilities</b>		<b>389.99</b>

Notes along with significant accounting policies form an integral part of the financial statements

As per our Report of even date.

For R Devendra Kumar & Associates

Chartered Accountants

ICAI FRN No. 114207W

Piyush Pitroda

Partner

Membership No. 188843

Date : May 26, 2022

Mumbai

For and on behalf of the Board

Abhas Kumar

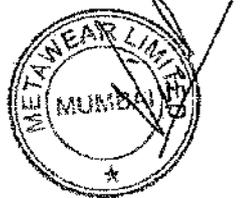
Director

DIN No. 08124118

Payan Sarda

Director

DIN No. 09528229



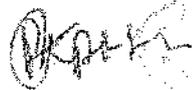
METAWEAR LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	Period Ended March 31, 2022
<b>REVENUE</b>		
Revenue From Operations	15	87.10
<b>Total Revenue</b>		<b>87.10</b>
<b>EXPENSES</b>		
Cost of Materials Consumed	16	38.29
Employee Benefits Expense	17	22.88
Finance Costs	18	0.18
Depreciation and Amortization Expenses	2	0.53
Other Expenses	19	109.69
<b>Total Expenses</b>		<b>171.57</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>		<b>(84.47)</b>
<b>Exceptional Items</b>		<b>-</b>
<b>Profit / (Loss) Before Exceptional Items and Tax</b>		<b>(84.47)</b>
<b>Tax Expense</b>		
(1) Current Tax		-
(2) Deferred Tax (Net)		(21.26)
<b>Profit / (Loss) For The Year</b>		<b>(63.21)</b>
<b>Other Comprehensive Income</b>		
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>		
a) Remeasurement of defined employee benefit plans		-
a) Income tax relating to items that will not be reclassified to profit or loss		-
<b>Other Comprehensive Income For The Year</b>		<b>-</b>
<b>Total Comprehensive Income For The Year</b>		<b>(63.21)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 10/- each</b>		
Basic	23	(6.32)
Diluted	23	(6.32)

Notes along with significant accounting policies form an integral part of the financial statements  
As per our Report of even date.

For R Devendra Kumar & Associates  
Chartered Accountants  
ICAI FRN No. 114207W

  
Piyush Pitroda  
Partner  
Membership No. 188843

Date : May 26, 2022  
Mumbai



For and on behalf of the Board

  
Abhas Kumar  
Director  
DIN No. 08124118

  
Pawan Sarda  
Director  
DIN No. 09528229



**METAWEAR LIMITED**  
**CASH FLOW STATEMENT AS AT MARCH 31, 2022**

(₹ in Lakhs)

PARTICULARS	As at March-22
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit / (Loss) before tax and extra-ordinary items	(84.47)
Adjustments for:	
Depreciation	0.53
Interest paid	0.18
	0.71
Operating profit before working capital changes	(83.76)
Adjustments for:	
Trade and other receivables	(68.92)
Net (Increase) / Decrease Other Current Assets	(25.88)
Inventories	(102.65)
Trade payables	153.19
	(44.27)
Cash generated from operations	(128.03)
Interest paid	-
Direct Taxes paid	-
<b>Net cash flow from operations</b>	<b>(128.03)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Net increase in fixed assets	(34.72)
<b>Net cash flow from investing activities</b>	<b>(162.75)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of share	300.02
Interest paid	(0.18)
<b>Net cash flow from Financing activities</b>	<b>299.84</b>
<b>Net cash Increase/(Decrease) in cash and cash equivalents</b>	<b>137.09</b>
Cash and cash equivalents as at 1st April 2021	-
Cash and cash equivalents as at 31st March 2022	137.09

As per our Report of even date.

For R Devendra Kumar & Associates  
Chartered Accountants  
ICAI FRN No. 114207W

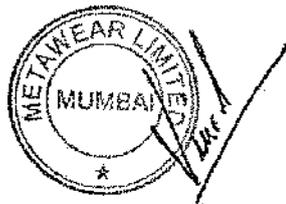
Piyush Pitroda  
Partner  
Membership No. 188843

Date : May 26, 2022  
Mumbai

For and on behalf of the Board

Abhas Kumar  
Director  
DIN No. 08124118

Payan Sarda  
Director  
DIN No. 09528229



**METAWEAR LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

**A. EQUITY SHARE CAPITAL**

Particulars	(` in Lakhs)	
	2021-22	
As at the beginning of the year		
Add: Changes in equity share capital during the year	100.00	
As at end of the year	100.00	

**B. OTHER EQUITY**

Particulars	Other Equity		Total Other Equity
	Reserves and surplus		
	Securities premium reserve	Retained Earnings	
As at April 1, 2021			
Add: During the year	200.02	-	200.02
Profit for the year	-	(63.21)	(63.21)
As at March 31, 2022	200.02	(63.21)	136.81

As per our Report of even date.

For R Devendra Kumar & Associates  
 Chartered Accountants  
 ICAI FRN No. 114207W

Piyush Pitroda  
 Partner  
 Membership No. 188843

Date: May 26, 2022  
 Mumbai

For and on behalf of the Board

Abhas Kumar  
 Director  
 DIN No. 08124118

Pawan Sarda  
 Director  
 DIN No. 09528229



## Notes to Financial Statements for the year ended March 31, 2022

### 1. Corporate Information

Metawear Limited ("the Company") is a public limited company, incorporated and domiciled in India which is mainly engaged in the business of to do in India and elsewhere in the world the trade or the business of branding, marketing, incubators, consultants, advisors traders, dealers, merchants, shippers retailers, shopkeepers, and dealing in all type and kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, non wearable of all kinds and any other products, goods and services not specifically listed above through one stop solution for sale, purchase trade and through any means and formats, including but not limited to, hyper markets, super markets, mega stores, discount stores, factory outlets, warehouses, cash & carry, departmental stores, exclusive brand outlets, multi brand outlets, shop in shop, shoppers plaza, direct to home, phone order and mail order, catalogue, through online portals, market places, websites as well as through e-commerce, m-commerce, internet and other forms and multi level channels or taken on lease, rent or through franchisees as may be deemed feasible by the Company and to provide any type of services related to branding, incubator, consultancy, advising or marketing in respect of any of the products to any other entity or organization.

The registered office of the Company is located at A-403, "The Qube" M.V. Road, Marol, Andheri (East), Mumbai - 400 059.

The company is incorporate on 25<sup>th</sup> November,2021 being first year of financial comparative figure for previous financial year is not available further financial statement are from the date of incorporation till 31<sup>st</sup> March,2022 ("Period")

The financial statements for the year ended 31<sup>st</sup> March, 2022 were approved by the Board of Directors and authorised for issue on 26<sup>th</sup> May, 2022.

### 1.1 Significant Accounting Policies

#### i. **Basis of Preparation of Financial Statements**

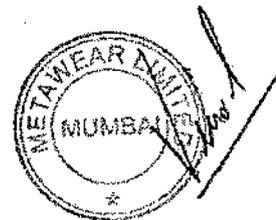
The financial statements are prepared on historical cost except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### ii. **Statement of Compliance with Indian Accounting Standards (Ind AS)**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

#### iii. **Current and Non-current Classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in Schedule III to the Act and IND-AS 1- Presentation of Financial Statements.



## Notes to Financial Statements for the year ended March 31, 2022

### iv. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

### 1.2 Summary of significant accounting policies

#### I. Foreign currency translation

The company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

#### II. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if future economic benefit will flow to the entity and cost can be reliably measured.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

#### Depreciation method, estimated useful lives and residual values

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



## Notes to Financial Statements for the year ended March 31, 2022

### III. Intangible assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### Amortisation method and estimated useful life

Intangible assets comprising of Web site development and brand acquisition which amortized on a straight-line basis over the useful life of five years which is estimated by the management.

#### Intangible assets under development

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

### IV. Capital Work In Progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

### V. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### VI. Inventories

- Trading Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained based on weighted average. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



## Notes to Financial Statements for the year ended March 31, 2022

### VII. Revenue recognition

The Company derives revenue primarily from sale of traded goods and related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts. Goods and service Tax (GST) is collected by the seller on behalf of the government, accordingly it is excluded from the revenue.

#### (i) Sale of goods

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### (ii) Sale of Services

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

#### (iii) Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

### VIII. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or

financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

#### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.



## Notes to Financial Statements for the year ended March 31, 2022

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### Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order 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) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- The financial 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.

#### b) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

#### c) Financial Liabilities at FVTPL

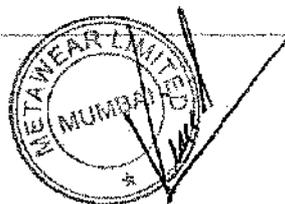
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### d) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points

paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



## Notes to Financial Statements for the year ended March 31, 2022

### e) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### f) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### g) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### Equity investment in subsidiaries, joint ventures and associates

The Company does not have investment in subsidiaries, joint ventures and associates.

### h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## Notes to Financial Statements for the year ended March 31, 2022

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i) Financial liabilities and equity instruments

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

j) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received.

k) **Fair Value Measurement**

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data.

**IX. Employee benefits**

The company has not consider impact of post employment benefits plan

**X. Income Tax (includes current tax as well as deferred tax)**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted or substantially enacted as on the reporting date. The Company

periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred tax is provided in full, using the Balance Sheet Approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements.



## Notes to Financial Statements for the year ended March 31, 2022

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

XI.

### Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

XII.

### Segment Reporting

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 chief operating decision maker (CODM) to make decisions for which discrete financial information is available Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

XIII.

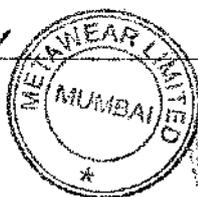
### Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year



## Notes to Financial Statements for the year ended March 31, 2022

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### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### XIV. Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

### XV. Cash Flow Statement

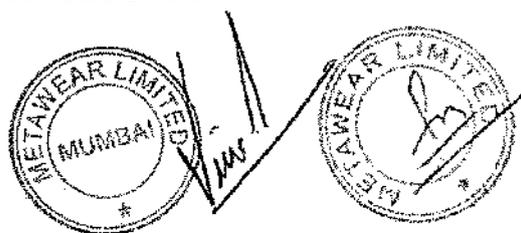
Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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 future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non-current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.



## Notes to Financial Statements for the year ended March 31, 2022

a) **Impairment of financial assets**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss

model, which is the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

b) **Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating unit ('CGU') being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

c) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation/ amortisation expense in future periods.

d) **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (x) above.

e) **Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.



## Notes to Financial Statements for the year ended March 31, 2022

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f) Claims, Provisions & Contingent Liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

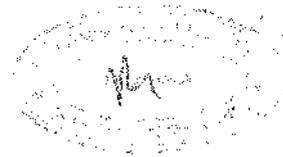
g) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

XVI.

Standard issued but not yet effective

There are no standards that are issued but not yet effective on March 31, 2022



2. INTANGIBLE ASSETS

(` in Lakhs)

Particulars	As at March 31, 2022	
	Brand	Website
Gross Carrying amount		
As at April 1, 2021	-	-
Additions*	19.00	15.72
Disposals	-	-
Balance as at March 31, 2022	19.00	15.72
Accumulated Amortisation		
As at April 1, 2021	-	-
Amortisation charge for the year	0.24	0.29
Disposals	-	-
Balance as at March 31, 2022	0.24	0.29
<b>Net carrying amount</b>		
As at March 31, 2022	18.76	15.43

\* Includes reimbursement of expenses towards website development of Rs. 11.58 Lakhs to Think 9 Consumer Technologies Pvt Ltd and Rs. 10.00 lakhs to Surplus Finvest Pvt Ltd towards Brand.  
Intangible assets including capital advance/ intangible assets under development, which is accounted based on value determined by the management.

3. DEFERRED TAX ASSETS (NET)

(` in Lakhs)

Particulars	As at March 31, 2022
Unabsorbed tax losses*	21.26
<b>TOTAL</b>	<b>21.26</b>

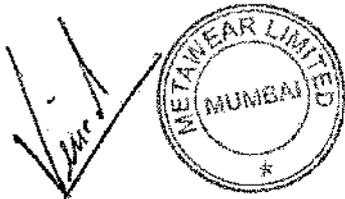
\*Deferred tax assets are recognised for all deductible temporary differences only with the assumption that it is probable that taxable profit will be available in future against which the deductible temporary difference can be utilized.

4. INVENTORIES

(` in Lakhs)

PARTICULARS	As at March 31, 2022
Trading / Finished goods	102.65
<b>TOTAL</b>	<b>102.65</b>

Finished Stocks are valued at weighted average value. Cost for this purpose includes direct cost and attributable overheads.









5 TRADE RECEIVABLES

(` in Lakhs)

PARTICULARS	As at March 31,2022
Unsecured, considered good Credit Impaired	68.92
<b>TOTAL</b>	<b>68.92</b>
Less: allowance for bad and doubtful debts receivables	-
<b>TOTAL</b>	<b>68.92</b>

Trade Receivable Ageing

(` in Lakhs)

Particulars	Less than 6 Months
Undisputed Trade receivables – considered good	68.92
Undisputed Trade Receivables – which have significant increase in credit risk	-
Undisputed Trade Receivables – credit impaired	-
Disputed Trade receivables – considered good	-
Disputed Trade Receivables – which have significant increase in credit risk	-
Disputed Trade Receivables – credit impaired	-
<b>Total</b>	<b>68.92</b>

6 CASH AND CASH EQUIVALENTS

(` in Lakhs)

PARTICULARS	As at March 31,2022
Cash on Hand	0.12
<b>TOTAL</b>	<b>0.12</b>

7 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(` in Lakhs)

PARTICULARS	As at March 31,2022
On Current Accounts	136.97
<b>TOTAL</b>	<b>136.97</b>

8 OTHER FINANCIAL ASSETS

(` in Lakhs)

PARTICULARS	As at March 31,2022
Security Deposits and Other Advances	0.20
<b>TOTAL</b>	<b>0.20</b>

9 OTHER CURRENT ASSETS

(` in Lakhs)

PARTICULARS	As at March 31,2022
Prepaid Expenses	0.03
Balances with Government Authorities	25.66
<b>TOTAL</b>	<b>25.68</b>



10 EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2022	
	Number of Shares	(` in Lakhs)
<b>Authorised</b>		
10,00,000 (Previous Year : Nil) Equity Shares of ` 10/- each	10,00,000	100.00
<b>TOTAL</b>	<b>10,00,000</b>	<b>100.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
10,00,000 (Previous Year : Nil) Equity Shares of ` 10/- each	10,00,000	100.00
<b>TOTAL</b>	<b>10,00,000</b>	<b>100.00</b>

(i) Reconciliation of Number of Equity Shares

Particulars	(` in Lakhs)	
	Number of Shares	Amount
As at the beginning of the year		
Add: Changes in equity share capital during the year	10,00,000	100
As at end of the year	10,00,000	100

(ii) Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholder	As at March 31, 2022	
	No. of Shares held	% of Holding
Equity Shares		
Kamadgiri Fashion Limited	5,09,994	51.00%
Think 9 Consumer Technologies Pvt Limited	4,90,000	49.00%

"Metawear Limited" (ML) was incorporated as a new subsidiary Company of Kamadgiri Fashion Limited as on 26th November, 2021.

At the time of incorporation, ML authorized capital was 100,00,000 (10,00,000 fully paid up Equity share on face value 10/-) and subscribed capital 10,00,000 (10,00,000 fully paid up Equity share on face value 10/-).

On 22nd February, 2022 Metawear Limited went for right issue to the existing shareholder (Kamadgiri Fashion Limited) 4,10,000 Equity Share at face value 10/- per share. Valuation for the same was done by a registered valuer for Rs. 7.00/- per share.

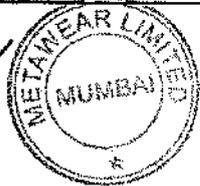
Company has issued 4,90,000 Equity share on preferential basis at premium of Rs. 40.82/- and having face value of Rs. 10/- to "M/s THINK9 Consumer Technologies Private Limited" on 5th March, 2022. The basis of premium has been considered as per valuation report taken from Nishant Soni and Associates (Registered Valuer) and First Overseas Capital Limited (Merchant Banker).

Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL.

(iv) Promoters Shareholings

Shares held by promoters at the end of the year			% Change during the year 2022
Promoter Name	No. of Shares	% of total shares	
Kamadgiri Fashion Limited	5,09,994	51%	





11 OTHER EQUITY

(` in Lakhs)

Particulars	Other Equity		Total Other Equity
	Securities Premium	Retained	
As at April 1, 2021	-	-	-
Add: During the year	200.02	-	200.02
Profit for the year	-	(63.21)	(63.21)
As at March 31, 2022	200.02	(63.21)	136.81

12 TRADE PAYABLES

(` in Lakhs)

Particulars	As at March 31, 2022
(a) total outstanding dues of micro enterprises and small enterprises	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	124.18
<b>TOTAL</b>	<b>124.18</b>

Trade Payable Ageing

(` in Lakhs)

Particulars	Less than 1 year
(i) MSME	-
(ii) Others	124.18

13 OTHER FINANCIAL LIABILITIES

(` in Lakhs)

Particulars	As at March 31, 2022
Employee Dues	16.19
Others Liabilities	3.41
<b>TOTAL</b>	<b>19.60</b>

14 OTHER CURRENT LIABILITIES

(` in Lakhs)

Particulars	As at March 31, 2022
Others	-
Statutory Dues	9.40
<b>TOTAL</b>	<b>9.40</b>



15 REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	Period Ended March 31, 2022
Sale of Products	87.10
<b>TOTAL</b>	<b>87.10</b>

16 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

PARTICULARS	Period Ended March 31, 2022
Inventory at the beginning of the year	-
Add: Purchases	140.94
	<b>140.94</b>
Less: Inventory at the end of the year	102.65
<b>COST OF MATERIAL CONSUMED</b>	<b>38.29</b>

17 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

PARTICULARS	Period Ended March 31, 2022
Salaries, Wages and Bonus	22.65
Contribution to Provident and Other Funds	0.23
<b>TOTAL</b>	<b>22.88</b>

18 FINANCE COSTS

(₹ in Lakhs)

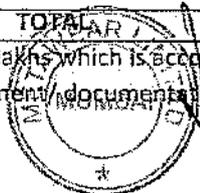
PARTICULARS	Period Ended March 31, 2022
Interest	0.18
<b>TOTAL</b>	<b>0.18</b>

19 OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	Period Ended March 31, 2022
Repairs and Maintenances-Others	1.68
Travelling and conveyance	0.49
Brokerage and commission	2.31
Advertisement and marketing expenses*	91.90
Freight outward charges	4.49
Legal and professional fees	7.58
Insurance	0.04
Payment to the auditor (Refer note 22)	0.50
Miscellaneous expenses	0.70
<b>TOTAL</b>	<b>109.69</b>

\*Company has incurred Rs.91.90 lakhs which is account based on invoice available for services provided for which certain agreement/documentation procedure are in progress.



20 Disclosure in respect of Related Party Disclosures as per Ind AS 24

As Per Indian Accounting Standard (Ind AS 24), the disclosures of the transactions with the related parties as defined in the Accounting Standard are given below

(i) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:

List of Related Parties		Relationship
1	Think 9 Consumer Technologies Pvt Ltd**	Enterprises having significant influence in the Company
2	Kamadgiri Fashion Limited**	
3	Think 9 Digital Consumer Brands Pvt Ltd	Other Related Parties(Enterprises-KMP having significant influence)/Owned by Major Shareholders
4	Mr. Abhas Kumar	Key Management Personnel (KMP)
5	Mr. Vishal Kapoor**	
6	Mr. Anil Poruchala Cheria	
7	Mr. Pawan Sarda	

\* Ceased to be a related party with effect from 07/03/2022.

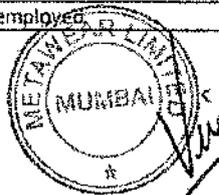
\*\* Share holding of Kamadgiri Fashion Limited is 51% however vide share holding agreement dated 28th February, 2022 and addendum dated 31st March, 2022 read with expert opinion obtained by the management on consolidation of accounts dated 26th May, 2022 Think 9 Consumer Technologies Pvt. Ltd. having control over company and consider as subsidiary and Kamadgiri Fashion Limited as associate for the purpose of consolidation of accounts.

(e) Related Party Transactions:

Particulars	Transaction during the year	Outstanding Balance 31st March 2022	
	2021-22	Receivable	Payable
a) Sales: Kamadgiri Fashion Limited	0.72	0.05	-
b) Purchase: Kamadgiri Fashion Limited	149.86	-	40.38
c) Loan: Kamadgiri Fashion Limited	20.00	-	-
d) Expenses: Think 9 Consumer Technologies Pvt Ltd	13.65	-	13.65
Think 9 Digital Consumer Brands Pvt Ltd	3.51	-	3.51
Kamadgiri Fashion Limited	16.17	10.10	-
e) Managerial Remuneration: Mr. Abhas Kumar	2.68	-	2.68
Mr. Vishal Kapoor	-	-	-

21 Ratio Analysis

Sr No.	Ratio	Formula	Ratio
1	Current Ratio	Current Assets / Current Liabilities	2.18
2	Return on Equity Ratio	Net Income / Shareholder's Equity	(0.63)
3	Inventory turnover ratio	Cost of goods sold / Average inventory	0.37
4	Trade Receivables turnover ratio	Net Annual Credit Sales / Average Accounts Receivables	1.26
5	Trade payables turnover ratio	Net Annual Credit Purchases / Average Accounts Payable	1.13
6	Net capital turnover ratio	Net Annual Sales / Shareholder's Equity	0.87
7	Net profit ratio	Net Profit / Revenue	(0.73)
8	Return on Capital employed	EBIT / Capital Employed	(0.47)



22. PAYMENT TO THE AUDITORS

( in Lakhs)	
PARTICULARS	Year Ended March 31, 2022
Audit Fees	0.50
<b>TOTAL</b>	<b>0.50</b>

23. EARNINGS PER SHARE

PARTICULARS	Period Ended March 31, 2022
(i) Profit/(Loss) after taxes as per statement of profit and loss attributed to equity shareholders ( in Lakhs)	(63.21)
(ii) Weighted Average Number of equity shares used as denominator for calculation of EPS	10,00,000
Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	10,00,000
(iii) Basic Earning per share ( in Rs)	(6.32)
(iv) Diluted Earning per share (In Rs)	(6.32)
(v) Face value per equity share (in Rs)	10.00

24. INCOME TAX EXPENSES

(a) Deferred Tax Movements

Major Components of Deferred tax Movements arising on account of timing difference are as follows

( in Lakhs)	
Particulars	Unabsorbed tax losses
As at March 31, 2021	-
(Charged)/credited to:	
Profit or loss	(21.26)
Other comprehensive income	-
As at March 31, 2022	(21.26)

25. Contingent Liabilities and Litigations

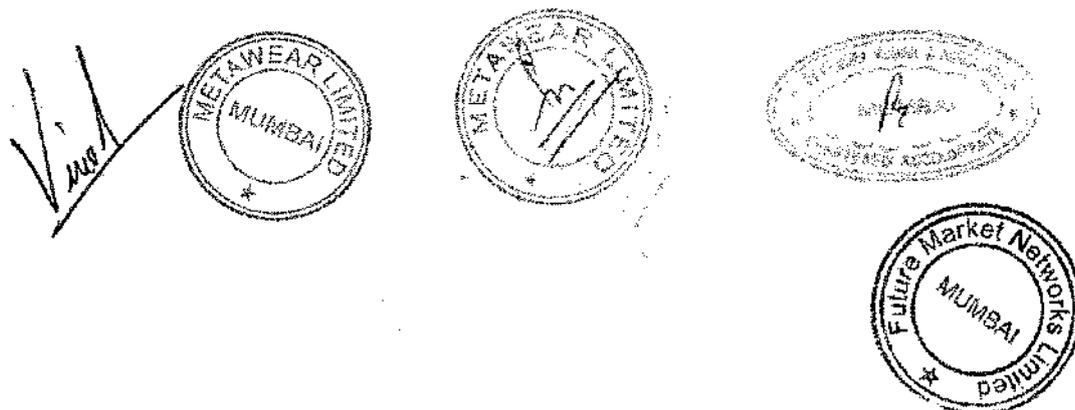
Company is not having any contingent liability during the period cover under financial statement.

