Directors' Report

Dear Members,
Metro Brands Limited ("**Your Company**")

Your Directors are pleased to present the 49th (Forty-Ninth) Annual Report of your Company together with the Audited Financial Statements for the Financial Year ("**FY**") ended March 31, 2026.

1. FINANCIAL HIGHLIGHTS