(i) Capital Commitments

During the year company has not made any capital commitment.

26. Segment Informations

Disclosure under Indian Accounting Standard 108 - 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz., Trading of cloths. The Company conducts its business only in one Geographical Segment, viz., India.



METAWEAR LIMITED

27 Micro, small and medium enterprises

The Company has no outstanding dues to party related to Micro, Small and Medium enterprises as at 31 March 2022: Nil on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

Trade payables and other payables include amount payable to Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from 02 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particular	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	-
Interest due thereon	-
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-
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.	-

The Company has compiled the relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

28 Financial Instruments

i) The Company's principal financial assets include trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations. The Company's principal financial liabilities, comprise trade and other payables.

a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and other financial instruments.

1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow

2) Foreign currency risk:

The Company does not have any foreign currency risk. Hence no sensitivity analysis is required

3) Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets

Provision for expected credit

Company provides for expected credit loss based on



The Company classifies its financial assets in three stages having the following characteristics :

Stage 1 :- Unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised ;

Stage 2 :- a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised ; and

Stage 3 :-Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 12 months past due ( DPD ) on the reporting date and are accordingly transferred from stage 1 to stage 2

.For Stage 1 an ECL allowance is calculated on a 12 months point in time probability weighted probability of default . For stage 2 and 3 assets a life time ECL is calculated on a lifetime probability of default .

#### b) Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

As at 31 March 2022	Carrying Amount / Fair value	31 March 2022			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities :					
Trade payables	124.18	124.18	-	-	-
Other payables	9.40	9.40	-	-	-
	133.58	133.58	-	-	-

( Rs. Lakhs)

#### iii) Categories of financial instruments and fair value thereof

	As at 31 March 2022		
	FVTOCI	FVTPL	Amortised Cost
<b>A) Financial assets</b>			
Cash and cash equivalents			0.12
Bank Balance other than (a) above			136.97
Trade receivables			68.92
Other financial assets			0.20
<b>Total financial assets</b>	-	-	206.21
	As at 31 March 2022		
	FVTOCI	FVTPL	Amortised Cost
<b>B) Financial liabilities</b>			
Trade payables	-	-	124.18
Borrowings	-	-	-
Other financial liabilities	-	-	19.60
<b>Total financial liabilities</b>	-	-	143.79

#### iv) Fair value hierarchy

All financial assets are records at cost according disclosure for financial assets measure at FVTOCI and FVTPL is not require.

#### 29) Gratuity and other post employment benefit plans

The company has not considered impact if any of post employment benefits plan. As in the opinion of the management the same is not considered to be material



30 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

	As at 31 March 2021	Cash Inflows	Cash outflows	Non Cash Changes		As at 31 March 2022
				Interest Accrued	Other Charges	
Proceeds from issue of share/interest	-	300.02	0.18	-	-	299.84

31 (a) Dividend Recommendation:

The Board of Directors at its meeting held on May 26, 2022 has not recommended a dividend.

(b) Since this is the first year of operation there is no unclaim dividend of previous year require to transfer to Investor's Education and Protection Fund as on 31 March 2022.

(c) There are no transactions during the year with struck off companies as at 31 March 2022.

(d) The company has not traded or invested in crypto currency or Virtual currency during the year.

(e) No proceedings are initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(f) During the year the company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or behalf of the ultimate beneficiaries. The company has not given any loans except loans to employees and made inventories in the marketable equity shares. The company has not given guarantee or provided security.

(g) The Company has not received any fund from any person(s) or entity(ies) including foreign entities (funding party) with the understanding (either recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or behalf of the (ultimate beneficiaries) or (iii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(h) Physical verification of inventory could not conducted on 31st March, 2022 due to unavoidable circumstance. However in the opinion of management this will not have material impact on the financial statement of the company. As alternative process is adopted management to obtain values of inventory.

(i) The Balances of Debtors and creditors are subject to confirmation and necessary adjustments if any required. The Balances confirmation of debtors and creditors sought for direct confirmation from parties are yet to be received

32 The year ended 31, March 2022 was unprecedented due to the spread of Coronavirus pandemic across the globe. The Company has been in operation with minimal permitted staff. The Company has not faced any material adversity of its financial position as at 31 March 2022 and considering other relevant facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact of the global health pandemic may differ from that estimated as at the date of approval of the financial results and the Company will continue to closely monitor any material changes to future economic conditions.

As per our Report of even date.  
For R Devendra Kumar & Associates  
Chartered Accountants  
ICAI FRN No. 114207W

Piyush Pitroda  
Partner  
Membership No. 188843

Date: May 26, 2022  
Mumbai



For and on behalf of the Board

Abhas Kumar  
Director  
DIN No. 08124118

Pawan Sarda  
Director  
DIN No. 09528229



METAWEAR LIMITED

ANNUAL REPORT

F.Y. 2022-2023



KINGDOM OF

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# A V RATHOD & ASSOCIATES

Chartered Accountants



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Metawear Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Metawear Limited ("the company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

### Opinion

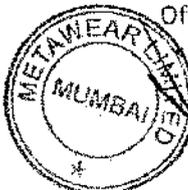
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.



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# A V RATHOD & ASSOCIATES

Chartered Accountants



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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.



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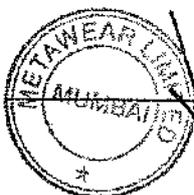


## Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

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 these financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.



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# A V RATHOD & ASSOCIATES

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

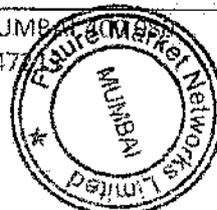
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, to the extent applicable
2. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

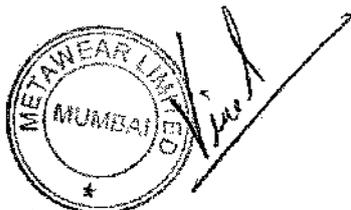


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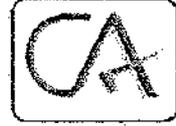


- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company does not have any pending litigation which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 or entity, 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, 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 audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.



# A V RATHOD & ASSOCIATES

Chartered Accountants



3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For A V Rathod & Associates  
(Chartered Accountants)  
ICAI Firm Registration No. 150962W

*Ankit*

Ankit Vijay Rathod  
(Proprietor)

Membership No: 188947

Date: June 24, 2023

Place: Mumbai

UDIN: 23188947BGXPOJ2790



For A V RATHOD & ASSOCIATES  
Chartered Accountants

*Ankit*

Proprietor  
ANKIT VIJAY RATHOD  
Membership No. 188947



24 JUN 2023



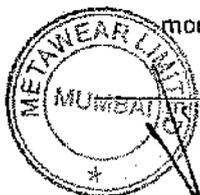
# A V RATHOD & ASSOCIATES

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## ANNEXURE "1" TO THE AUDITORS' REPORT

- (i) In respect of Property, Plant and Equipment's:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) The Company has maintained proper records showing full particulars of Intangible Assets. Property, Plant and Equipment's have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any Immovable Property during the year under review.
  - (d) The Company has not revalued its Property, Plant and Equipment.
  - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.
  - (b) During any point of time of the year, the company has not utilized any working capital limits from banks or financial institutions on the basis of security of current assets.
- (iii) The Company during the current financial year has not made any investments in, nor provided any guarantee or security or granted any loans, secured or unsecured to companies, firms or other parties and consequently the sub-clauses (a) to (f) are not applicable.
- (iv) The Company has not granted any loans, or made investments or provided any guarantees / securities and hence this clause is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 or any amounts deemed to be deposits.
- (vi) As per the explanation given to us, the Company is not required to maintain any cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities and there are no amount outstanding as at March 31, 2023, for a period of more than six months from the date they became payable.



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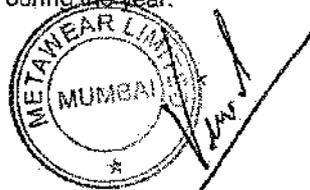


# A V RATHOD & ASSOCIATES

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- (b) There are no statutory dues referred to in sub-clause (a) not having been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or payment of interest due to its lender being bank during the year;
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority;
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company;
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (b) The Company has made private placement of shares during the year. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



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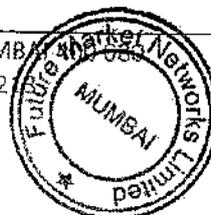
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- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in financial statements.
- (xiv) The Company is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Holding Company has issued Employee stock option plan (ESOP) to one of its directors. The Company has complied with section 192 of Companies Act, 2013.
- (xvi) (a) The provisions of section 45-1A of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.
- (d) There is no Core Investment Company as a part of the Group.
- (xvii) Company has incurred a cash loss of Rs.42,698.55 thousand in current year and Rs. 8,393.62 thousand in immediately Preceding financial year.
- (xviii) During the year there has been resignation of statutory auditor, however there were no objections, issues or concerns have been raised by the outgoing auditors.
- (xix) On the basis of the financial ratios to the financial statements, 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.



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# A V RATHOD & ASSOCIATES

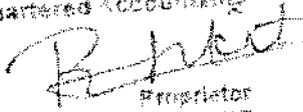
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- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in notes to the financial statements
- (b) There are no unspent amounts in respect of ongoing project, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in notes to the financial statements
- (xxi) There are no any qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports, hence this clause is not applicable to the company.

For AV Rathod & Associates  
(Chartered Accountants)  
ICAI Firm Registration No. 150962W

  
Ankit Vijay Rathod  
(Proprietor)  
Membership No: 188947  
Date: June 24, 2023  
Place: Mumbai  
UDIN: 23188947BGXPOJ2790

For A V RATHOD & ASSOCIATES  
Chartered Accountants  
  
Proprietor  
ANKIT VIJAY RATHOD  
Membership no. 188947

24 JUN 2023







# A V RATHOD & ASSOCIATES



## ANNEXURE "2" TO THE AUDITOR'S REPORT

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

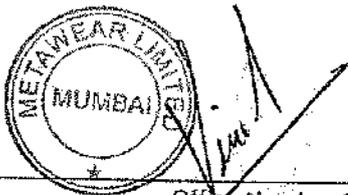
We have audited the internal financial controls over financial reporting of Metawear Limited (the Company) as of 31<sup>st</sup> March 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and 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 were established and maintained and if such controls operated effectively in all material respects.



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# A V RATHOD & ASSOCIATES



Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Profit and Loss of the company are being made only in accordance with authorizations of the 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.

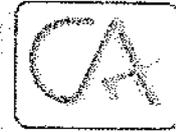
## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of 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.

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# A V RATHOD & ASSOCIATES



## Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

For AV Rathod & Associates  
(Chartered Accountants)  
ICAI Firm Registration No. 150962W

*B. Rathod*



Ankit Vijay Rathod  
(Proprietor)  
Membership No: 188947

Date: June 24, 2023 24 JUN 2023

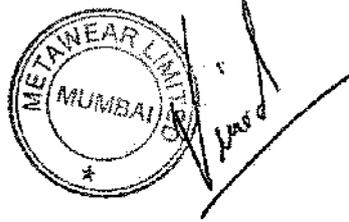
Place: Mumbai

UDIN: 23188947BGXPOJ2790

For A V RATHOD & ASSOCIATES  
Chartered Accountants

*B. Rathod*

Proprietor  
ANKIT VIJAY RATHOD  
Membership No. 188947



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## Notes to Financial Statements for the year ended March 31, 2023

### 1. Company Overview

Metawear Limited (Metawear) is a closely held limited company which was incorporated in Nov 2021. Metawear Limited ("the Company") mainly engaged in the business of to do in India and elsewhere in the world the trade or the business of branding, marketing, and dealing in all type and kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, general merchandise, food & provisions, fabrics (including but not limited to cotton, knitted, dyed, wool, jute, hemp, silk, nylon and allied materials and articles), textile of all kinds, non-wearable of all kinds and any other products, goods and services.

The registered office of the Company is located at Floor 3, A Block, Shivsagar Estate, Dr. Annie Besant Road, Nr. Nehru Center Transit Camp, Worli, Mumbai - 400018. The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 24, 2022.

### 2. Statement of Compliance, Basis of Preparation, Presentation of Financial Statements and Significant Accounting policies

#### (a) Statement of Compliance

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles generally accepted in India. These financials statements have been approved for issuance by the Board of Directors of the Company at their meeting held on June 26, 2023.

#### (b) Basis of preparation

These Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair values at the end of each reporting period as explained in the significant accounting policies below. The financial statements have been prepared on a going concern basis.

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



**(c) Functional and Presentation currency**

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All financial information presented in INR has been rounded off to the nearest thousand Rupees (INR 1 thousand = INR 1,000/-) unless otherwise stated.

**(d) Presentation and disclosure of financial statements**

The Company prepares its Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity in the format prescribed in the Division II of Schedule III of the Act applicable for preparation and presentation of the financial statements. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements'. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

**(e) Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below.

**i. Property, Plant and Equipment (PPE)**

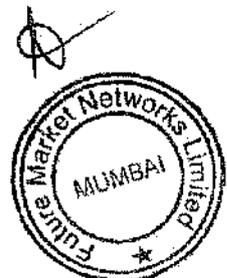
**Recognition and measurement**

Property, plant and equipment held for use in the production or / and supply of good and services, and for administrative purposes, are measured at cost less accumulated depreciation and subsequent accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of profit and loss.



**Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

**Capital Work-in-progress**

Capital work-in-progress comprises of tangible items in the course of construction for production or/and supply of goods or services or administrative purposes are carried at cost, less any accumulated impairment loss. At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.

**Depreciation**

Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed/retired from active use.

Depreciation is recorded using the straight-line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of PPE with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

Description of Asset	Life as per Schedule II of Companies Act, 2013	Estimated Life as per Management
Computers	3 years	3 years
Office Equipment	5 years	3 years*
Furniture & Fixtures	10 years	5 years*

\* Management expects that life of Furniture and Fixture and Office Equipment shall not be more than 5 years and 3 years respectively.



**Disposal of Assets**

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss

**ii. Other Intangible Assets**

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognized. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the statement of profit and loss in the period in which it is incurred.

**Subsequent expenditure**

Subsequent to initial recognition, internally-generated Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

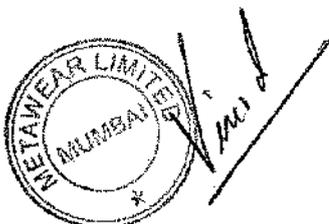
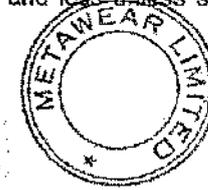
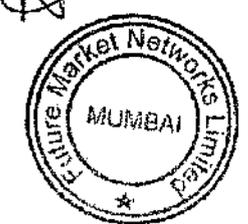
**Intangible assets under development**

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

**Amortization**

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized on a straight-line basis over the estimated useful economic life being 5 years or as assessed by the management.

All intangible assets (other than goodwill) are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**De-recognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is de-recognized. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

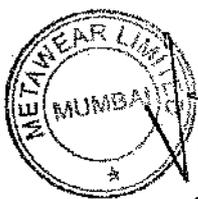
**iii. Impairment of Non – Current Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/cash generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

Non-current assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.



**iv. Trade Receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as Current Assets otherwise as Non-Current Assets.

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognized at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortized cost less loss allowance.

**v. Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand, short-term deposits and short term highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding book overdrafts/ bank overdrafts which are integral part of Cash management activities. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities and book overdraft are shown within Other Financial Liabilities.

**vi. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, wherever applicable.

**vii. Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

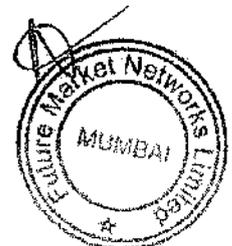
These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

**viii. Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss)



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are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

- **Financial assets**

**Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception.

**Financial assets**

- ✓ at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- ✓ at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income



✓ at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss

De-recognition

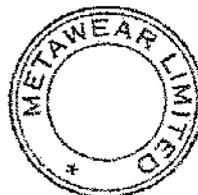
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained; or
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

• **Financial liabilities**

Initial Recognition and Measurement

Financial liabilities are measured at cost using effective interest method. The Company's financial liabilities include trade and other payables, loans and borrowings.



**Subsequent measurement**

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

**ix. Measurement of fair values**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

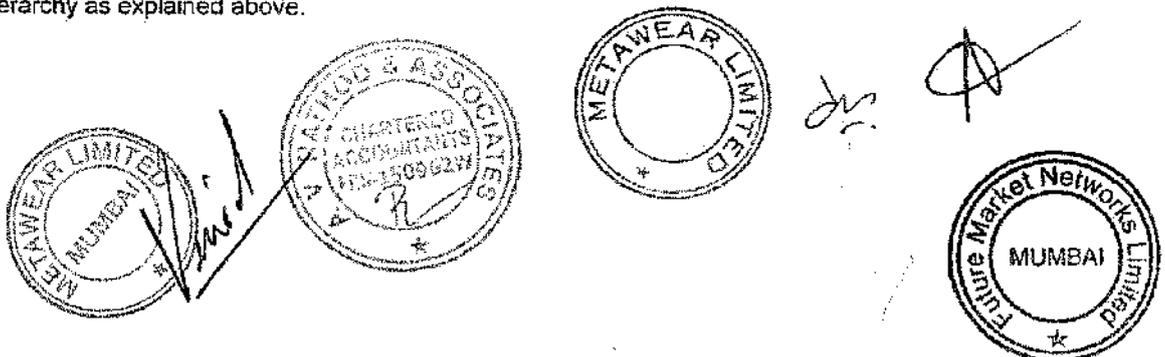
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for recurring and non- recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortized cost) and Quantitative disclosures of fair value measurement hierarchy (Note 35).

x. **Contingent Liabilities and Contingent Assets**

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A Contingent asset is not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised, however, the same are disclosed where an inflow of economic benefit is probable.

xi. **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue from contracts with customers is recognized upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

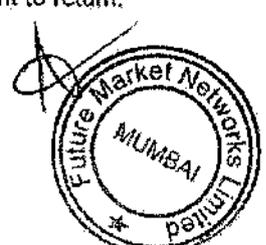
- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenues when a performance obligation is satisfied.

**Revenue from sale of products**

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them the unconditional right to return.



**Right to return assets**

A right of return gives the company a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

**Refund liabilities**

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets in inventories and refund liabilities is netted off from trade receivables.

**Dividend Income**

Dividends are recognized in the Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company; and the amount of dividend can be reliably measured.

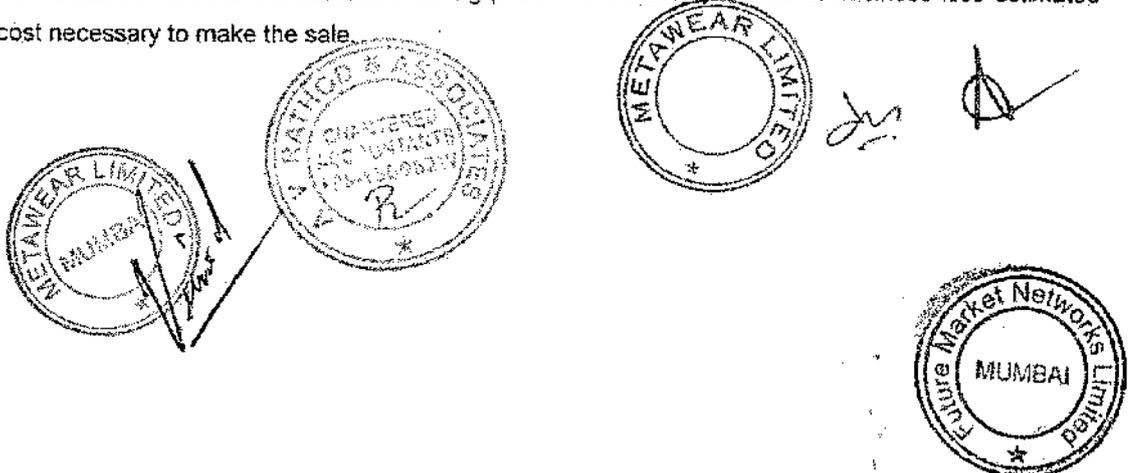
**Other Income**

Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

**xii. Inventories**

Traded goods are valued at lower of cost and net realizable value. Cost is determined on first in first out basis. Inventory cost includes purchase price and other directly attributable costs (such as taxes other than those subsequently recovered from the tax authorities), freight inward and other related incidental expenses incurred in bringing the inventory to its present condition and location.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.



xiii. **Employee Benefits**

• **Short Term Employee Benefits:**

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

• **Gratuity**

The Company pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service.

The Company recognizes gratuity liability based on actuarial valuation as determined by the actuary appointed by the Company. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in OCI and are not reclassified in to profit and loss account in subsequent periods

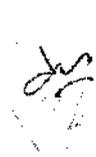
Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

• **Provident Fund**

The Company is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Company contributes an equal amount for eligible employees. Out of the contribution made by the Company, amount as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is contributed to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Company's contribution to provident fund and employee state insurance scheme, as applicable are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

xiv. **Borrowing Cost**

Borrowing cost includes interest, amortization of transaction costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly



attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur

xv. Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management yearly evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if:



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- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xvi. **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

xvii. **Segment Reporting**

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 Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The CODM assesses the financial performance and position of the Company and makes strategic decisions. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

xviii. **Cash flow Statement**

Cash flows are reported using the indirect method, whereby loss for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**xix. Events occurring after the Balance Sheet date**

Events after the reporting period are those events, both favorable and unfavorable that occur between end of the reporting period and the date on which the financial statements are approved for issue.

**Adjusting Events**

Events which provide further evidence of conditions that existed at the end of the reporting period are adjusting events. Financials have been adjusted for those events.

**Non-adjusting Events**

Events which are of indicative of conditions that arise after the end of the reporting period are non-adjusting events. Disclosure of the nature of event and estimate of its financial effect have been made in the financial statements

**(f) Critical accounting judgment and key sources of estimation uncertainty**

The Company's significant accounting policies are set out below. Not all of these policies require management to make subjective or complex judgements or estimates. The following is intended to provide further detail relating to those accounting policies that management consider particularly significant because of the level of complexity, judgement, or estimation involved in their application and their impact on the financial statements.

**• Taxes**

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures.

**• Useful lives of depreciable / amortizable assets**

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.



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- **Recoverability of advances / receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factors.

- **Fair Value Measurements**

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available and in case of non-financial assets). This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

- **Defined Benefit Obligation**

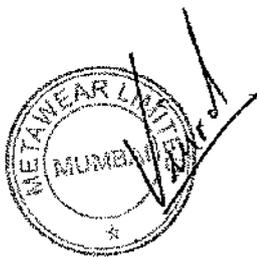
The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

- **Discount Rate**

The discount rate is generally based on the estimated incremental borrowing rate in the best judgement of the management, as on the date of transaction.

- **Expected Credit Loss (ECL)**

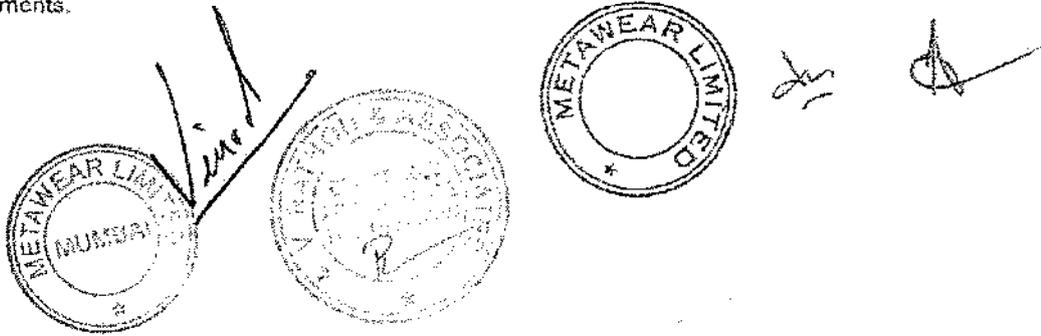
Since the Company being into early years of the operation or settling up operations and not having substantial history to compute Probability of Default (PD), the management has decided to consider ECL at the rate of 2% on the outstanding receivables, which are considered good.



(g) Recent Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in the Company's financial statements.
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in the Company's financial statements.
- Ind AS 12, Income Taxes – The amendments clarify how the companies account for deferred tax on transactions such as leases and decommissioning obligations. This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company is evaluating the impact, if any, in its financial statements.





**METAWEAR LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

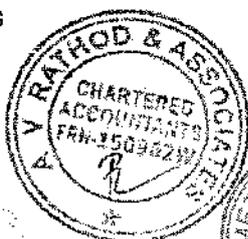
(Rs. in thousand)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	<b>ASSETS</b>			
(1)	<b>Non - current assets</b>			
	(a) Property, Plant and Equipment	2	1,226.61	-
	(b) Other Intangible Assets	3	2,008.39	3,419.39
	(c) Right of Use Asset	4	7,472.42	-
	(d) Financial assets			
	(i) Others	5	716.43	29.00
	(ii) Deferred tax assets (net)	6	-	2,125.80
			11,423.85	5,565.19
(2)	<b>Current assets</b>			
	(a) Inventories	7	12,831.26	10,264.83
	(b) Financial assets			
	(i) Trade receivables	8	3,055.80	6,692.36
	(ii) Cash and cash equivalents	9	14,424.74	13,708.88
	(iii) Bank balances other than cash and cash equivalents	10	4,373.29	-
	(c) Current Tax Assets (Net)	11	86.64	-
	(d) Other current assets	12	7,505.89	2,568.49
			42,277.62	33,434.56
	<b>Total Assets</b>		53,701.47	38,999.75
II.	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share capital	13	13,613.24	10,000.00
	(b) Other equity	14	25,284.40	13,681.04
			38,897.64	23,681.04
	<b>Liabilities</b>			
(2)	<b>Non - current liabilities</b>			
	(a) Financial liabilities			
	(i) Lease Liabilities	4	6,538.55	-
	(c) Provisions	15	88.34	-
			6,626.89	-
(3)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Lease Liabilities	4	730.31	-
	(ii) Trade payables	16	-	-
	a) Total outstanding dues of micro enterprises and small enterprises		58.11	-
	b) Total outstanding dues of creditors others than micro enterprises and small enterprises		6,310.03	12,759.74
	(iii) Other financial liabilities		-	-
	(b) Provisions	17	629.00	1,618.87
	(c) Other current liabilities	18	449.50	940.10
	<b>Total Current Liabilities</b>		8,176.94	15,318.71
	<b>Total Liabilities</b>		14,803.83	15,318.71
	<b>Total Equity and Liabilities</b>		53,701.47	38,999.75
	Significant accounting policies and estimates The accompanying notes 1 to 44 are an integral part of the financial statement.	1		

As per our report of even date attached.

As per our Report of even date  
For A V Rathod & Associates  
CHARTERED ACCOUNTANTS  
FRN - 150962W

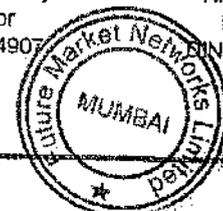
Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai  
UDIN: 23188947BGXPOJ2790  
Date - June 24, 2023



For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 0984907

Amit Kasat  
Director  
DIN: 10042028



METAWEAR LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in thousand)

Particulars		Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I.	Revenue from operations.	19	23,373.97	8,710.48
II.	Other income	20	1,382.35	-
III.	<b>Total Income (I+II)</b>		<b>24,756.31</b>	<b>8,710.48</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed		-	-
	Purchase of Traded Goods	21	14,743.00	14,093.68
	Changes in inventories of finished goods, by-products and work in progress	22	(2,566.43)	(10,264.83)
	Employee benefits expense	23	16,251.17	2,288.30
	Finance costs	24	1,190.14	18.04
	Depreciation and amortization expense	25	1,539.00	52.94
	Other expenses	26	38,455.19	10,968.92
	<b>Total expenses (IV)</b>		<b>69,612.06</b>	<b>17,157.04</b>
V.	<b>Profit before tax (III-IV)</b>		<b>(44,855.75)</b>	<b>(8,446.56)</b>
VI.	<b>Tax expense :</b>			
	Current tax		-	-
	Deferred tax	29	2,125.80	(2,125.80)
	Income tax relating to earlier years		-	-
			2,125.80	(2,125.80)
VII.	<b>Profit for the year</b>		<b>(46,981.55)</b>	<b>(6,320.76)</b>
VIII.	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit liability/asset		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total other comprehensive income, net of tax</b>			
IX.	<b>Total comprehensive income for the year</b>			
X.	<b>Earnings per equity share (Nominal value per share Rs. /-)</b>			
	- Basic (Rs.)	28	(38.96)	(64.84)
	- Diluted (Rs.)		(38.96)	(64.84)
	<b>Number of shares used in computing earning per share</b>			
	- Basic (Nos.)		12,05,886	97,479
	- Diluted (Nos.)		12,05,886	97,479
	Significant accounting policies and estimates	1		
	The accompanying notes 1 to 44 are an integral part of the financial statement.			

As per our report of even date attached.

As per our Report of even date  
For A V Rathod & Associates  
CHARTERED ACCOUNTANTS  
FRN - 150962W

Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai  
UDIN: 23188947BGXPOJ2790  
Date - June 24, 2023



For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 0984907

Amit Kasat  
Director  
DIN: 10042028



**METAWEAR LIMITED**  
Cash Flow Statement for the period Ended March 31<sup>ST</sup>, 2023

(Rs. in thousand)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax and extra-ordinary items	(44,855.75)	(8,446.56)
Adjustments for:		
Depreciation and Amortization Expense	1,539.00	52.94
Expected Credit Loss	403.99	-
Finance Cost	1,190.14	18.04
Share Based Payment	125.40	-
Gratuity	88.81	-
Interest Income	(84.00)	-
	(41,592.42)	(8,375.59)
Operating profit before working capital changes		
Adjustments for:		
Inventories	2,565.43	10,264.83
Trade and other receivables	2,478.11	9,480.85
Trade and other payables	(7,872.55)	15,318.71
Cash flow due to working capital changes	(12,917.09)	(4,426.96)
Income taxes paid	(54,509.51)	-
	86.64	-
<b>Net cash flow from operations</b>	<b>(54,596.15)</b>	<b>(12,802.55)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to acquire property, plant, equipment and other intangible asset	(1,354.60)	(3,472.33)
Investment in Term Deposits	(4,300.00)	-
Interest from Deposits	84.00	-
<b>Net cash flow from investing activities</b>	<b>(5,570.60)</b>	<b>(3,472.33)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost	(1,190.14)	(18.04)
Proceeds from Borrowings	32,500.00	-
Repayment of Borrowings	(32,500.00)	-
Proceeds from issue of share -Net of share issue expenses	62,072.75	30,001.80
<b>Net cash flow from Financing activities</b>	<b>60,882.61</b>	<b>29,983.76</b>
<b>Net Cash Increase/(Decrease) in cash and cash equivalents</b>	<b>715.86</b>	<b>13,708.88</b>
Cash and cash equivalents as at April 1, 2022	13,708.88	-
Cash and cash equivalents as at March 31, 2023	14,424.74	13,708.88

**Notes**

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Cash Flow Statement specified under section 133 of the Companies Act, 2013.

2 The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts:

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on hand	-	12.12
b) Balances with bank (in current accounts)	(894.05)	13,696.76
c) Fixed Deposit - closed within 3 months	15,318.80	-
<b>Total</b>	<b>14,424.74</b>	<b>13,708.88</b>

As per our Report of even date  
For A V Rathod & Associates  
CHARTERED ACCOUNTANTS  
FRN - 150962W

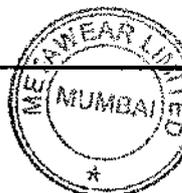
Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai  
UDIN: 23188947BGXPOJ2790  
Date - June 24, 2023



For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 0884907

Amit Kasat  
Director  
DIN: 10042028



**METAWEAR LIMITED**

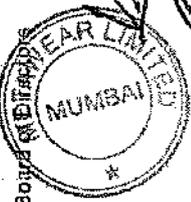
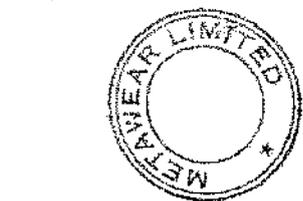
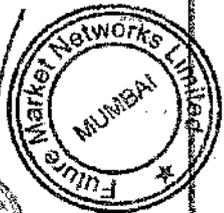
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

		(Rs. in thousand)	
		Restated balance at the beginning of the current reporting year	Balance at the end of the current reporting year
<b>A</b>	<b>Equity Share Capital</b>		
	As at March 31, 2023		
	Balance at the beginning of the current reporting year	10,000.00	13,613.24
	Changes in equity share capital due to prior period errors	-	-
	Changes in equity share capital during the current year	3,613.24	3,613.24
	Balance at the beginning of the current reporting year		10,000.00
	As at March 31, 2022		
	Balance at the beginning of the current reporting year		10,000.00
	Changes in equity share capital due to prior period errors	-	-
	Changes in equity share capital during the current year	10,000.00	10,000.00

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Other Equity	Share Premium	Total	
	General Reserve	Retained Earnings					Re-measurement of defined benefit plan
Balance as at 1st April, 2021	-	(6,320.76)	-	-	-	(6,320.76)	
Profit(Loss) for the year	-	(46,981.55)	-	-	-	(46,981.55)	
Other Comprehensive Income (net of tax)	-	-	-	-	20,001.80	20,001.80	
Issue of Shares	-	-	-	-	20,001.80	20,001.80	
Balance as at 31st March, 2022	-	(6,320.76)	-	-	-	(6,320.76)	
Balance as at 1st April, 2022	-	(6,320.76)	-	-	-	(6,320.76)	
Profit(Loss) for the year	-	(46,981.55)	-	-	-	(46,981.55)	
Other Comprehensive Income	-	-	-	-	58,459.51	58,459.51	
Issue of Shares	-	-	-	125.40	-	125.40	
Share Based Payment by Holding Company	-	-	-	125.40	-	125.40	
Balance as at 31st March, 2023	-	(63,302.31)	-	125.40	78,461.31	25,284.40	

As per our Report of even date  
 For A V Rathod & Associates  
 CHARTERED ACCOUNTANTS  
 FRN - 150962W

*(Signature)*  
 Ankit Vijay Rathod  
 Proprietor  
 Membership no: 186947  
 Mumbai  
 UDIN: 23188947BGXPOJ2790  
 Date - June 24, 2023

For and on behalf of the Board  
  
  
  


*(Signature)*  
 Dipayan Balshiya  
 Director  
 DIN: 0984507

*(Signature)*  
 Anit Kasal  
 Director  
 DIN: 10042028

METAWEAR LIMITED

Notes Forming part of Standalone Financial Statements (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT

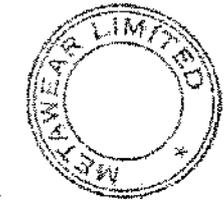
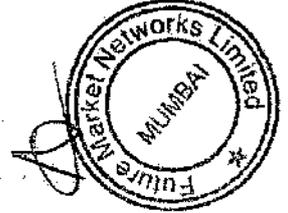
Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1 <sup>st</sup> April, 2022	Additions During the year	Adjustment/ Deduction during the year	As at 31 <sup>st</sup> March, 2023	During the year	Adjusted with Retained Earnings during the year	Adjustment / Deduction During the year	Upto 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2023
1	Office Equipment	-	60.00	-	60.00	3.07	-	3.07	56.93	-
2	Furniture & Fixtures	-	787.91	-	787.91	27.73	-	27.73	760.18	-
3	Computer	-	506.70	-	506.70	97.20	-	97.20	409.50	-
	Total	-	1,354.60	-	1,354.60	128.00	-	128.00	1,226.61	-
	Previous Year	-	-	-	-	-	-	-	-	-

METAWEAR LIMITED

Notes Forming part of Standalone Financial Statements (Contd.)

3 OTHER INTANGIBLE ASSETS

Sr. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
		As at 1 <sup>st</sup> April, 2022	Additions During the Year	Adjustment/ Deduction during the Year	As at 31 <sup>st</sup> March, 2023	During the year	Adjusted with Retained Earnings during the year	Adjustment / Deduction During the year	Upto 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2023
1	Brand	1,900.00	-	-	1,900.00	1,086.54	-	-	1,120.09	1,876.46
2	Website Development	1,572.33	-	-	1,572.33	314.47	-	-	343.86	1,228.47
	Total	3,472.33	-	-	3,472.33	1,411.01	-	-	1,463.95	2,008.39
	Previous Year	-	3,472.33	-	3,472.33	52.94	-	-	52.94	3,419.39



METAWEAR LIMITED

Notes on Financial Statements for the year ended March 31, 2023

4 Disclosure Pursuant to Ind AS 116 "Leases"

(Rs. in thousand)

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2023:

Particulars	Premises
Balance as at 01 April, 2022	-
Additions on account of Slump sale	-
Additions during the year	7,472.42
Depreciation charge for the year	-
Depreciation on account of Slump sale	-
Deletions during the year	-
Deletions during the year (On account of Slumpsale)	-
Foreign Currency Translation Reserve	-
Balance as at March 31, 2023	7,472.42

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2022:

Particulars	Premises
Balance as at 01 April, 2021	-
Additions during the year	-
Depreciation charge for the year	-
Deletions during the year	-
Balance as at March 31, 2022	-

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Premises
Balance as at 01 April, 2022	-
Additions on account of Slump sale	-
Additions	7,268.85
Deletion	-
Deletion on account of slumpsale	-
Finance cost accrued during the period	-
Payment of lease liabilities	-
Foreign Currency Translation Reserve	-
Balance as at March 31, 2023	7,268.85

The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	Premises
Balance as at 01 April, 2021	-
Additions	-
Deletion	-
Finance cost accrued during the period	-
Payment of lease liabilities	-
Balance as at March 31, 2022	-



Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2023:

Particulars	Amount
Current lease liabilities	730.31
Non-current lease liabilities	6,538.55
<b>Total</b>	<b>7,268.85</b>

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2022:

Particulars	Amount
Current lease liabilities	-
Non-current lease liabilities	-
<b>Total</b>	<b>-</b>

Maturity analysis – contractual undiscounted cash flows as at 31st March'23

Particulars	Premises
Less than one year	1,575.00
One to five years	8,387.30
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2023</b>	<b>9,962.30</b>
Lease liabilities included in the statement of financial position at 31 March 2023	7,268.85

Maturity analysis – contractual undiscounted cash flows as at 31st March'22

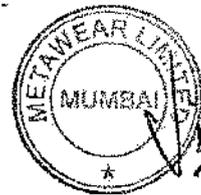
Particulars	Premises
Less than one year	-
One to five years	-
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2022</b>	<b>-</b>
Lease liabilities included in the statement of financial position at 31 March 2022	-

Amounts recognised in profit or loss

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	-	-
Depreciation relating to leases	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total cash outflow for leases</b>	<b>-</b>	<b>-</b>



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

(Rs. in thousand)

**5 Other financial assets - Non current**

(Unsecured, considered good)

Particulars

As at March 31, 2023	As at March 31, 2022
716.43	20.00
716.43	20.00

Security deposits

**6 Deferred tax assets/liability (net)**

Particulars

As at March 31, 2023	As at March 31, 2022
-	-
10,884.80	2,125.80
266.51	-
47.51	-
51.23	-
-	-
(51.23)	-
-	-
-	-

Deferred Tax assets

Tax Loss

Expenses Disallowed

Property Plant and Equipments

Financial Instruments

Deferred Tax Liability

Impact of Leases

The management has followed conservative approach and has recognised Deferred Tax Asset (DTA) only to the extent of Deferred Tax Liability.

**7 Inventories**

Particulars

As at March 31, 2023	As at March 31, 2022
12,831.26	10,264.83
12,831.26	10,264.83

Finished goods

(At lower of cost and net realizable value, unless stated otherwise)

**8 Trade receivables - Current**

Particulars

Unsecured, considered good

Others -

Undisputed Trade receivables - considered good

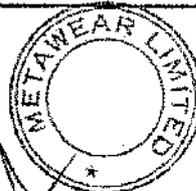
Less: Refund Liabilities

Less: Allowance for Expected Credit Loss

Undisputed Trade Receivables - credit impaired

Less: Allowance for bad and doubtful debts

As at March 31, 2023	As at March 31, 2022
14,802.25	6,892.36
(11,342.47)	-
(403.99)	-
-	-
-	-
3,055.80	6,892.36



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

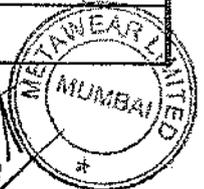
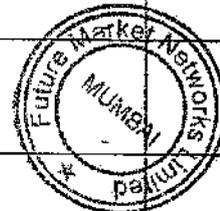
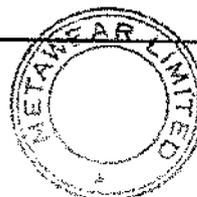
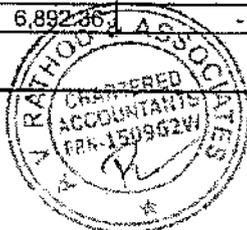
Trade Receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	13,703.63	1,098.82	-	-	-	14,802.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>13,703.63</b>	<b>1,098.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,802.25</b>
Less: Refund Liability	(11,342.47)	-	-	-	-	(11,342.47)
Less: Expected Credit Loss Allowances	(47.22)	(356.76)	-	-	-	(403.99)
<b>Net Trade Receivables</b>	<b>2,313.94</b>	<b>741.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,055.80</b>

(Rs. in thousand)

Trade Receivable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,892.36	-	-	-	-	6,892.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,892.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,892.36</b>
Less: Expected Credit Loss Allowances	-	-	-	-	-	-
<b>Net Trade Receivables</b>	<b>6,892.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,892.36</b>



*ds*

*[Signature]*

**METAWEAR LIMITED**

Notes Forming part of Standalone Financial Statements (Contd.)

**9 Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks In current accounts	(894.06)	13,696.76
Cash on hand	-	12.12
Deposit with bank (Closure in 3 months)	15,318.80	-
	<u>14,424.74</u>	<u>13,708.88</u>

**10 Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks*	4,300.00	-
Interest Accrued But Not Due	73.29	-
	<u>4,373.29</u>	<u>-</u>

\*Includes Lien marked against Credit Card facility

**11 Current Tax Assets(Net)**

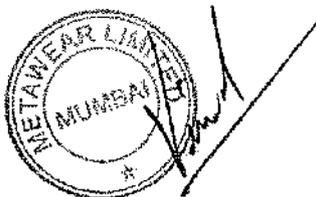
Particulars	As at March 31, 2023	As at March 31, 2022
Income tax Paid	86.64	-
	<u>-</u>	<u>-</u>
	<u>86.64</u>	<u>-</u>

**12 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<u>(Unsecured, considered good)</u>		
<u>Other Loans &amp; Advances</u>		
Advance to Suppliers	816.52	2.50
Balance with Government Authority	6,689.37	2,565.99
	<u>7,505.89</u>	<u>2,568.49</u>



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**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

(Rs. in thousand)

**13. Equity Share Capital**  
Particulars

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of par value Rs.10/- each	20,00,000	20,000.00	10,00,000	10,000.00
	20,00,000	20,000.00	10,00,000	10,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of par value Rs.10/- each	13,61,324	13,613.24	10,00,000	10,000.00
<b>At the end of the year</b>	<u>13,61,324</u>	<u>13,613.24</u>	<u>10,00,000</u>	<u>10,000.00</u>

**(a) Movements in Equity Share Capital**

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	10,00,000	10,000.00	-	-
Add: shares issued during the year	3,61,324	3,613.24	10,00,000	10,000.00
<b>Balance as at the end of the year</b>	<u>13,61,324</u>	<u>13,613.24</u>	<u>10,00,000</u>	<u>10,000.00</u>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs/-10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. 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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate**

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Think9 Consumer Technologies Private Limited	12,37,557	90.91%	4,90,000	49.00%
Kamadgiri Fashion Limited	-	-	5,09,994	51.00%

**(d) Details of shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held**

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Think9 Consumer Technologies Private Limited	12,37,557	90.91%	4,90,000	49.00%
Kamadgiri Fashion Limited	-	-	5,09,994	51.00%
FDRT Consultancy Services Limited	1,23,762	9.09%	-	-
	<u>13,61,319</u>	<u>100%</u>	<u>9,99,994</u>	<u>100%</u>

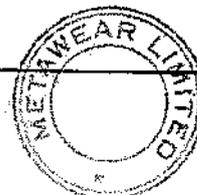
**(e) Shares held by the promoters at the end of the year**

Name of Promoters	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Kamadgiri Fashion Limited	-	-	5,09,994	51.00%
Think9 Consumer Technologies Private Limited	12,37,557	90.91%	-	-

**14. Other equity**

Particulars

	As at 31st March, 2023	As at 31st March, 2022
(a) Reserves and Surplus		
Retained Earnings	(53,302.31)	(6,320.76)
(b) Securities Premium Account	78,461.31	20,001.80
(c) Other Equity		
Share Based Payment by Holding Company (Refer Note 31)	125.40	-
<b>Total</b>	<u>25,284.40</u>	<u>13,681.04</u>



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

**15 Provisions-Non-Current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long Term Provisions - Gratuity	88.34	-
<b>Total</b>	<u>88.34</u>	<u>-</u>

**16 Trade Payables - Current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Total outstanding dues of micro enterprises and small enterprises	58.11	-
(b) Total outstanding dues of creditors others than micro enterprises and small enterprises	6,310.03	12,759.74
	<u>6,368.13</u>	<u>12,759.74</u>

**16.1 Trade Payables ageing schedule as on 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	58.11	-	-	-	58.11
(ii) Others	1,482.28	4,827.75	-	-	-	6,310.03
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-

**Trade Payables ageing schedule as on 31st March, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	341.53	12,418.21	-	-	-	12,759.74
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-

**16.2 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006**

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

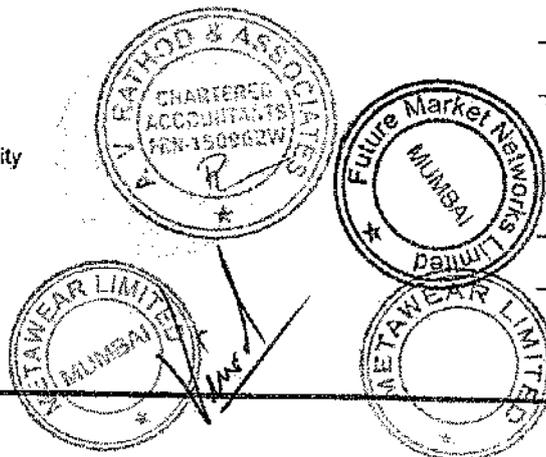
	As at 31st March, 2023	As at 31st March, 2022
(a) Principal amount remaining unpaid to any supplier at the year end	58.11	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) 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 Act	-	-

**17 Provisions-Current**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Staff Salary Payable	-	1,618.87
Provision for Bonus	628.53	-
Short Term Provisions - Gratuity	0.47	-

**18 Other current liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory liabilities	449.50	940.10
	<u>449.50</u>	<u>940.10</u>



METAWEAR LIMITED

Notes on Financial Statements for the year ended March 31, 2023

19 Revenue From Operations

(Rs. in thousand)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Sale Of Goods	34,716.44	8,710.48
Less-Provision for Sale on Return	(11,342.47)	-
	<u>23,373.97</u>	<u>8,710.48</u>

20 Other Income

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Interest Income</u>		
Interest on Fixed Deposits With Banks	84.00	-
Royalty	1,249.08	-
Other Income	49.26	-
	<u>1,382.35</u>	<u>-</u>

21 Purchase Of Traded Goods

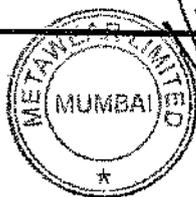
Particulars	As at 31st March, 2023	As at 31st March, 2022
Purchases	14,743.00	14,093.68
	<u>14,743.00</u>	<u>14,093.68</u>

22 Changes in Inventory of Finished goods, Work in Progress & Stock-in-Trade

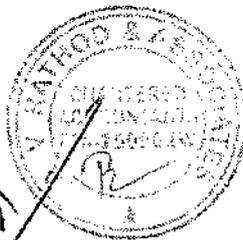
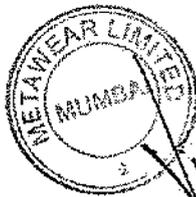
Particulars	As at 31st March, 2023	As at 31st March, 2022
(Increase)/ Decrease in Stocks	-	-
Stock at the end of the Year:		
Finished Goods	12,831.26	10,264.83
TOTAL(A)	12,831.26	10,264.83
Less: Stock at the Beginning of the year		
Finished Goods	10,264.83	-
TOTAL(B)	10,264.83	-
TOTAL (B-A)	<u>(2,566.43)</u>	<u>(10,264.83)</u>

23 Employee Benefit expenses

Particulars	As at 31st March, 2023	As at 31st March, 2022
Salaries & Wages	15,770.81	2,265.56
Share Based Payments	125.40	-
Gratuity	88.81	-
Provident and other funds	266.15	22.74
	<u>16,251.17</u>	<u>2,288.30</u>



24 Finance Costs		As at 31st March, 2023	As at 31st March, 2022
Particulars			
Interest Expenses		1,190.14	18.04
Other Borrowing Costs		-	-
Bank Charges		-	-
		<u>1,190.14</u>	<u>18.04</u>
25 Depreciation and amortization expense		As at 31st March, 2023	As at 31st March, 2022
Depreciation on Property, Plant and Equipment		128.00	-
Amortization of other intangible assets		1,411.01	52.94
		<u>1,539.00</u>	<u>52.94</u>
26 Other Expenses		As at 31st March, 2023	As at 31st March, 2022
Particulars			
Payment to Auditors			
As auditor:			
~Audit Fee		50.00	50.00
Advertisement		23,858.62	9,189.58
Rent		160.00	-
Professional Fees		3,577.05	758.16
Information technology support services		1,548.68	-
Interest on TDS		1.16	-
Bank Charges		5.10	-
Conveyance & Travelling		284.35	49.50
Freight Charges		2,815.83	448.55
Contract Staffing		1,309.33	-
Allowance for Expected Credit Loss		403.99	-
Insurance		206.84	4.00
Late Fees		1.00	-
Repairs & Maintenance		-	168.24
Filing Fees		81.80	-
Warehousing		1,388.57	-
Sales and Promotion		539.75	-
Written off		897.04	-
Miscellaneous Expenses		1,326.08	300.89
		<u>38,455.19</u>	<u>10,968.92</u>



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METAWEAR LIMITED

Notes on Financial Statements for the year ended March 31, 2023

(Rs. in thousand)

27 Tax Expense

	As at March 31, 2023	As at March 31, 2022
<b>Current Tax</b>		
In respect of the current year	-	-
In respect of earlier year	-	-
<b>Deferred Tax</b>		
Decrease in deferred tax assets	(2,125.80)	-
Increase in deferred tax assets	-	-
Decrease in deferred tax liabilities	-	-
Increase in deferred tax liabilities	-	-
<b>Total</b>	<b>(2,125.80)</b>	<b>-</b>

Tax Reconciliation

	As at March 31, 2023	As at March 31, 2022
<b>Reconciliation of tax expense</b>		
Profit/(loss) before tax	(44,855.75)	(8,446.56)
Enacted income tax rate (%) applicable to the Company (PY*)	25.17%	25.17%
Income tax payable calculated at enacted income tax rate	-	-
Effect of income that is exempt from tax	-	-
Effect of expenses that are disallowed under income tax	-	-
Effect of expenses that are allowable under income tax	-	-
Tax on income at different rates	-	-
Rounded off for the purpose of provisioning	-	-
Additional Tax provision in respect of earlier years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Movement in deferred tax liabilities

	Leases	Financial Instruments	Provisions	Unabsorbed Losses	Depreciation	Total
<b>At 1 April 2021</b>						
(Charged)/credited:						
- to profit or loss				2,125.80		2,125.80
- to other comprehensive income						
<b>At 31 March 2022</b>				2,125.80		2,125.80
(Charged)/credited:						
- to profit or loss	(51.23)	51.23	266.51	8,759.00	47.51	9,073.01
- to OCI						
- Deferred tax on basis adjustment						
<b>At 31 March 2023</b>	<b>(51.23)</b>	<b>51.23</b>	<b>266.51</b>	<b>10,884.80</b>	<b>47.51</b>	<b>11,198.81</b>

28 Earnings Per Share

	As at March 31, 2023	As at March 31, 2022
Profit / (Loss) for the year / period (Rs. in thousand)	(46,981.55)	(6,320.76)
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Equity Shares outstanding	12,05,865	97,479
Face value of per share	10	10
<b>Basic and Diluted</b>	<b>(38.96)</b>	<b>(64.84)</b>

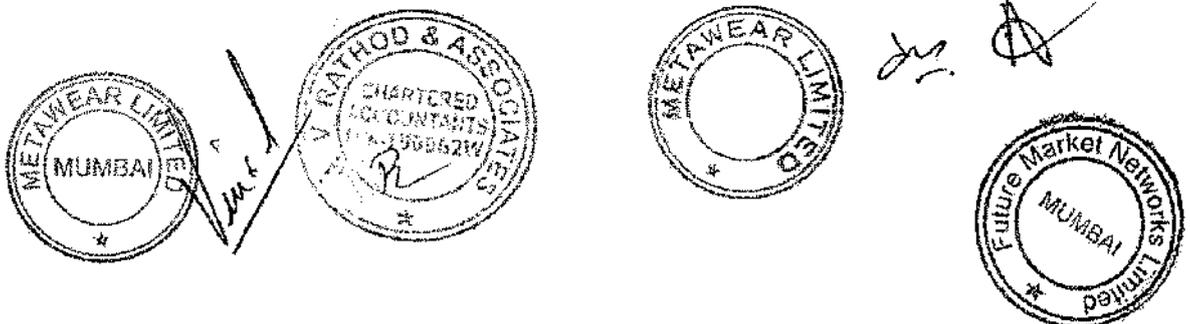
29 Contingent Liabilities and Commitments

Contingent Liabilities

The Company does not have any contingent liability during the period or as at March 31, 2023 (March 31, 2022 - NIL).

Capital Commitments

The Company does not have any capital commitments as at March 31, 2023 (March 31, 2022 - NIL).



**30 Disclosure as required by Indian Accounting Standard (Ind-AS) 19 on "Employee Benefits":**

The Company provides various benefit plan to its employees. Some of them are defined benefit in nature while some are contributory.

**I Defined Benefit Plans:**

Majority the retral defined benefit plans of the Company includes Gratuity and Provident Fund. The Company does Actuarial valuation for its identified long term and short term defined benefit plans.

**Methodology for actuarial valuation of Defined Benefit Obligations:**

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits. Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

- i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.
- ii. Salary risk: Higher than expected increases in salary will increase the defined benefit obligation.
- iii. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**A Gratuity Plans:**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

	As at March 31, 2023	As at March 31, 2022
<b>(a) Change in Obligations at the beginning of the year</b>		
Present value of Defined Benefit Obligations at the beginning of the year	-	-
Current Service Cost	88.81	-
Past Service Cost	-	-
Interest Cost	-	-
Gain / Loss on Settlement	-	-
Actuarial (Gain) or Loss	-	-
Benefits Paid	-	-
<b>Present value of Defined Benefit Obligations (DBO) at the end of the year</b>	<b>88.81</b>	<b>-</b>
<b>(b) Change in Plan Assets (Reconciliation of opening and closing balances)</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan assets	-	-
Actuarial Gain or (Loss)	-	-
Contributions	-	-
Benefits Paid	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>(c) Net Liability / (Asset) recognized in the Balance Sheet</b>		
Present value of Defined Benefit Obligations	88.81	-
Fair value of Plan Assets	-	-
<b>Net Liability / (Asset)</b>	<b>88.81</b>	<b>-</b>
<b>(d) Total Expense recognized during the year in the Statement of Profit and Loss</b>		
Current service cost	88.81	-
Interest expense/(income)	-	-
<b>Defined Benefit Cost included in the Statement of Profit and Loss</b>	<b>88.81</b>	<b>-</b>
<b>(e) Amounts recognised in Other Comprehensive Income (OCI)</b>	Nil	Nil
<b>(f) Significant estimates: Actuarial assumptions</b>		
The significant actuarial assumptions were as follows:		
Discount rate	7.31%	NA
Salary growth rate	8%	NA
<b>Demographic Assumptions</b>		
Mortality Rate	IAM (2012-14) Ultimate	NA
Withdrawal Rate	20years - 70 year : 0.000924-0.024058	NA
Retirement age	25% 58 Years	NA NA
<b>(g) Non-Current and Current portion of Defined Benefit Obligation/(Asset)</b>		
Current Portion	0.47	
Non - Current Portion	88.34	
	<b>88.81</b>	



METAWEAR LIMITED

Notes on Financial Statements for the year ended March 31, 2023

(Rs. in thousand)

(h) Sensitivity analysis

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The sensitivity of the defined benefit obligation to changes in its weighted principal assumptions is:

Discount rate		
a. Discount rate -100 basis point	7.41%	NA
b. Discount rate+100 basis point	-6.75%	NA
Salary growth rate		
a. Rate -100 basis point	-7.20%	NA
b. Rate+100 basis point	7.76%	NA

(i) Maturity Profile of Defined Benefit Obligation

Expected Future Cashflows		
Year 1	0.47	-
Year 2	0.41	-
Year 3	0.36	-
Year 4	0.32	-
Year 5	21.79	-
Year 6 to 10	89.23	-
Above 10 years	43.42	-

(j) Average Expected Future Working life (Years)

3.86

Other Employee Benefit Plans

The Company does not have any policy of accrual of leaves and compensating the same either on periodical basis or at the time of employee leaving the organization. Accordingly, no provision for the same has been considered in books of accounts.

Defined Contribution Plans:

	As at March 31, 2023	As at March 31, 2022
Contribution to Provident and other funds	266.15	-
	266.15	-

31 Share Based Payments

Think9 Consumer Technologies Private Limited, which is the holding company of Metawear Limited has granted - Think9 Consumer Technologies Private Limited Stock Option Plan ("Plan" or "ESOP 2022") wherein 12,012 (Twelve Thousand and twelve) number of Options of the Company which shall vest in accordance with the terms set out under the Employee Stock Option Plan 2022. Out of the said, 625 options were granted to one of the Director of Metawear Limited. Consequently, an expense of Rs. 1,25,401 has been recognized as Share Based Payment.



METAWEAR LIMITED

Notes on Financial Statements for the year ended March 31, 2023

(Rs. in thousand)

32 Related Party

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

(i) List of related parties and its relationships

Name of Related Parties*	Relationship	
	March 31, 2023	March 31, 2022
Think9 Consumer Technologies Private Limited	Holding Company	Holding Company
Mr Amit Kasal	Director	Director
Mr Anil Cheral	Director	Director
Mr. Dipayan Baishya	Director	Director
Surplus Finvest Private Limited	Ultimate Holding Company	Ultimate Holding Company
Honesty Italian Private Limited		Fellow Subsidiaries
Smartsters Private Limited		Fellow Subsidiaries
Think9 Digital Consumer Brands Private Limited		Fellow Subsidiaries
Kamadgiri Fashion Limited	Shareholder	Shareholder
ACK Media Direct Limited (w.e.f. May 04, 2022)	Fellow	NA
	Subsidiaries	
	Associate of	NA
	Holding Company	NA
Bidada Foods Private Limited (w.e.f March 16, 2023)		Entity where control of directors / relative of director exists, directly or indirectly
BrandsFi Labs Private Limited (w.e.f October 18, 2022)		
Future Lifestyle Fashions Ltd		
Future Enterprises Ltd		
Apollo Design And Apparel Parks Limited		
Goldmohur Design And Apparel Park Limited		

\* List of related parties where control exists and related parties with whom transactions have taken place.

(ii) Transactions during the year with related parties :

Sr. No	Name of Related Party	Nature of Transaction	Amount of Transaction		Balance outstanding	
			March 31,	March 31,	March 31, 2023	March 31, 2022
1	Think9 Consumer Technologies Private Limited	Rent Expense	135.00	-	-	-
		Reimbursement of expenses	2,011.25	1,364.77	(1,321.52)	(1,364.77)
		Loan taken	32,500.00	-	-	-
		Interest on loan	1,190.14	-	-	-
		Share Based Payment	125.40	-	-	-
		Loan repaid	(32,500.00)	-	-	-
2	Kamadgiri Fashion Limited	Purchase of Stock-in-trade (less returns)	4,067.75	14,986.20	(172.95)	(4,037.59)
		Reimbursement of expenses	239.66	1,616.80	(15.33)	-
		Sales	61.60	72.34	-	5,978.18
		Loan	-	2,000.00	-	-
		Royalty	1,249.08	-	-	-
3	Apollo Design And Apparel Parks Limited	Purchase of Stock-in-trade (less returns)	176.49	-	(185.32)	-
		Sales	26.84	-	26.22	-
4	Goldmohur Design And Apparel Park Limited	Purchase of Stock-in-trade (less returns)	6,613.73	-	(1,108.20)	-
5	Future Enterprises Ltd	Purchase of Stock-in-trade (less returns)	860.74	-	(692.23)	-
		Sales	22.56	-	-	-
6	Think9 Digital Consumer Brands Private Limited	Reimbursement of expenses	-	350.96	-	(350.96)
7	Future Lifestyle Fashions Ltd	Sales	3,125.45	1,222.11	-	1,025.21
		Purchases	219.37	-	-	-
8	Mr. Abhas Kumar	Managerial Remuneration	-	268	-	(268)

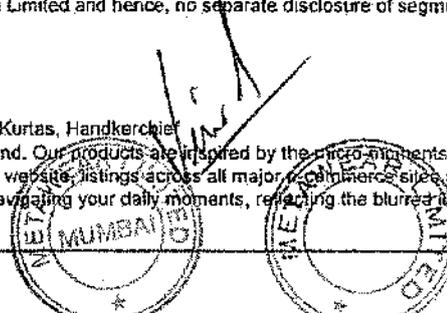
33 SEGMENT REPORTING

In accordance with the Indian Accounting Standard - 108 (Ind-AS 108) - Operating Segment, segment information has been given in the consolidated financial statements of Think9 Consumer Technologies Private Limited and hence, no separate disclosure of segment reporting is required in these financial statements.

34 Brand Development

Product List

Hoodies, Classic Shirts, Casual Shirts, Prints Shirts, Bottoms, Kurtas, Handkerchiefs  
Kingdom of White is a premium men's fashion and lifestyle brand. Our products are inspired by the micro-moments of life and celebrate colorful stories in white. KOW has an omnichannel presence with its own D2C website, listings across all major e-commerce sites and SIS in major fashion MBOs. For us, every design from shirts to jackets and more is a tool for navigating your daily moments, redefining the blurred lines between work and play.



**35 Financial Instruments**

The Company's activities are exposed mainly to credit risk, liquidity risk and market risk. The management identifies and evaluates financial risk in close coordination with the Company's business teams.

**a) Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and other financial instruments.

**1) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retirement benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**2) Foreign currency risk:**

The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities. The Company does not have any foreign currency risk. Hence no sensitivity analysis is required.

**3) Credit Risk:**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Provision for expected credit Company provides for expected credit loss based on:

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1 - Unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised;

Stage 2 - a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3 - Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 12 months past due (DPD) on the reporting date and are accordingly transferred from stage 1 to stage 2. For Stage 1 an ECL allowance is calculated on a 12 months point in time probability weighted probability of default. For stage 2 and 3 assets a lifetime ECL is calculated on a lifetime probability of default.

**b) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e., generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at :

	(Rs. in thousand)				
	Carrying Amount/ Fair	Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities - as at March 31, 2023</b>					
Trade Payable	6,368.13	6,368.13	-	-	6,368.13
Lease Liabilities	7,268.85	730.31	6,538.55	-	7,268.85
Other Financial Liabilities	-	-	-	-	-
	<b>13,636.99</b>	<b>7,098.44</b>	<b>6,538.55</b>	-	<b>13,636.99</b>
<b>Financial Liabilities - as at March 31, 2022</b>					
Trade Payable	12,759.74	12,759.74	-	-	12,759.74
Other Financial Liabilities	-	-	-	-	-
	<b>12,759.74</b>	<b>12,759.74</b>	-	-	<b>12,759.74</b>

**ii) Categories of financial instruments and fair value thereof**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2023						
	Carrying amount			Fair Value			Total
	Fair value through profit and loss	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial Assets</b>							
Trade Receivables	-	3,055.80	3,055.80	-	-	3,055.80	3,055.80
Cash and Cash Equivalents	-	14,424.74	14,424.74	-	-	14,424.74	14,424.74
Bank Balances other than C&CE	-	4,373.29	4,373.29	-	-	4,373.29	4,373.29
Other Financial Assets	-	716.43	716.43	-	-	716.43	716.43
	-	<b>22,570.26</b>	<b>22,570.26</b>	-	-	<b>22,570.26</b>	<b>22,570.26</b>
<b>Financial Liabilities</b>							
Trade Payable	-	6,368.13	6,368.13	-	-	6,368.13	6,368.13
Lease Liabilities	-	7,268.85	7,268.85	-	-	7,268.85	7,268.85
Other Financial Liabilities	-	-	-	-	-	-	-
	-	<b>13,636.99</b>	<b>13,636.99</b>	-	-	<b>13,636.99</b>	<b>13,636.99</b>

Particulars	As at March 31, 2022						
	Carrying amount			Fair Value			Total
	Fair value through profit and loss	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial Assets</b>							
Trade Receivables	-	6,892.36	6,892.36	-	-	6,892.36	6,892.36
Cash and Cash Equivalents	-	13,708.88	13,708.88	-	-	13,708.88	13,708.88
Bank Balances other than C&CE	-	-	-	-	-	-	-
Other Financial Assets	-	20.00	20.00	-	-	20.00	20.00
	-	20,621.24	20,621.24	-	-	20,621.24	20,621.24
<b>Financial Liabilities</b>							
Trade Payable	-	12,759.74	12,759.74	-	-	12,759.74	12,759.74
Other Financial Liabilities	-	-	-	-	-	-	-
	-	12,759.74	12,759.74	-	-	12,759.74	12,759.74

### 36 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Total debt to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Refer Debt - Equity Ratio in Note No. 37

### 37 Financials Ratio Analysis

Sr. No.	Particulars	Formula Used	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Reasons for deviation for more than 25%
a.	Current Ratio (times)	Current Assets / Current Liability	42,277.62	8,176.94	5.17	2.18	-137%	The Company has started operations in the current year and hence leading to huge variance. Last year, the Company commenced its operations only from February 2022, and hence, all the ratios have undergone a significant change
b.	Debt-equity ratio (times)	Total Debt / Shareholder's Equity	-	38,897.64	-	-	NA	
c.	Debt service coverage ratio (times)	Earnings available for debt service / Debt Service	(42,126.61)	1,190.14	(35.40)	(464.40)	NA	
d.	Return on equity ratio (times)	Net Profits after taxes / Average Shareholder's Fund	(46,981.55)	31,295.34	(1.50)	(0.53)	-138%	
e.	Inventory turnover ratio (times)	Cost of goods sold OR sales / Average Inventory	12,176.57	11,548.04	1.05	0.37	-185%	
f.	Trade receivables turnover ratio (times)	Net Credit Sales / Average Trade Receivable	23,373.97	4,974.08	4.70	1.25	-273%	
g.	Trade payables turnover ratio (times)	Net Credit Purchases / Average Trade Payable	14,743.00	9,563.94	1.54	1.13	-36%	
h.	Net capital turnover ratio (times)	Net Sales / Average Working Capital	23,373.97	26,106.25	0.90	0.67	-3%	
i.	Net profit ratio (times)	Net Profit / Net Sales	(46,981.55)	23,373.97	(2.01)	(0.73)	-175%	
j.	Return on capital employed (times)	Earning before interest and taxes / Capital Employed	(43,665.61)	36,889.25	(1.18)	(0.47)	-152%	
k.	Return on investment (%)	Earnings before interest and tax / Average total asset	(43,665.61)	46,350.61	(0.94)	(0.22)	-336%	

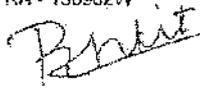


38 Additional information

- 1 The Company does not have any benami property, where any proceeding has been initiated or is pending against the Company for holding any benami property (Previous year- Nil).
  - 2 The company has not traded or invested in Crypto currency or Virtual currency during the financial year (Previous year- Nil).
  - 3 The company does not have any transactions with companies which are struck off (Previous year- Nil).
  - 4 (i) 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 group (Ultimate Beneficiaries), or
    - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - (ii) 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.
  - 5 There are no income which are surrendered or disclosed as income during the year in the tax assessments but not accounted in books of accounts (Previous year- Nil).
  - 6 The Company has not entered into any scheme of arrangement which has an accounting impact on Current Financial Year (Previous year - No).
  - 7 The Company has not been declared wful defaulter by any bank or financial institution or other lender ((Previous year- Not Declared).
- 39 There are no debts in trade receivables, which are due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- 40 Trade receivable, Trade payable, Loans & Advances balances are subject to confirmation & reconciliation. In the opinion of the management, difference, if any will not have any material impact on the financial statement. In the opinion of the Board and to the best of their knowledge, value on realization of assets other than fixed assets in the ordinary course of the business, would not be less than the amount at which they are stated in the Balance Sheet.
- 41 The Company is in the initial phase of setting-up operations, and hence has incurred substantial losses during the year ended March 31, 2023. The management has plans to increase operations in the subsequent period and also Shareholders and Promoters of the Company will continue to provide support in case of any working capital requirements arising in the future. Considering all the facts stated above, the financial statements for the year ended March 31, 2023 have been prepared on a going concern basis.
- 42 The Company does not have any long term contracts including derivatives contracts as at March 31, 2023 (previous year - Nil), wherein the Company is required to make provisions towards any foreseeable losses.
- 43 Subsequent Events  
There have been no significant events after the reporting date till the date of adoption of accounts that require disclosure in there financials statements, other than those disclosed in the Financial Statements.
- 44 Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For A V Rathod & Associates  
CHARTERED ACCOUNTANTS  
FRN - 150962W

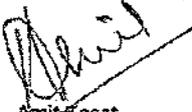


Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai  
UDIN: 23188947BGXPOJ2790  
Date - June 24, 2023



For and on behalf of the Board of Directors

  
Dipayan Balshya  
Director  
DIN: 0984907

  
Anil Kasat  
Director  
DIN: 10042028



METAWEAR LIMITED

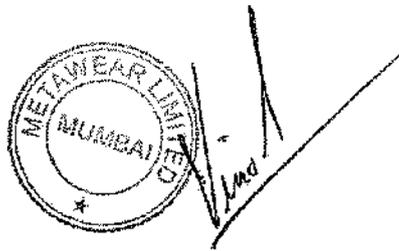
ANNUAL REPORT

F.Y. 2023-24



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## INDEPENDENT AUDITOR'S REPORT

To

The Members of  
**Metawear Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Metawear Limited ("the company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matters Para

We draw your attention to note number 42 of the financial statement of the Company as at March 31, 2024, regarding the preparation of the financial statement of the Company on going concern basis, notwithstanding the fact that the Company continues to incur cash losses, its net worth has been fully eroded and current liabilities exceed total assets of the Company. As stated by the management "The Company is in the initial phase of setting-up operations, and hence has incurred substantial losses during the year ended March 31, 2024. The management has plans to increase operations in the subsequent period and also Shareholders and Promoters of the Company will continue to provide support in case of any working capital requirements arising in the future. Considering all the facts stated above, the financial statements for the year ended March 31, 2024, have been prepared on a going concern basis". Our opinion is not modified in respect of these matters.

Office Number 6A, Metawear Limited, MIDC Road, Wagle, Mumbai - 400 006.  
Company Auditor





# Metawear Limited

CIN: U52609MH2021PLC372250

## DIRECTORS' REPORT

To  
The Shareholders  
Metawear Limited

Your Directors submit their 3<sup>rd</sup> Annual Report on the business and operations of the Company along the financial statements for the year ended on March 31, 2024 ("the year") in accordance with provisions of section 134(3) of the Companies Act, 2013 ("the Act").

The financial highlights for the period under review are as follows:

### Financial Summary

Summarized financial position	FY ended March 31, 2024 (Amount in INR '000)	FY ended March 31, 2023 (Amount in INR '000)
Total Income	65,045.37	23,373.97
Less: Total Expenses	1,62,662.42	69,612.06
Profit for the period before tax	(96,935.04)	(44,855.75)
Less: Tax Expense	Nil	2,125.80
Net Profit/(Loss) for the period	(96,935.04)	(46,981.55)

### State of Company's affairs

Your Company was incorporated on November 25, 2021. The Company is engaged in the business of branding, marketing, incubators, consultants, advisors, makers, tailors, designers, exporters, importers, traders, dealers, merchants, shippers etc. dealing in all type and kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, general merchandise, food & provisions, consumer durables, arts and crafts, jewellery, home improvement products, footwear, luggage etc.

### Subsidiary, Joint Venture, Holding Company and Associate Companies

During the year under review, the Company is a Subsidiary of Think9 Consumer Technologies Private Limited. The Company does not have any subsidiary/joint venture/associate company. No company has become / ceased to be a subsidiary/joint venture/associate company during the period ended March 31, 2024.

### Dividend

Since the Company has newly entered into the market your Directors have thought it prudent to utilize the funds for the future prospects of the company and not recommending any dividend for the year ended March 31, 2024.

### Disclosures of amounts, if any, transfer to any Reserves:

During the year, the Company has not made any transfer to reserves.

### Share Capital

Registered Office:  
Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.





## Metawear Limited

CIN: U52609MH2021PLC572230

### Authorized Share Capital:

As on March 31, 2024, the Authorized Share Capital of the Company is INR 2,00,00,000/- (Indian Rupees Two Crores Only) divided into 20,00,000 equity shares of INR 10/- each.

After the closure of the financial year, the members of your company at their extra ordinary general meeting held on August 27, 2024 increased the authorized share capital of the Company from existing INR 2,00,00,000/- (Indian Rupees Two Crores only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of INR 10/- each to INR 2,10,00,000/- (Indian Rupees Two Crores Ten Lakhs only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of INR 10/- and 1,00,000 Preference Shares of INR 10/- each by creation of 1,00,000 Preference Shares of INR 10/- each.

### Issued, Subscribed and Paid Up Share Capital:

As on March 31, 2024, the issued, subscribed and paid up Equity Share Capital is INR 1,36,13,240/- (Indian Rupees One Crore Thirty Six Lakhs Thirteen Thousand Two Hundred Forty Only) divided into 13,61,324 equity shares of INR 10/- each.

The Board of Directors at their meeting held on July 23, 2024 issued and allotted 24,752 Equity Shares of INR 10/- each fully paid up on Preferential Allotment basis to Spirit Media Private Limited at a premium of INR 394/- per Equity Share.

### Note:

Pursuant to the provisions and amendment to Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, every unlisted public company shall issue securities only in dematerialized form and facilitate dematerialization of all its existing securities in accordance with the provisions of Depositories Act, 1996 and regulations made thereunder.

Your company has complied with the above amendment and the shares of the company are in dematerialized form.

### Board of Directors & Key Managerial Personnel (KMP)

During the period under review,

As on March 31, 2024, the Board of Directors consists of Mr. Anil Cherian [DIN: 05126014], Mr. Dipayan Baisya [DIN: 09284907] and Mr. Vinod Nair [DIN: 07076368].

During the financial year 2023-24:

- During the year under review, the Company has appointed Mr. Vinod C Nair (DIN: 07076368) was appointed as Additional Director on the Board with effect from January 23, 2024 who shall hold the office up to the date of the Annual General Meeting of the Company. Further resolution proposing his regularization of appointment of him as Director forms part of the Annual General Meeting Notice.

### Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





## Metawear Limited

CIN: U52609MH2021PLC372230

- ii. Mr. Amit Kasat resigned from the Board with effect from March 17, 2023.

Save and except the above, there were no changes in the Directors or Key Managerial Personnel of the Company during the year under review.

### Retire by Rotation

Since Mr. Anil Cherian holds the office for the longest term he is eligible to retire by rotation during the period under review.

### Details of Board Meetings

During the period under review [9] Nine Board Meetings were held. The details of the Board Meetings held & the attendance of the Directors are as under;

Date	Board Strength	No. of Directors Present
April 07, 2023	3	3
June 24, 2023	3	3
September 05, 2023	3	3
September 18, 2023	3	3
October 10, 2023	3	3
November 06, 2023	3	2
December 11, 2023	3	3
January 03, 2024	3	3
January 23, 2024	3	3

The intervening gap between any two consecutive meetings was in compliance with provisions of the Companies Act, 2013.

### Disclosures relating to Board Committees

The Company is not required to constitute an Audit Committee as the provisions of Section 177 are not applicable. Further, the Company is also not required to constitute Nomination & Remuneration Committee as the provisions of Section 178 are not applicable. The Company is also not required to constitute CSR Committee as the provisions of Section 135 are not applicable.

### Formal evaluation by the Board

The Company is not required to carry out formal annual evaluation of the Board of its own performance and that of its committees and individual directors, as Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable.

### Disclosure relating to equity shares with differential rights

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Registered Office:

Block A, 3rd Floor, Shiyasagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018.





## Metawear Limited

CIN: U52609MH2021PLC372250

### Disclosure relating to sweat equity share

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

### Disclosures in respect of voting rights not directly exercised by employees

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

### Disclosure of orders passed by regulators or courts or tribunal

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

### Detection of Fraud

No Fraud has been reported by the auditor's viz. statutory and internal auditors to the Audit Committee or the Board in terms of sub-section (12) of Section 143 of the Companies Act, 2013

### Particulars of employees

For the financial year under review, none of the employees of the Company fall under the revised ceiling limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Internal Financial Controls

Your Company maintains an adequate and effective internal control system with reference to financial statements, commensurate with its size and complexity of its business.

### Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013 your Directors, based on the information and documents made available to them, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company for the financial year ended March 31, 2024 and of the loss of the Company for that financial year;

Registered Office:

Block A, 3rd Floor, Shiyasagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





## Metawear Limited

CIN: U52606MH2021PLC372250

3. the Board of Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the Board of Directors have prepared the annual accounts on a going concern basis;
5. the Board of Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Policy on director's appointment and remuneration

The Company is not required to frame policy on Director's Appointment and Remuneration as Section 178(3) of the Companies Act, 2013 is not applicable.

### Web-link of Annual Return

The Company does not have a functional website to upload the Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013.

### Auditors and Auditors' Report

M/s. A.V. Rathod & Associates; Chartered Accountants. (Registration Number 114207W with ICAI) as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of 2nd Annual General Meeting until the conclusion of 7th Annual General Meeting of the Company.

The notes on financial statement referred to in the Auditor's Report are self - explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### Secretarial Audit Report

The Company is not required to conduct secretarial audit as Section 204 of the Companies Act, 2013 is not applicable and hence Secretarial Audit Report is not required to be taken.

### Particulars of Employees during the period

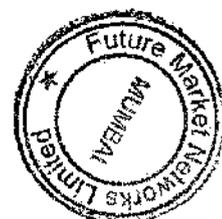
Being an unlisted company, the disclosure pursuant to the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

### Particulars of loans, guarantees or investments made by the Company

During the period under review, the Company has not given any loans or provided any guarantees / security under Section 186 of the Companies Act, 2013. Further the investments made by the Company form part of the notes to financial statements.

Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





## Metawear Limited

CIN: U52609MH2021PLC372230

### Particulars of contracts or arrangements with related parties

During the period under review, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act. Accordingly, the disclosure in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 5(2) of the Companies (Accounts) Rules, 2014 is attached as Annexure "A".

### Conservation of Energy & Technology Absorption

Considering the nature of the business of your Company, there are no particulars to be disclosed relating to the period under review in respect of Conservation of Energy, Research and Development & Technology Absorption pursuant to Section 134(3)(m) of the Companies Act, 2013.

### Foreign exchange earnings and outgo

(a) Total foreign exchange earned in terms of actual inflows during the period: NIL

(b) Total foreign exchange outgo in terms of actual outflows during the period: NIL

### Risk Management

Your management understands the risk factor associated with the company may disrupt the achievement and growth of the Company, thus in line with Company's objective towards increasing stakeholder value a risk management framework in commensuration with its size and nature of business, which shall help to identify the inherent risks, assess, evaluate and monitor these risks and undertake effective steps to manage these risks is adopted.

### Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder with respect to Corporate Social Responsibility are not applicable to the Company.

### Material Changes & Commitments

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company except as disclosed elsewhere in this Report.

### Vigil Mechanism

The Company is not required to establish a vigil mechanism for Directors and Employees as provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

### Maintenance Of Cost Records

Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





## Metawear Limited

CIN: U52509MH2021PLC372230

Maintenance of cost records as specified by the Central Govt. under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended is not applicable and hence the Company is not required to maintain such accounts and records.

### Change in the nature of business

There are no changes in the nature of business during the period.

### Compliance with Secretarial Standards

During the period under review, the Company has complied with the Secretarial Standards SS-1 & SS-2 as applicable to the Company.

### Policy for Prevention, Prohibition and Redressal of Sexual Harassment

Your Company is committed towards creating a respectful workplace free from any form of harassment and has a 'zero tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees (ICC) have been constituted as per procedure prescribed in the law.

Further, awareness and training sessions about the Prevention of Sexual Harassment at workplace are conducted for all employees, including the associates

During the FY 2023-24, no cases have been reported with respect to sexual harassment at the workplace

### Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### Deposits from Public:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### General Disclosures

During the period under review:

- 1) The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 nor is any proceeding pending under the said Code.

Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





## Metawear Limited

CIN: US2609MH2021PLC372230

- 2) The Company has not obtained any loan from the Banks or Financial Institutions during the period under review and hence no valuation was carried out. Accordingly, disclosure relating to the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable to the Company.

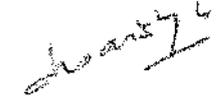
### Acknowledgement:

Your Directors takes the opportunity to express their deep sense of gratitude to the bankers, government authorities, employees, customers, vendors, suppliers and other stakeholders.

Your Directors would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

For and on behalf of the Board of Director  
Metawear Limited

  
Anil Chetran  
Director  
DIN: 05126014

  
Dipayan Baishya  
Director  
DIN: 09284907

Date: August 27, 2024  
Place: Mumbai



Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018





# Metawear Limited

CIN: U52609MH2007PLC372230.

## ANNEXURE "A" TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

S N	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/trans actions	Duration of the contracts / arrangements / transacti ons	Salient terms of the contracts or arrangements or transacti ons including the value, if any	Justificat ion for entering into such contracts or arrangements or transacti ons	Date(s) of approval by the Board	Amou nt paid as advances, if any	Date on which the special resolution was passe d in general meeti ng, as requir ed under first provis o to Section 188
-	-	-	-	-	-	-	-	-

Registered Office:

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie-Besant Road, Worli, Mumbai - 400 018





# Metawear Limited

CIN: U52609MH2021PLC573230

## 2. Details of material contracts or arrangement or transactions at arm's length basis

SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any INR ("000")	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Think9 Consumer Technologies Private Limited	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
2.	Kamadgiri Fashion Limited	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
3.	Apollo Design and Apparel Parks Limited	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
4.	Goldmohur Design and Apparel Park Limited	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
5.	Future Enterprises Ltd.	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
6.	Think9 Digital Consumer Brands Private Ltd.	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
7.	Future Lifestyle Fashions Ltd.	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
8.	Mr. Kishore Biyani	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
9.	Mr. Anil Cherian	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-
10.	Future Market Networks Ltd.	As attached as Annexure I	As mutually agreed	On Mutually agreed terms	April 07, 2023	-

Registered Office:-

Block A, 3rd Floor, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018



35 Related Party  
In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below

b) List of related parties and its relationships

Name of Related Parties*	Relationship March 31, 2024	March 31, 2023
THE49 Consumer Technologies Private Limited	Holding Company	Holding Company
TD41 Consultancy Services Limited	Shareholder	Shareholder
Mr. Anil Chaturvedi (Holder of Office till January 31, 2024)	Director	Director
Mr. Anil Chaturvedi	Director	Director
Mr. Divyanshu Bhatnagar	Member	Member
Mr. Kishore Bhandari	Additional Director	NA
Mr. Vinod C. Fokeer	Joint/Holding Associate of Holding Company	Ultimate Holding Company
Surendra Finance Private Limited		
Harvestly Mallon Private Limited w.e.f. March 31, 2024- Associate of Holding Company		
Smarterly Private Limited	Former Subsidiary	Former Subsidiary
THE49 Digital Consumer Brands Private Limited	Former Subsidiary	Former Subsidiary
Kamajori Fashion Limited (Till 24.05.2022 Holding Company)	NA	Holding Company
Amor Colore Retail Private Limited	Associate of Holding Company	Former Subsidiary
AGA Merch Direct Limited		
THE49 Consumer Brands Private Limited	Associate of Holding Company	Former Subsidiary
Curio Retailer Home Private Limited		
Au Naturals Beauty Private Limited		
Brandia Foods Private Limited (w.e.f. March 16, 2023- Associate of Holding Company and w.e.f. March 21, 2024- Former Subsidiary)	Former Subsidiary	Associate of holding Company
Brandia Labs Private Limited (w.e.f. October 18, 2023)	Associate of Holding Company	Associate of holding Company
Future Lifestyle Fashions Ltd	NA	Entity where control of directors / majority of directors exists, directly or indirectly
Future Enterprises Ltd	NA	Entity where control of directors / majority of directors exists, directly or indirectly
AGOR Design And Apparel Parks Limited	NA	Entity where control of directors / majority of directors exists, directly or indirectly
Customer Design And Apparel Park Limited	Entity where control / interest of directors / relative of director exists, directly or indirectly	
Future Market Networks Limited	Entity where control / interest of directors / relative of director exists, directly or indirectly	

\* List of related parties where control exists and related parties with whom transactions have taken place.

c) Transactions during the year with related parties

Sr. No	Name of Related Party	Nature of Transaction	Amount of Transaction		Balance outstanding	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	THE49 Consumer Technologies Private Limited	Rent Expenses	1,516.00	135.00		
		Reimbursement of expenses	28,034.83	2,011.95	(7,946.70)	(1,531.52)
		Loan taken	2,000.00	20,000.00	2,000.00	
		Interest on loan	1.87	1,291.16		1.87
		Share Based Payment	384.00	13,220		
		Sales	217.91	-		
2	Kamajori Fashion Limited	Interest on loan	-	(97,100.00)		
		Purchase of Stock-in-trade (as follows)	NA	4,607.75	(172.08)	(112.96)
		Reimbursement of expenses	NA	22.55	(67.78)	(16.33)
		Share	NA	61.60		
		Loan	NA	1,200.00		
		Interest	NA	-		
3	Apple Design And Apparel Parks Limited	Purchase of Stock-in-trade (as follows)	2,246.00	376.49	(1,150.41)	(116.32)
		Sales	-	26.22		26.22
4	Goldman's Design And Apparel Park Limited	Purchase of Stock-in-trade (as follows)	16,081.08	6,014.73	(5,490.23)	(1,104.20)
		Withdrawal	1.88			
		Loan taken	1.75			
		Interest Charges	24.76			
		Share Based Payment	12.37			
5	Future Enterprises Ltd	Purchase of Stock-in-trade (as follows)	NA	880.74		(682.23)
		Sales	NA	22.88		
6	THE49 Digital Consumer Brands Private Limited	Reimbursement of expenses				
7	Future Lifestyle Fashions Ltd	Sales	NA	3,525.45		
		Share	NA	2,184.13		
8	Mr. Kishore Bhandari	Salary	1,081.23			
9	Amor Colore	ESOP	734.02			
10	Future Market Networks Limited	Rent Expense	522.00			
		Property Maintenance Expense	158.77			
		Security Deposit given	218.15			



## INDEPENDENT AUDITOR'S REPORT

To

The Members of  
**Metawear Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Metawear Limited ("the company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matters Para

We draw your attention to note number 42 of the financial statement of the Company as at March 31, 2024, regarding the preparation of the financial statement of the Company on going concern basis, notwithstanding the fact that the Company continues to incur cash losses, its net worth has been fully eroded and current liabilities exceed total assets of the Company. As stated by the management "The Company is in the initial phase of setting-up operations, and hence has incurred substantial losses during the year ended March 31, 2024. The management has plans to increase operations in the subsequent period and also Shareholders and Promoters of the Company will continue to provide support in case of any working capital requirements arising in the future. Considering all the facts stated above, the financial statements for the year ended March 31, 2024, have been prepared on a going concern basis". Our opinion is not modified in respect of these matters.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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## Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

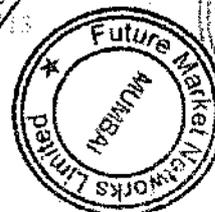
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 standalone financial statements that, individually or in the 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.

Office Number E7, MG Road, MIDC, Mumbai - 400 030.  
eamk@rathod.com

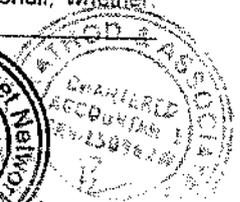


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 (Auditors' 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, to the extent applicable
2. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigation which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
    - iii. There has not been an occasion in the case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 or entity, 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, 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 audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year, the question of commenting on whether the dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.
- vi. Attention is invited to Note No 46 of the Financial Statements wherein it has been stated that the audit trail feature was activated only from June 24, 2023 of the current financial year. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility, and same has operated w.e.f June 24, 2023 till the end of the year for all relevant transactions recorded in the software. The audit trail has been preserved by the company as per the statutory requirements for record retention.

3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For A V Rathod & Associates

(Chartered Accountants)

ICAI Firm Registration No. 150962W



Ankit Vijay Rathod

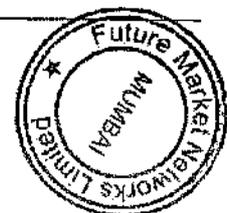
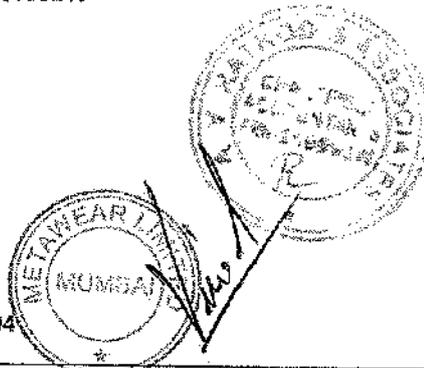
(Proprietor)

Membership No: 188947

Date: August 27<sup>th</sup>, 2024.

Place: Mumbai

UDIN: 24188947BKBFRW6704



## ANNEXURE "1" TO THE AUDITORS' REPORT

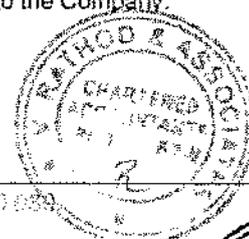
On the basis of such checks as we considered appropriate and according to the information and explanations given us during the course of our audit, we report that:

- (i) In respect of Property, Plant and Equipment's:
- (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. 2. The Company has maintained proper records showing full particulars of Intangible Assets Property.
  - (b) The Company has a program of physical verification of Property, Plant, and Equipment, Intangible Assets, and right-of-use assets so as to cover all the assets once every which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program the management has been physically verified the assets and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not have any Immovable Property during the year under review.
  - (d) The Company has not revalued its Property, Plant and Equipment.
  - (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.
  - (b) During any point of time of the year, the company has not utilized any working capital limits from banks or financial institutions on the basis of security of current assets.
- (iii) The Company during the current financial year has not made any investments in, nor provided any guarantee or security or granted any loans, secured or unsecured to companies, firms or other parties and consequently the sub-clauses (a) to (f) are not applicable.
- (iv) The Company has not granted any loans, or made investments or provided any guarantees / securities and hence this clause is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 or any amounts deemed to be deposits.
- (vi) As per the explanation given to us, the Company is not required to maintain any cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act.





- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues as applicable with the appropriate authorities and there are no amounts outstanding as at March 31, 2024, for a period of more than six months from the date they became payable.
  - (b) There are no statutory dues referred to in sub-clause (a) not having been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)
- (a) The Company has not defaulted in repayment of loans or payment of interest due to its lender being bank during the year;
  - (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority;
  - (c) Term loans were applied for the purpose for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company;
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x)
- (a) The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, the requirement to report on clause 3 (x) (a) of the Order is not applicable to the Company.
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, the requirement to report on clause 3 (x) (b) of the Order is not applicable to the Company.





(xix) On the basis of the financial ratios to the financial statements, aging 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, we would like to draw your attention to **Emphasis of Matter Para in the Main Audit Report about any material uncertainty as on the date of the audit report on whether the Company is 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 provisions of section 135 are not applicable to the Company.

(xxi) This clause is not applicable, since the Financial Statements of the company are not consolidated.

For AV Rathod & Associates

(Chartered Accountants)

ICAI Firm Registration No. 150962W

*Ankit*

Ankit Vijay Rathod

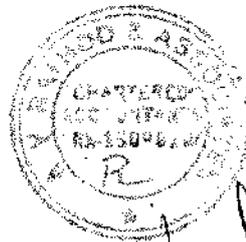
(Proprietor)

Membership No: 188947

Date: August 27<sup>th</sup>, 2024.

Place: Mumbai

UDIN: 24188947BKBFRW6704



*Ankit*



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## ANNEXURE "2" TO THE AUDITOR'S REPORT

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

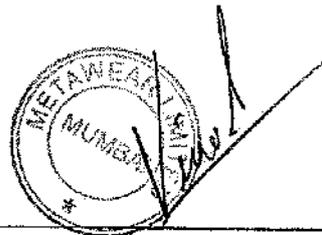
We have audited the internal financial controls over financial reporting of **Metawear Limited (the Company)** as of 31<sup>st</sup> March 2024 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and 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 were established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Profit and Loss of the company are being made only in accordance with authorizations of the 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 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.



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# A V RATHOD & ASSOCIATES



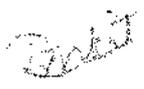
## Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

For AV Rathod & Associates

(Chartered Accountants)

ICAI Firm Registration No. 150962W

  
Ankit Vijay Rathod

(Proprietor)

Membership No: 188947

Date: August 27<sup>th</sup>, 2024.

Place: Mumbai

UDIN: 24188947BKBFWRW6704



Office Number 66, 1AG Road, MULUND WEST, MUMBAI, 400 086.

caankitrathod@gmail.com +91 99695 47217



## 1. Company Overview

Metawear Limited (Metawear) is a closely held limited company which was incorporated in November 2021. Metawear Limited ("the Company") mainly engaged in the business of to do in India and elsewhere in the world the trade or the business of branding, marketing, and dealing in all type and kinds of goods, materials and items including but not limited to clothes, fashion products, life style products, apparels, general merchandise, food & provisions, fabrics (including but not limited to cotton, knitted, dyed, wool, jute, hemp, silk, nylon and allied materials and articles), textile of all kinds, non-wearable of all kinds and any other products, goods and services .

The registered office of the Company is located at Floor 3, A Block, Shivesagar Estate, Dr. Annie Besant Road, Nr. Nehru Center Transit Camp, Worli, Mumbai - 400018. The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on August 27, 2024.

## 2. Statement of Compliance, Basis of Preparation, Presentation of Financial Statements and Significant Accounting policies

### (a) Statement of Compliance

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles generally accepted in India. These financials statements have been approved for issuance by the Board of Directors of the Company at their meeting held on August 27, 2024.

### (b) Basis of preparation

These Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair values at the end of each reporting period as explained in the significant accounting policies below. The financial statements have been prepared on a going concern basis.

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



**(c) Operating Cycle**

The operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

**(d) Functional and Presentation currency**

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All financial information presented in INR has been rounded off to the nearest thousand Rupees (INR 1 thousand = INR 1,000/-) unless otherwise stated.

**(e) Presentation and disclosure of financial statements**

The Company prepares its Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity in the format prescribed in the Division II of Schedule III of the Act applicable for preparation and presentation of the financial statements. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements'. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

**(f) Critical accounting judgment and key sources of estimation uncertainty**

The Company's significant accounting policies are set out below. Not all of these policies require management to make subjective or complex judgements or estimates. The following is intended to provide further detail relating to those accounting policies that management consider particularly significant because of the level of complexity, judgement, or estimation involved in their application and their impact on the financial statements.

**• Taxes**

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability



of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures.

- **Useful lives of depreciable / amortizable assets**

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

- **Recoverability of advances / receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factors.

- **Fair Value Measurements**

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available and in case of non-financial assets). This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

- **Defined Benefit Obligation**

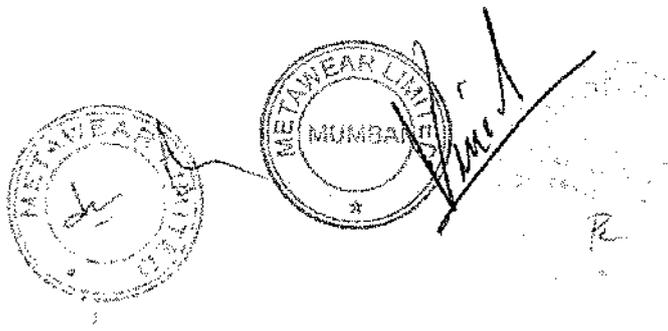
The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

- **Discount Rate**

The discount rate is generally based on the estimated incremental borrowing rate in the best judgement of the management, as on the date of transaction.

- **Expected Credit Loss (ECL)**

Since the Company being into early years of the operation or settling up operations and not having substantial history to compute Probability of Default (PD), the management has decided to consider ECL at the rate of 10% on good debts (F.Y.2023-24) and 2% (F.Y.2022-23) on the outstanding receivables, which are considered good.



**(g) Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below.

**i. Property, Plant and Equipment (PPE)**

**Recognition and measurement**

Property, plant and equipment held for use in the production or / and supply of good and services, and for administrative purposes, are measured at cost less accumulated depreciation and subsequent accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

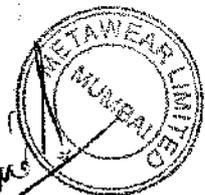
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of profit and loss.

**Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

**Capital Work-in-progress**

Capital work-in-progress comprises of tangible items in the course of construction for production or/and supply of goods or services or administrative purposes are carried at cost, less any accumulated impairment loss. At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment.



### Depreciation and Amortization

Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed/retired from active use.

Depreciation is recorded using the straight-line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of PPE with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset. The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

Leasehold building, leasehold land and leasehold improvements are amortised over the period of the lease.

Description of Asset	Life as per Schedule II of Companies Act, 2013	Estimated Life as per Management
Computers	3 years	3 years
Office Equipment	5 years	3 years*
Furniture & Fixtures	10 years	5 years*
Leasehold Improvements #	-	5 and 9 years

\* Management expects that life of Furniture and Fixture and Office Equipment shall not be more than 5 years and 3 years respectively.  
# - Based on the expected lease term

### Disposal of Assets

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss

### ii. Intangible Assets

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognized. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the statement of profit and loss in the period in which it is incurred.

#### Subsequent expenditure

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

#### Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

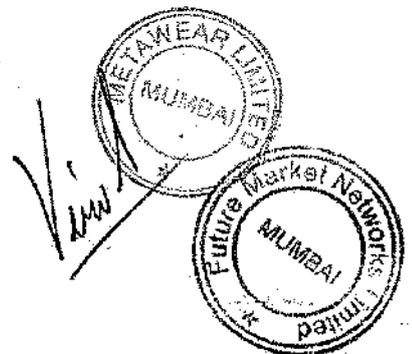
#### Amortization

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized on a straight-line basis over the estimated useful economic life being 5 years or as assessed by the management.

All intangible assets (other than goodwill) are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is de-recognized. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.



iii. Impairment of Non – Current Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/cash generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

Non-current assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

iv. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as Current Assets otherwise as Non-Current Assets.

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is



recognized at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortized cost less loss allowance.

v. **Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand, short-term deposits and short term highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts/ bank overdrafts which are integral part of Cash management activities. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities and bank overdraft are shown within Other Financial Liabilities.

vi. **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, wherever applicable.

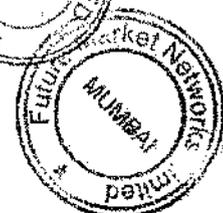
vii. **Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

viii. **Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.



The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

• **Financial assets**

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception.

Financial assets

✓ at amortised cost

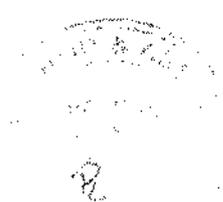
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

✓ at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income

✓ at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition.



The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset; or
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained; or
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

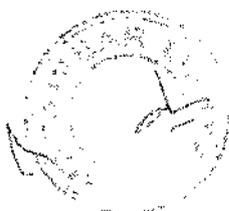
#### • Financial liabilities

##### Initial Recognition and Measurement

Financial liabilities are measured at cost using effective interest method. The Company's financial liabilities include trade and other payables, loans and borrowings.

##### Subsequent measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that



are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

#### ix. Measurement of fair values

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

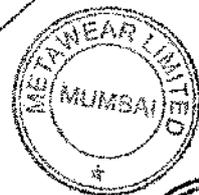
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortised cost) and Quantitative disclosures of fair value measurement hierarchy (Note 38).

x. **Contingent Liabilities and Contingent Assets**

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A Contingent asset is not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised, however, the same are disclosed where an inflow of economic benefit is probable.

xi. **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products



Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them the unconditional right to return.

#### Right to return assets

Certain contracts provide a customer with a right to return the goods within a specified period. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a sales return liability.

#### Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets in inventories and refund liabilities is netted off from trade receivables.

#### Dividend Income

Dividends are recognized in the Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

#### Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

#### Other Income

Other income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.



xii. **Inventories**

Traded goods are valued at lower of cost and net realizable value. Cost is determined on first in first out basis. Inventory cost includes purchase price and other directly attributable costs (such as taxes other than those subsequently recovered from the tax authorities), freight inward and other related incidental expenses incurred in bringing the inventory to its present condition and location.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

xiii. **Employee Benefits**

• **Short Term Employee Benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

• **Gratuity**

The Company pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service.

The Company recognises gratuity liability based on actuarial valuation as determined by the actuary appointed by the Company. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognized in OCI and are not reclassified in to profit and loss account in subsequent periods.

Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

• **Provident Fund**

The Company is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Company contributes an equal amount for eligible employees. Out of the contribution made by the Company, amount as required by The Employees' Provident Funds and



Miscellaneous Provisions Act, 1952 is contributed to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Company's contribution to provident fund and employee state insurance scheme, as applicable are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

• Leave Encashment

Leave encashment scheme is a non-contributory defined benefit arrangement providing benefits expressed in terms of a multiple of final monthly salary. The Company recognizes leave encashment liability based on actuarial valuation as determined by the actuary appointed by the Company.

xiv. Borrowing Cost

Borrowing cost includes interest, amortization of transaction costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur

xv. Leases

The Company has certain lease arrangement for properties. The Company assesses whether a contract contains a lease, at inception of a contract. 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. At the commencement of the lease, the Company recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of twelve months or less (short-term leases) and low value leases. For low-value and short-term leases, lease rentals are recognized in the Statement of profit and loss on accrual basis.

The ROU asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs paid at or before the commencement date and subsequently at cost less accumulated amortisation and accumulated impairment losses, if any. The lease liability is measured at amortised cost at the present value of the future lease payment, discounted using the Company's incremental borrowing rate. The lease liability is subsequently increased by interest cost on the lease liability and decreased by the lease payment made.

ROU assets are depreciated from the commencement date on a straight-line basis over the lease period. ROU assets are tested for impairment whenever there is any indication that their carrying



amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of profit and loss.

xvi. Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management yearly evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

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 amounts used for taxation purposes. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if:



- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xvii. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

xviii. Segment Reporting

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 Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The CODM assesses the financial performance and position of the Company and makes strategic decisions. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

xix. Statement of Cash flow

Cash flows are reported using the indirect method, whereby loss for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



xx. Events occurring after the Balance Sheet date

Events after the reporting period are those events, both favorable and unfavorable that occur between end of the reporting period and the date on which the financial statements are approved for issue.

Adjusting Events

Events which provide further evidence of conditions that existed at the end of the reporting period are adjusting events. Financials have been adjusted for those events.

Non-adjusting Events

Events which are of indicative of conditions that arise after the end of the reporting period are non-adjusting events. Disclosure of the nature of event and estimate of its financial effect have been made in the financial statements

xxi. Recent Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in the Company's financial statements.
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in the Company's financial statements.
- Ind AS 12, Income Taxes – The amendments clarify how the companies account for deferred tax on transactions such as leases and decommissioning obligations. This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company is evaluating the impact, if any, in its financial statements.



**METAWEAR LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Rs. in thousand)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I.</b>	<b>ASSETS</b>			
(1)	<u>Non-current assets</u>			
	(a) Property, Plant and Equipment	2	13,352.54	1,226.61
	(b) Capital Work in Progress	3	2,615.28	
	(c) Other Intangible Assets	4	1,493.92	2,008.39
	(d) Right of Use Asset	5	28,386.16	7,472.42
	(f) Financial assets			
	(i) Others	6	2,569.70	716.43
	(g) Deferred tax assets (net)	7		
			48,416.60	11,423.85
(2)	<u>Current assets</u>			
	(a) Inventories	8	9,950.18	12,631.26
	(b) Financial assets			
	(i) Trade receivables	9	6,250.41	3,055.80
	(ii) Cash and cash equivalents	10	1,240.08	14,424.74
	(iii) Bank balances other than cash and cash equivalents	11	656.46	4,373.29
	(iv) Other Financial Assets	12	27,262.86	
	(c) Current Tax Assets(Net)	13	345.64	86.64
	(d) Other current assets	14	16,143.42	7,505.89
			63,849.06	42,277.62
	<b>Total Assets</b>		<b>112,267.67</b>	<b>53,701.47</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<u>Equity</u>			
	(a) Equity Share capital	15	13,613.24	13,613.24
	(b) Other equity	16	(70,077.64)	25,284.40
			(56,464.40)	38,897.64
	<u>Liabilities</u>			
(2)	<u>Non-current liabilities</u>			
	(a) Financial liabilities			
	(i) Long Term Borrowings	5	25,663.07	6,538.55
	(ii) Lease Liabilities		544.39	86.34
	(c) Provisions	17		
			26,207.45	6,626.89
(3)	<u>Current liabilities</u>			
	(a) Financial liabilities			
	(i) Short Term Borrowings	18	108,626.21	
	(ii) Lease Liabilities	5	3,178.09	730.31
	(iii) Trade payables	19		
	a) Total outstanding dues of micro enterprises and small enterprises		2,897.73	58.11
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		25,798.84	6,310.03
	(iv) Other financial liabilities			
	(b) Provisions	20	322.69	629.00
	(c) Other current liabilities	21	1,700.65	449.50
	<b>Total Current Liabilities</b>		142,524.62	8,176.94
	<b>Total Liabilities</b>		168,732.07	14,803.53
	<b>Total Equity and Liabilities</b>		<b>112,267.67</b>	<b>53,701.47</b>
	Significant accounting policies and estimates The accompanying notes 1 to 45 are an integral part of the financial statement.	1		

As per our report of even date attached.

As per our Report of even date  
For AV Rathod & Associates  
Chartered Accountants  
FRN - 150962W

Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai



For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 0984907  
Date: 27/08/2024

Anil Poruthata Cherian  
Director  
DIN: 05126014  
Date: 27/08/2024



**METAWEAR LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rs. in thousand)

Particulars		Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
I.	Revenue from operations	22	62,045.37	23,373.97
II.	Other income	23	3,682.01	1,382.35
III.	<b>Total Income ( I+II)</b>		<b>65,727.38</b>	<b>24,756.31</b>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchase of Traded Goods	24	35,145.07	14,743.00
	Changes in inventories of finished goods, by-products and work in progress	25	2,881.08	(2,566.43)
	Employee benefits expense	26	29,127.27	16,251.17
	Finance costs	27	8,886.72	1,190.14
	Depreciation and amortization expense	28	4,608.54	1,539.00
	Other expenses	29	62,013.80	38,455.19
	<b>Total expenses (IV)</b>		<b>162,662.42</b>	<b>69,612.06</b>
V.	<b>Profit before tax ( III-IV)</b>		<b>(96,935.04)</b>	<b>(44,855.75)</b>
VI.	Tax expense :			
	Current tax		-	-
	Deferred tax		-	2,125.80
	Income tax relating to earlier years		-	2,125.80
VII.	<b>Profit for the year</b>		<b>(96,935.04)</b>	<b>(46,981.55)</b>
VIII.	Other comprehensive income:			
	(i) Items that will not be reclassified to profit or loss		91.88	-
	Remeasurement of the net defined benefit liability/asset			-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			-
	<b>Total other comprehensive income, net of tax</b>		<b>91.88</b>	
IX.	<b>Total comprehensive income for the year</b>		<b>(96,843.17)</b>	
X.	Earnings per equity share (Nominal value per share Rs. /-)	28		
	- Basic (Rs.)		(71.21)	(38.96)
	- Diluted (Rs.)		(71.21)	(38.96)
	Significant accounting policies and estimates	1		
	The accompanying notes 1 to 39 are an integral part of the financial statement.			

As per our report of even date attached.

As per our Report of even date  
For AV Rathod & Associates  
Chartered Accountants  
FRN - 150962W

Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai

For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 0984907  
Date: 27/08/2024

Anil Poruthala Cherian  
Director  
DIN: 05126014  
Date: 27/08/2024



Metawear Limited  
Cash Flow Statement for the period Ended March 31, 2024

(Rs. in thousand)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax and extra-ordinary items	(96,935.04)	(44,855.75)
Adjustments for:		
Depreciation and Amortization Expense on PPE and other intangible assets	2,220.25	1,539.00
Rent Paid	(2,554.56)	-
Amortization on Right of Use Asset	2,388.29	-
Expected Credit Loss	-	403.99
Finance Cost on ICO	7,362.24	1,190.14
Finance Cost on Lease Liability	1,524.48	-
Employee stock option expense	745.06	-
Share Based Payment	736.06	125.40
Gratuity	170.48	88.61
Leave Cash Encashment	548.65	-
Interest Income on Fixed Deposit with Bank	(2,146.52)	(84.00)
Interest on Income tax refund	(3.52)	-
Interest on Security Deposits	(58.36)	-
<b>Operating profit before working capital changes</b>	<b>(96,902.51)</b>	<b>(41,592.42)</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in Inventories	2,881.06	2,566.43
(Increase)/decrease in Other Financial Assets	(29,724.69)	(973.29)
(Increase)/decrease in Other Assets	(10,637.53)	(4,937.40)
(Increase)/decrease in Trade Receivable	(3,194.61)	(3,432.57)
Increase/(decrease) in Trade Payables	22,528.44	(6,391.61)
Increase/(decrease) in Provisions	(477.31)	(990.33)
Increase/(decrease) in Other Liabilities	1,251.35	(480.60)
<b>Cash flow due to working capital changes</b>	<b>(17,573.28)</b>	<b>(12,917.09)</b>
Income taxes paid	(103,575.79)	(54,509.51)
Income tax refund	(345.64)	(86.64)
<b>Net cash flow from operations</b>	<b>(103,834.78)</b>	<b>(64,596.16)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to acquire property, plant, equipment and other intangible asset	(16,448.00)	(1,354.80)
Investment in Term Deposits	(110,020.00)	(4,300.00)
Redemption of Term Deposits	113,704.11	-
Interest Income on Security Deposits	3.52	-
Interest from Deposits	2,146.52	84.00
<b>Net cash flow from investing activities</b>	<b>(10,613.85)</b>	<b>(5,570.80)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost	-	(1,190.14)
Proceeds from Borrowings	101,263.97	32,500.00
Lease Liabilities	-	-
Repayment of Borrowings	-	(32,500.00)
Proceeds from issue of share -Net of share issue expenses	-	62,072.75
<b>Net cash flow from Financing activities</b>	<b>101,263.97</b>	<b>60,882.61</b>
<b>Net cash increase/(Decrease) in cash and cash equivalents</b>	<b>(13,184.66)</b>	<b>715.86</b>
<b>Cash and cash equivalents as at April 1, 2023</b>	<b>14,424.74</b>	<b>13,708.88</b>
<b>Cash and cash equivalents as at March 31, 2024</b>	<b>1,240.08</b>	<b>14,424.74</b>

**Notes**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Cash Flow Statement specified under section 133 of the Companies Act, 2013.
- The cash and cash equivalents in the cash flow statement comprise of the following Balance

Particulars	As at March 31, 2024	As at March 31, 2023
a) Cash on hand	6.35	-
b) Balances with bank (in current accounts)	1,233.73	-894.06
c) Fixed Deposit - closed within 3 months	-	15,318.80
<b>Total</b>	<b>1,240.08</b>	<b>14,424.74</b>

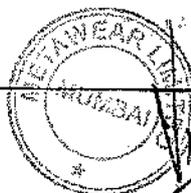
As per our Report of even date  
For AV Rathod & Associates  
Chartered Accountants  
FRN - 150962W

Ankit Vijay Rathod  
Proprietor  
Membership no: 188947  
Mumbai

For and on behalf of the Board of Directors

Dipayan Baishya  
Director  
DIN: 6984907  
Date: 27/08/2024

Anil Borthalala Cherman  
Director  
DIN: 05126614  
Date: 27/08/2024



METAWEAR LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2024

A Equity Share Capital  
As at March 31, 2024

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
13,613.24	-	-	-	13,613.24

B Equity Share Capital  
As at March 31, 2023

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
13,032.00	-	-	581.24	13,613.24

C Other Equity

(Rs. in thousand)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Other Equity	Share Premium	Total
	General Reserve	Retained Earnings	Employee Stock Options	Re-measurement of defined benefit plan			
Balance as at 1st April, 2022	-	10,329.78	-	-	-	20,001.60	13,631.04
Profit/(Loss) for the year	-	(46,981.55)	-	-	-	-	(46,981.55)
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-
Issue of Shares	-	-	-	-	-	58,459.81	58,459.81
Share Based Payment by Holding Company	-	-	-	-	125.40	-	125.40
Balance as at 31st March, 2023	-	(36,651.77)	-	-	125.40	78,461.41	25,204.60
Balance as at 1st April, 2023	-	(53,382.83)	-	-	125.40	78,461.02	25,204.60
Profit/(Loss) for the year	-	(96,935.04)	-	-	-	-	(96,935.04)
Other Comprehensive Income	-	-	-	91.88	-	-	91.88
Employee Stock Option Expensed	-	-	745.00	-	-	-	745.00
Issue of Shares	-	-	-	-	-	-	-
Share Based Payment by Holding Company	-	-	-	-	730.06	-	730.06
Balance as at 31st March, 2024	-	(150,257.34)	745.00	91.88	861.47	78,461.31	(78,077.64)

As per our Report of even date  
For AV Rathod & Associates  
Chartered Accountants  
FRN - 160962W  
Ankit Vijay Rathod  
Proprietor  
Membership no: 168947  
Mumbai

For and on behalf of the Board of Directors



*[Signature]*  
Dipayan Bhalvya  
Director  
DIN: 0964907  
Date: 27/03/2024

*[Signature]*  
Anil Forstmann Chohan  
Director  
DIN: 05126014  
Date: 27/03/2024



2 PROPERTY, PLANT AND EQUIPMENT

(Rs. in thousand)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1 <sup>st</sup> April, 2023	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2024	Upto 1st April, 2023	During the year	Adjusted with Retained Earnings during the year	Upto 31st March, 2024	As at 31st March, 2023
1	Office Equipment	50.00	205.00	-	260.00	2.07	72.57	75.04	184.36	56.91
2	Furniture & Fixtures	797.91	2,740.34	-	3,628.24	27.73	575.82	553.55	2,994.69	760.18
3	Computer	505.76	231.81	-	738.31	97.20	103.58	290.79	447.52	409.60
4	Leasehold Improvements	-	10,659.78	-	10,659.78	453.93	453.93	803.02	3,788.97	-
	(Total)	1,354.67	14,931.72	-	16,106.33	128.09	1,786.75	1,933.78	13,362.54	1,226.61
	Previous Year	-	1,354.60	-	1,354.60	-	128.00	-	1,226.61	-

Notes Forming part of Standalone Financial Statements (Contd.)

3 Capital work in progress

	As at March 31, 2024	As at March 31, 2023
Lease hold improvements	2,616.28	-
	2,616.28	-

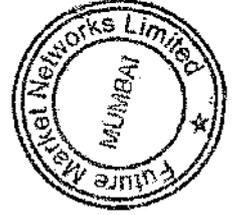
3.1 Capital work in progress being schedule as at March 31, 2024

Particulars	Less than 1 year	1-3 years	More than 3 years	Total
Projects in progress	2,616.28	-	-	2,616.28
Projects temporarily suspended	-	-	-	-
There were no overruns as on March 31, 2024 on account of cost over/unders for the on-going project.				

4 OTHER INTANGIBLE ASSETS

(Rs. in thousand)

Sr. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
		As at 1 <sup>st</sup> April, 2023	Additions During the year	Adjustment / Deduction during the year	As at 31st March, 2024	Upto 31st March, 2024	During the year	Adjusted with Retained Earnings during the year	Upto 31st March, 2024	As at 31st March, 2023
1	Brand	1,803.06	-	-	1,803.06	1,120.89	270.00	-	1,320.09	779.01
2	Website Development	1,572.33	-	-	1,572.33	343.86	514.47	-	658.33	1,220.47
	(Total)	3,472.33	-	-	3,472.33	1,463.95	614.47	-	1,977.43	2,008.38
	Previous Year	-	3,472.33	-	3,472.33	-	1,463.95	-	1,968.38	-



**Metawear Limited**  
Notes Forming part of Standalone Financial Statements (Contd.)

**5 Disclosure Pursuant to Ind AS 116 "Leases"**

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2024:

Particulars	
Balance as at 01 April, 2023	7,472.42
Additions on account of Slump sale	-
Additions during the year	23,302.03
Depreciation charge for the year	-2,388.29
Depreciation on account of Slump sale	-
Deletions during the year	-
Deletions during the year (On account of Slumpsale)	-
Foreign Currency Translation Reserve	-
<b>Balance as at March 31, 2024</b>	<b>28,386.16</b>

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2023:

Particulars	Premises
Balance as at 01 April, 2022	-
Additions during the year	7,472.42
Depreciation charge for the year	-
Deletions during the year	-
<b>Balance as at March 31, 2023</b>	<b>7,472.42</b>

The following is the movement in lease liabilities during the year ended March 31, 2024:

Particulars	Premises
Balance as at 01 April, 2023	7,268.65
Additions on account of Slump sale	-
Additions	22,602.40
Deletion	-
Deletion on account of slumpsale	-
Finance cost accrued during the period	1,524.48
Payment of lease liabilities	(2,554.56)
Foreign Currency Translation Reserve	-
<b>Balance as at March 31, 2024</b>	<b>28,841.16</b>

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Premises
Balance as at 01 April, 2022	-
Additions	7,268.65
Deletion	-
Finance cost accrued during the period	-
Payment of lease liabilities	-
<b>Balance as at March 31, 2023</b>	<b>7,268.65</b>



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**Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2024:**

Particulars	Amount
Current lease liabilities	3,178.09
Non-current lease liabilities	25,663.07
<b>Total</b>	<b>28,841.16</b>

**Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2023:**

Particulars	Amount
Current lease liabilities	730.31
Non-current lease liabilities	6,538.56
<b>Total</b>	<b>7,268.87</b>

**Maturity analysis - contractual undiscounted cash flows as at 31st March, 2024**

Particulars	Premises
Less than one year	5,476.43
One to five years	25,782.32
More than five years	7,605.63
<b>Total undiscounted lease liabilities at 31 March 2024</b>	<b>38,864.38</b>
<b>Lease liabilities included in the statement of financial position at 31 March 2024</b>	<b>28,841.16</b>

**Maturity analysis - contractual undiscounted cash flows as at 31st March, 2023**

Particulars	Premises
Less than one year	1,575.98
One to five years	8,387.98
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2023</b>	<b>9,963.96</b>
<b>Lease liabilities included in the statement of financial position at 31 March 2023</b>	<b>7,258.85</b>

**Amounts recognised in profit or loss**

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation relating to leases	2,388.29	-
<b>Total</b>	<b>2,388.29</b>	<b>-</b>

**Amounts recognised in the statement of cash flows**

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	2,554.58	-

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6 Other financial assets - Non current

(Unsecured, considered good)

Particulars

Security deposits

	As at March 31, 2024	As at March 31, 2023
	2,569.70	716.43
	<u>2,569.70</u>	<u>716.43</u>

7 Deferred tax assets/liability (net)

The management has followed conservative approach and has recognised Deferred Tax Asset (DTA) only to the extent of Deferred Tax Liability.

8 Inventories

Particulars

Finished goods

(At lower of cost and net realizable value, unless stated otherwise)

	As at March 31, 2024	As at March 31, 2023
	9,959.18	12,831.26
	<u>9,959.18</u>	<u>12,831.26</u>

9 Trade receivables - Current

Particulars

Unsecured, considered good

Others -

Undisputed Trade receivables - considered good

Less: Refund Liabilities

Less: Allowance for Expected Credit Loss

Undisputed Trade Receivables - credit impaired

Less: Allowance for bad and doubtful debts

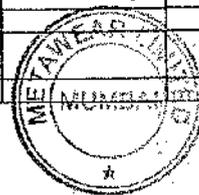
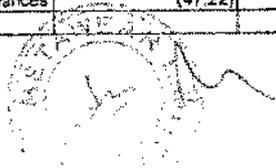
	As at March 31, 2024	As at March 31, 2023
	8,704.84	14,802.25
	(714.03)	(11,342.47)
	(1,830.20)	(403.95)
	-	-
	<u>6,250.41</u>	<u>3,055.80</u>

Trade Receivable ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	6,708.70	990.68	1,095.27	-	-	8,794.65
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,708.70</b>	<b>990.68</b>	<b>1,095.27</b>	<b>-</b>	<b>-</b>	<b>8,794.65</b>
Less: Refund Liability	(714.03)	-	-	-	-	(714.03)
Less: Expected Credit Loss Allowances	(670.87)	(99.07)	(1,060.27)	-	-	(1,830.20)
<b>Net Trade Receivables</b>	<b>5,323.80</b>	<b>891.61</b>	<b>35.00</b>	<b>-</b>	<b>-</b>	<b>6,250.41</b>

Trade Receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	13,703.63	1,098.62	-	-	-	14,802.25
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>13,703.63</b>	<b>1,098.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,802.25</b>
Refund Liability	(11,342.47)	-	-	-	-	(11,342.47)
Less: Expected Credit Loss Allowances	(47.22)	(356.76)	-	-	-	(403.98)
<b>Net Trade Receivables</b>	<b>2,313.94</b>	<b>741.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,055.80</b>



<b>10 Cash and cash equivalents</b>		As at March 31, 2024	As at March 31, 2023
<b>Particulars</b>			
Balances with banks		1,233.73	(894.06)
In current accounts		6.35	-
Cash on hand		-	15,318.80
Deposit with bank (C/psure in 3 months)		1,240.08	14,424.74
<p>Note - There is negative balance in current account of 894.06 due to non presentation of cheques issued by the company, whilst the surplus balance in the bank account is converted to linked fixed deposits, which is credited in case of insufficient funds in the account.</p>			
<b>11 Bank balances other than cash and cash equivalents</b>		As at March 31, 2024	As at March 31, 2023
<b>Particulars</b>			
Fixed deposits with banks*		615.09	4,300.00
Interest Accrued But Not Due		40.56	73.29
		655.65	4,373.29
<p>*Includes Lien marked against Credit Card facility</p>			
<b>12 Other financial assets - Current</b>			
<b>Particulars</b>			
Security Deposit		27,262.88	-
		27,262.88	-
<b>13 Current tax Assets(Net)</b>		As at March 31, 2024	As at March 31, 2023
<b>Particulars</b>			
Income tax Paid		345.64	86.64
Balance with revenue authorities		-	-
		345.64	86.64
<b>14 Other current assets</b>		As at March 31, 2024	As at March 31, 2023
<b>Particulars</b>			
<u>(Unsecured, considered good)</u>			
<u>Other Loans &amp; Advances</u>		678.02	918.52
Advance to Suppliers		43.20	-
Prepaid Expenses		17,422.20	6,688.37
Balance with Government Authority		18,143.42	7,606.89



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

**15 Equity Share Capital**  
Particulars

	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity shares of par value Rs. 10/- each	2,000.00	20,000.00	2,000.00	20,000.00
	2,000.00	20,000.00	2,000.00	20,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of par value Rs. 10/- each	1,361.32	13,613.24	1,000.36	13,613.24
<b>At the end of the year</b>	<b>1,361.32</b>	<b>13,613.24</b>	<b>1,000.36</b>	<b>13,613.24</b>

(a) Movements in Equity Share Capital

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	1,361.32	13,613.24	1,000.00	10,000.00
Add: shares issued during the year	-	-	0.36	3,613.24
<b>Balance as at the end of the year</b>	<b>1,361.32</b>	<b>13,613.24</b>	<b>1,000.36</b>	<b>13,613.24</b>

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs/-10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. 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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares Held	% of holding	Number of Shares Held	% of holding
Think9 Consumer Technologies Private Limited	1,237,557	90.91%	1,237,557	90.91%

(d) Details of shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held

Name of shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Think9 Consumer Technologies Private Limited	1,237,557	90.91%	1,237,557	90.91%
FDRT Consultancy Services Limited	123,762	9.09%	123,762	9.09%
	<b>1,361,319</b>	<b>100%</b>	<b>1,361,319</b>	<b>100%</b>

(e) Shares held by the promoters at the end of the year

Name of Promoters	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Think9 Consumer Technologies Private Limited	1,237,557	90.91%	1,237,557	90.91%

**16 Other equity**

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Reserves and Surplus		
Retained Earnings	(150,237.36)	(63,302.31)
Employee Stock Options	745.08	-
(b) Securities Premium Account	78,461.31	78,461.31
(c) Other Equity		
Share Based Payment by Holding Company (Refer Note 31)	861.47	125.40
(d) Other Comprehensive Income	91.88	-
<b>Total</b>	<b>(70,977.64)</b>	<b>25,284.40</b>

Brief description of Items of Other Equity are given below:

**Retained Earnings**

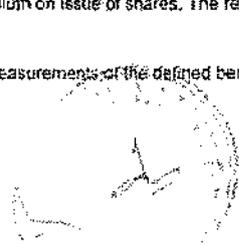
Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on

**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Other Comprehensive Income**

Other Comprehensive Income represents re-measurements of the defined benefit plans



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

**17 Provisions-Non-Current**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Leave Encashment Policy	377.55	-
Long Term Provisions - Gratuity	166.84	88.34
<b>Total</b>	<b>544.39</b>	<b>88.34</b>

**18 Short Term Borrowings**

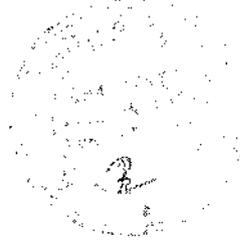
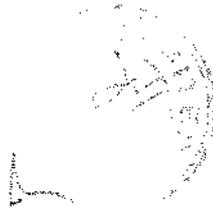
Particulars	As at 31st March, 2024	As at 31st March, 2023
Loan from Related Party- Unsecured (note 1)	2,001.97	-
Unsecured loan (Note 2)	105,624.25	-
<b>Total</b>	<b>107,626.22</b>	<b>-</b>

Note 1- Loan from related party represents an unsecured inter corporate deposit (ICD) taken from holding company for a term of 12 months at the rate of 5% p.a. for business purposes.

Note 2- Loan an unsecured inter corporate deposit (ICD) taken for a term of 6 months at the rate of 9% p.a. for business purposes.

**19 Trade Payables - Current**

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Total outstanding dues of micro-enterprises and small enterprises	2,887.73	56.11
(b) Total outstanding dues of creditors others than micro enterprises and small enterprises	25,798.84	6,310.03
	<b>28,686.57</b>	<b>6,366.14</b>



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

19.1 Trade Payables ageing schedule as on 31st Marc

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1	1-2 years	2-3 years	More than 3	
(i) MSME	469.15	2,707.20	-	-	-	3,186.55
(ii) Others	888.07	24,339.20	172.93	-	-	25,500.22
(iii) Disputed dues -- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-

Trade Payables ageing schedule as on 31st Marc

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	58.11	-	-	-	58.11
(ii) Others	1,482.28	4,827.75	-	-	-	6,310.03
(iii) Disputed dues -- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-

19.2 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company.

	As at 31st March, 2024	As at 31st March, 2023
(a) Principal amount remaining unpaid to any supplier at the year end	2,707.20	58.11
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest	-	-

20 Provisions-Current

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Bonus	151.23	628.53
Leave Encashment Policy	171.18	-
Short Term Provisions - Gratuity	0.57	0.47
	<u>322.89</u>	<u>629.00</u>

21 Other Liabilities- Current

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory liabilities	1,685.53	449.50
Advance from Customers	15.33	-
	<u>1,700.85</u>	<u>449.50</u>



**METAWEAR LIMITED**  
Notes Forming part of Standalone Financial Statements (Contd.)

**22 Revenue From Operations**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Sale Of Goods	62,759.40	34,716.44
Less-Provision for Sale on Return	(714.03)	(11,342.47)
	<u>62,045.37</u>	<u>23,373.97</u>

**23 Other Income**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<u>Interest Income</u>		
Interest received on Fixed Deposits with banks	2,146.52	84.00
Discount Received	116.63	-
Interest on IT refund	3.52	-
Miscellaneous Income	-	-
Interest on Security Deposits	58.36	-
Royalty	-	1,249.05
Performance Bonus Written Back	626.53	-
Other Income	725.45	48.28
	<u>3,682.01</u>	<u>1,382.33</u>

**24 Purchase Of Traded Goods**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Purchases	35,145.01	14,743.00
	<u>35,145.01</u>	<u>14,743.00</u>

**25 Changes in Inventory of Finished goods, Work in Progress & Stock-in-Trade**

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Increase)/ Decrease in Stocks		
Stock at the end of the Year:		
Finished Goods	9,950.18	12,631.26
TOTAL(A)	9,950.18	12,631.26
Less: Stock at the Beginning of the year		
Finished Goods	12,831.26	10,264.83
TOTAL(B)	12,831.26	10,264.83
TOTAL (B-A)	<u>2,881.08</u>	<u>2,366.43</u>

**26 Employee Benefit expenses**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Salaries & Wages	26,317.00	15,770.61
Others	16.49	125.40
Gratuity	170.48	88.81
Performance Bonus	151.23	-
Leave Encashment	546.65	-
Employee Share Options Expenses	1,461.13	-
Provident and other funds	409.27	266.15
Staff Welfare Expenses	33.03	-
	<u>29,127.27</u>	<u>16,251.17</u>



27 Finance Costs

Particulars

	As at 31st March, 2024	As at 31st March, 2023
Interest Expenses	7,362.24	1,190.14
Other Borrowing Costs	-	-
Interest Expense (IND AS)	7,362.24	1,190.14

28 Depreciation and amortization expense

Particulars

	As at 31st March, 2024	As at 31st March, 2023
Depreciation on Property, Plant and Equipment	1,705.76	126.00
Depreciation/ Amortization of ROU Asset	2,366.26	-
Amortization of other intangible assets	514.47	1,411.01
	4,608.54	1,539.00

29 Other Expenses

Particulars

Payment to Auditors

As auditor:

Audit Fee

Advertisement

Administrative Expenses

Commission and Brokerage

Rent

Professional fees

Information technology support services

Interest on TDS

Business Support Services

Bank Charges

Conveyance & Travelling

Freight Charges

Contract Staffing

Allowance for Expected Credit Loss

Insurance

Late Fees

Repairs & Maintenance

Filing Fees

Rates & Taxes

Warehousing

Sales and Promotion

Packing Charges

Written off

Miscellaneous Expenses

	As at 31st March, 2024	As at 31st March, 2023
Audit Fee	200.00	50.00
Advertisement	38,270.33	23,531.47
Administrative Expenses	1,455.76	-
Commission and Brokerage	867.80	-
Rent	4,173.10	387.15
Professional fees	5,455.30	3,577.05
Information technology support services	958.27	1,548.68
Interest on TDS	0.61	1.16
Business Support Services	15,594.25	-
Bank Charges	238.55	5.10
Conveyance & Travelling	370.43	284.35
Freight Charges	3,158.50	2,815.83
Contract Staffing	3,476.16	1,309.33
Allowance for Expected Credit Loss	1,426.22	403.99
Insurance	286.05	208.84
Late Fees	0.80	1.00
Repairs & Maintenance	153.83	-
Filing Fees	125.69	61.80
Rates & Taxes	182.44	-
Warehousing	2,103.04	1,388.57
Sales and Promotion	1,348.13	1,165.39
Packing Charges	735.62	-
Written off	38.05	697.04
Miscellaneous Expenses	236.08	700.44
	82,013.80	38,455.19



**METAWEAR LIMITED**  
Notes on Financial Statements for the year ended March 31, 2024

**30 Earnings Per Share**

	As at March 31, 2024	As at March 31, 2023
Profit / (Loss) for the year / period	(96,935.04)	(46,981.55)
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Equity Shares outstanding	1,361.32	1,205.89
Face value of per share	10.00	10.00
<b>Basic and Diluted</b>	<b>(71.21)</b>	<b>(38.96)</b>

**31 Contingent Liabilities and Commitments**

Contingent Liabilities

The Company does not have any contingent liability during the period or as at March 31, 2024 (March 31, 2023 - Nil).

Capital Commitments

The Company does not have any capital commitments as at March 31, 2024 (March 31, 2023 - Nil).

**32 Disclosure as required by Indian Accounting Standard (Ind-AS) 19 on "Employee Benefits":**

The Company provides various benefit plan to its employees. Some of them are defined benefit in nature while some are contributory.

**1 Defined Benefit Plans:**

Majority the retail defined benefit plans of the Company includes Gratuity and Provident Fund. The Company does Actuarial valuation for its identified long term and short term defined benefit plans.

**Methodology for actuarial valuation of Defined Benefit Obligations:**

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits. Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age of which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.

ii. Salary risk: Higher than expected increases in salary will increase the defined benefit obligations.

iii. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Gratuity Plans:**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

	As at March 31, 2024	As at March 31, 2023
<b>(a) Change in Obligations at the beginning of the year</b>		
Present value of Defined Benefit Obligations at the beginning of the year	88.81	-
Current Service Cost	164.00	85.81
Past Service Cost	-	-
Interest Cost	6.46	-
Gain / Loss on Settlement	-	-
Actuarial (Gain) or Loss-Financial Assumptions	1.42	-
Actuarial (Gain) or Loss-Experience	(93.30)	-
Benefits Paid	-	-
<b>Present value of Defined Benefit Obligations (DBO) at the end of the year</b>	<b>167.41</b>	<b>85.81</b>
<b>(b) Change in Plan Assets (Reconciliation of opening and closing balances)</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan assets	-	-
Actuarial Gain or (Loss)	-	-
Contributions	-	-
Benefits Paid	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>(c) Net Liability / (Asset) recognized in the Balance Sheet</b>		
Present value of Defined Benefit Obligations	167.41	88.81
Fair value of Plan Assets	-	-
<b>Net Liability / (Asset)</b>	<b>167.41</b>	<b>89</b>



**METAWEAR LIMITED**  
Notes on Financial Statements for the year ended March 31, 2024

(d) Total Expense recognized during the year in the Statement of Profit and Loss		
Current service cost	164.00	88.81
Interest expense/(income)	5.48	-
<b>Defined Benefit Cost included in the Statement of Profit and Loss</b>	<b>170.48</b>	<b>88.81</b>
(e) Amounts recognized in Other Comprehensive Income (OCI)	92	NR
(f) Significant estimates: Actuarial assumptions		
The significant actuarial assumptions were as follows:		
Discount rate	7.18%	7.31%
Salary growth rate	8%	8%
Demographic Assumptions		
Mortality Rate	IAM (2012-14) Ultimate 20 years - 70 year 0.000924	IAM (2012-14) Ultimate 20 years - 70 year 0.000924
Withdrawal Rate	28%	28%
Retirement age	58 Years	55 Years
(g) Non-Current and Current portion of Defined Benefit Obligation/(Asset)		
Current Portion	0.57	0.47
Non - Current Portion	163.84	88.34
	<b>167.41</b>	<b>88.81</b>
(h) Sensitivity analysis		
Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
<b>Discount rate</b>		
a. Discount rate -100 basis points impact(%)	8.57%	7.41%
b. Discount rate+100 basis points impact(%)	-6.26%	-6.75%
<b>Salary growth rate</b>		
a. Rate -100 basis points impact(%)	-6.72%	-7.20%
b. Rate+100 basis points impact(%)	7.26%	7.79%
(i) Maturity Profile of Defined Benefit Obligation		
Expected Future Cashflows		
Year 1	0.57	0.47
Year 2	0.49	0.41
Year 3	0.43	0.36
Year 4	23.11	0.32
Year 5	49.67	21.79
Year 6 to 10	137	89.23
Above 10 years	69.97	43.42
(j) Average Expected Future Working life (Years)	3.76	3.96



**METAWEAR LIMITED**  
Notes on Financial Statements for the year ended March 31, 2024

**II Defined Contribution Plans:**

	As at March 31, 2024	As at March 31, 2023
Contribution to Provident and other funds	409.27	266.15
	<u>409.27</u>	<u>266.15</u>

**33 Share Based Payments**

Think9 Consumer Technologies Private Limited, which is the holding company of Metawear Limited has granted - Think9 Consumer Technologies Private Limited Stock Option Plan ("Plan" or "ESOP 2022") wherein 12,012 (Twelve Thousand and twelve) number of Options of the Company which shall vest in accordance with the terms set out under the Employee Stock Option Plan 2022. Out of the said, 625 options were in granted to one of the Director of Metawear Limited. Consequently, an expense of Rs. 736.86 (Rs. 125.46) in USD has been recognized as Share Based Payment for the year ended March 31, 2024.

**34 Employee Stock Option Scheme**

The Company has granted Metawear Limited Stock Option Plan ("Plan" or "ESOP Scheme 2024") wherein 27,226 number of Options of the Company which shall vest in accordance with the terms set out under the Employee Stock Option Plan 2024.

No. of Options	136,132
Grant Date	17-01-24
No of Options Granted	27,226
Vesting Schedule	34% of the options granted shall vest and eligible for exercise on January 16, 2025. Subsequently, at the end of each quarter commencing from April 01, 2025, for a period of 6 quarters - 8.26% of the options shall qualify as eligible to vest to exercise
Exercise price per option	Rs 104

Each Option entitles 1 (one) fully paid up equity share of the Company at the Exercise Price, during the Exercise Period. Subject to and in accordance with the provisions of ESOP 2024, Vested Options may be exercised during the Exercise Period or such other period as may be specified under or pursuant to ESOP 2024.

Particulars	As at March 31, 2024	As at March 31, 2023
Options outstanding at the beginning of the period	-	-
Options granted during the period	27,226.00	-
Exercised during the period	-	-
Expired during the period	-	-
Forfeited during the period	-	-
Options outstanding at the end of the period	27,226.00	-
Options vested and exercisable at the end of the period	-	-

Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:

Total expenses arising from share-based payment transactions on account of Share option plans recognised in profit or loss as part of employee benefit expense were as follows:

Effect of the employee share option plan on the financial statements is as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee compensation expense	1,481.13	-

	As at March 31, 2024	As at March 31, 2023
Deferred employee compensation reserve	745.08	-

Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

1. Risk Free Interest Rate	7.11%
2. Expected Life	5.96
3. Expected Volatility	21.78%
4. Dividend Yield	0%
5. Price of the Underlying Share in Market at the Time of the Option Grant (Rs)	Rs 404



**METAWEAR LIMITED**  
Notes on Financial Statements for the year ended March 31, 2024

**35 Related Party**

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

**(i) List of related parties and its relationships.**

Name of Related Parties*	Relationship	
	March 31, 2024	March 31, 2023
Think9 Consumer Technologies Private Limited	Holding Company	Holding Company
FCRT Consultancy Services Limited	Shareholder	NA
Mr Amit Kasal ( Holder of Office till January 23, 2024 )	Director	Director
Mr Anil Cheraia	Director	Director
Mr. Dipayan Banerjee	Director	Director
Mr. Kishore Biyani	Relative of the Promoter	NA
Mr. Vinod C Nair	Additional Director	NA
Suplus Finvest Private Limited	Ultimate Holding Company	Ultimate Holding Company
Honesty Italian Private Limited( w.e.f. March 14, 2024- Associate of Holding Company)	Associate of Holding Company	Fellow Subsidiaries
Smartsteps Private Limited	Fellow Subsidiaries	NA
Think9 Digital Consumer Brands Private Limited	NA	Holding Company
Kamadgin Fashion Limited (Till 29.05.2022 Holding Company)	Associate of Holding Company	NA
Apari Chitra Karna Private Limited	NA	Fellow Subsidiaries
AGIC Media Direct Limited	Associate of Holding Company	NA
Kleo Consumers Brands Private Limited	Fellow Subsidiary	Associate of Holding Company
Cura Consumer Health Private Limited	NA	NA
Au Naturel Beauty Private Limited	NA	NA
Budada Foods Private Limited (w.e.f March 16, 2023- Associate of Holding Company and w.e.f. March 21, 2024-Fellow Subsidiary)	Associate of Holding Company	NA
BrandsFi Labs Private Limited (w.e.f October 18, 2022)	Fellow Subsidiary	NA
Future Lifestyle Fashions Ltd	Associate of Holding Company	NA
Future Enterprises Ltd	NA	Entity where control of directors / relative of director exists, directly or indirectly
Apollo Design And Apparel Parks Limited	NA	Entity where control of directors / relative of director exists, directly or indirectly
Goldmohr Design And Apparel Park Limited	NA	Entity where control of directors / relative of director exists, directly or indirectly
Future Market Networks Limited	NA	NA

\* List of related parties where control exists and related parties with whom transactions have taken place.

**(ii) Transactions during the year with related parties :**

Sr. No	Name of Related Party	Nature of Transaction	Amount of Transaction		Balance outstanding	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	Think9 Consumer Technologies Private Limited	Rent Expense	1,515.60	138.00	-	-
		Reimbursement of expenses	28,030.83	2,611.25	(7,746.70)	(1,521.53)
		Loan taken	2,000.00	32,500.00	2,000.00	-
		Interest on loan	1.97	1,192.14	1.97	-
		Share Based Payment	736.08	128.40	-	-
		Sales	217.91	-	-	-
		Loan repaid	-	(32,500.00)	-	-
2	Kamadgin Fashion Limited	Purchase of Stock-in-trade(less returns)	NA	4,057.75	(172.95)	(172.95)
		Reimbursement of expenses	NA	239.95	(67.79)	(15.33)
		Sales	NA	61.60	-	-
		Loan	NA	-	-	-
		Royalty	NA	1,249.05	-	-
3	Apollo Design And Apparel Parks Limited	Purchase of Stock-in-trade(less returns)	2,349.52	176.49	(1,555.47)	(165.32)
		Sales	-	26.84	-	26.22
4	Goldmohr Design And Apparel Park Limited	Purchase of Stock-in-trade(less returns)	18,081.65	6,613.73	(5,930.21)	(1,108.20)
		Written off	1.98	-	-	-
		Job Work Charges	3.78	-	-	-
		Packing Charges	24.16	-	-	-
		Sampling Expenses	11.37	-	-	-



**METAWEAR LIMITED**  
Notes on Financial Statements for the year ended March 31, 2024

5	Future Enterprises, Ltd	Purchase of Stock-in-trade/(less returns)	NA	859.74	-	(692.23)
		Sales	NA	22.56	-	
6	Think9 Digital Consumer Brands Private Limited	Reimbursement of expenses				
7	Futura Lifestyle Fashions Ltd	Sales	NA	3,125.45		
		Purchases	NA	2,163.73		
8	Mr. Ishore Bivart	Salary		1,052.63		
9	Anil Cheria	ESOP		736.06		
10	Future Market Networks Limited	Rent Expense		522.90		
		Property Maintenance Services		125.77		
		Security Deposit given		326.16		

**35 SEGMENT REPORTING**

In accordance with the Indian Accounting Standard - 103 (Ind-AS 103) - Operating Segment, segment information has been given in the consolidated financial statements of Think9 Consumer Technologies Private Limited and hence, no separate disclosure of segment reporting is required in these financial statements.

**37 Brand Development**

**Product List**

Hoodies, Classic Shirts, Casual Shirts, Prints Shirts, Bellows, Kurtas, Handkerchief

Headout of White is a premium men's fashion and lifestyle brand. Our products are inspired by the micro-moments of life and celebrate colorful stories in white. KOW has an omnichannel presence with its own D2C website, listings across all major e-commerce sites and SIS in major fashion MSOs. For us, every design from shirts to jackets and more is a tool for navigating your daily moments, reflecting the blurred lines between work and play.



**METAWEAR LIMITED**  
Notes to Financial Statements for the year ended March 31, 2024

**38 Financial Instruments**

The Company's activities are exposed mainly to credit risk, liquidity risk and market risk. The management identifies and evaluates financial risk in close coordination with the Company's business teams.

**a) Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and other financial instruments.

**1) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retail benefits. The Company generally utilizes fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**2) Foreign currency risk:**

The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities. The Company does not have any foreign currency risk. Hence no sensitivity analysis is required.

**3) Credit Risk:**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Provision for expected credit Company provides for expected credit loss based on:

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1 - Unimpaired and without significant increase in credit risk since initial recognition on which a 12 months allowance for ECL is recognised.

Stage 2 - a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3 - Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 12 months past due (DPD) on the reporting date and are accordingly transferred from stage 1 to stage 2. For Stage 1 an ECL allowance is calculated on a 12 months point in time probability weighted probability of default. For stage 2 and 3 assets a life time ECL is calculated on a lifetime probability of default.

**b) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e., generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at:

Particulars	Carrying Amount/Fair	Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities - as at March 31, 2024</b>					
Trade Payables	28,696.57	28,696.57	-	-	28,696.57
Lease Liabilities	28,841.16	3,178.09	17,915.51	7,747.56	28,841.16
Borrowings	108,626.21	108,626.21	-	-	108,626.21
	<b>166,163.94</b>	<b>140,500.87</b>	<b>17,915.51</b>	<b>7,747.56</b>	<b>166,163.94</b>
<b>Financial Liabilities - as at March 31, 2023</b>					
Trade Payable	6,368.13	6,368.13	-	-	6,368.13
Lease Liabilities	7,268.85	730.31	6,538.55	-	7,268.85
	<b>13,636.98</b>	<b>7,098.44</b>	<b>6,538.55</b>	<b>-</b>	<b>13,636.98</b>

**ii) Categories of financial instruments and fair value thereof**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2024						
	Carrying amount			Fair Value			Total
	Fair value through profit and loss	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial Assets</b>							
Trade Receivables	-	6,250.41	6,250.41	-	6,250.41	-	6,250.41
Cash and Cash Equivalents	-	1,240.08	1,240.08	-	1,240.08	-	1,240.08
Bank Balances other than D&CE	-	656.46	656.46	-	656.46	-	656.46
Other Financial Assets	-	29,832.58	29,832.58	-	29,832.58	-	29,832.58
	-	<b>37,979.52</b>	<b>37,979.52</b>	-	-	-	<b>37,979.52</b>
<b>Financial Liabilities</b>							
Trade Payable	-	28,696.57	28,696.57	-	28,696.57	-	28,696.57
Lease Liabilities	-	28,841.16	28,841.16	-	28,841.16	-	28,841.16
Borrowings	-	108,626.21	108,626.21	-	108,626.21	-	108,626.21
	-	<b>166,163.94</b>	<b>166,163.94</b>	-	-	-	<b>166,163.94</b>



Particulars	As at March 31, 2023						
	Carrying amount		Total	Fair Value			Total
	Fair value through profit and loss	Amortised cost		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
<b>Financial Assets</b>							
Trade Receivables		3,055.80	3,055.80			3,055.80	3,055.80
Cash and Cash Equivalents		14,424.74	14,424.74			14,424.74	14,424.74
Bank Balances other than C&CE		4,373.29	4,373.29			4,373.29	4,373.29
Other Financial Assets		716.43	716.43			716.43	716.43
		22,570.26	22,570.26			22,570.26	22,570.26
<b>Financial Liabilities</b>							
Trade Payable		6,368.13	6,368.13			6,368.13	6,368.13
Other Financial Liabilities		7,268.85	7,268.85			7,268.85	7,268.85
		13,636.99	13,636.99			13,636.99	13,636.99

### 39 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, raising of capital is done through judicious combination of equity and borrowing, both short term and long term. Total debt to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Refer Debt - Equity Ratio in Note No. 40

### 40 Financials Ratio Analysis

Sr. No.	Particulars	Formula Used	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons for deviation for more than 25%
a.	Current Ratio (times)	Current Assets / Current Liability	83,648.08	142,524.52	0.45	5.17	91%	There is increase in Current Liabilities due to short term borrowings.
b.	Debt-equity ratio (times)	Total Debt / Shareholder's Equity	108,626.21	(58,464.40)	(1.02)		NA	
c.	Debt service coverage ratio (times)	Earnings available for debt service / Debt Service	(83,435.78)	8,666.72	(9.39)	(35.40)	73%	Due to increase in Finance Cost and Current year losses.
d.	Return on equity ratio (times)	Net Profits after taxes / Average Shareholder's Fund	(96,935.04)	(9,783.36)	11.04	(1.50)	835%	Due to increase in Operating loss.
e.	Inventory turnover ratio (times)	Cost of goods sold OR sales / Average Inventory	38,028.09	11,399.72	3.34	1.05	-217%	Due to increase in sales.
f.	Trade receivables turnover ratio (times)	Net Credit Sales / Average Trade Receivable	62,045.37	4,653.11	13.33	4.70	-184%	
g.	Trade payables turnover ratio (times)	Net Credit Purchases / Average Trade Payable	35,145.01	17,532.35	2.00	1.54	-30%	Due to increase in it's operating activities.
h.	Net capital turnover ratio (times)	Net Sales / Average Working Capital	62,045.37	(22,287.43)	(2.78)	0.99	411%	Due to increase in Short term borrowings.
i.	Net profit ratio (times)	Net Profit / Net Sales	(69,865.04)	62,045.37	(1.55)	(2.01)	22%	
j.	Return on capital employed (times)	Earning before interest and taxes / Capital Employed	(68,546.32)	69,867.68	(1.74)	(1.18)	-47%	Due to increase in Operating loss.



41 Additional Information

- 1 The Company does not have any benami property, where any proceeding has been initiated or is pending against the Company for holding any benami property (Previous year- Nil).
- 2 The company has not traded or invested in Crypto currency or Virtual currency during the financial year (Previous year- Nil).
- 3 The company does not have any transactions with companies which are struck off (Previous year- Nil).
- 4 (i) 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 group (Ultimate Beneficiaries), or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.(ii) 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.
- 5 There are no income which are surrendered or disclosed as income during the year in the tax assessments but not accounted in books of accounts (Previous year- Nil).
- 6 The Company has not entered into any scheme of arrangement which has an accounting impact on Current Financial Year (Previous year - Nil).
- 7 The Company has not been declared willful defaulter by any bank or financial institution or other lender (Previous year- Not Declared)
- 42 There are no debts in trade receivables, which are due by directors or other officers of the company, or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- 43 Trade receivable, Trade payable, Loans & Advances balances are subject to confirmation & reconciliation. In the opinion of the management, difference, if any will not have any material impact on the financial statement. In the opinion of the Board and to the best of their knowledge, value on realization of assets, other than fixed assets in the ordinary course of the business, would not be less than the amount at which they are stated in the Balance Sheet.
- 44 The Company is in the initial phase of setting-up operations, and hence has incurred substantial losses during the year ended March 31, 2024. The management has plans to increase operations in the subsequent period and also Shareholders and Promoters of the Company will continue to provide support in case of any working capital requirements arising in the future. Considering all the facts stated above, the financial statements for the year ended March 31, 2024 have been prepared on a going concern basis.
- 45 The Company does not have any long term contracts including derivatives contracts as at March 31, 2024 (previous year - Nil), wherein the Company is required to make provisions towards any foreseeable losses.
- 46 **Note on Compliance with Audit Trail**  
The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, however the feature of audit trail was inadvertently misused to be activated and was activated on June 24, 2023.  
Further, we could not produce evidence of the existence of audit trail feature in other applications due to non - availability of such details / data from the application owner/vendor.
- 47 **Subsequent Events**  
There have been no significant events after the reporting date till the date of adoption of accounts that require disclosure in these financial statements, other than those disclosed in the Financial Statements.
- 48 Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For AV Rathod & Associates  
Chartered Accountants  
FRN - 160992W

Ankit Vijay Rathod  
Proprietor  
Membership no: 163947  
Mumbai



For and on behalf of the Board of Directors

Digyan Seshya  
Director  
DIN: 0984907

Anil Prabhakar Chitran  
Director  
DIN: 05126014

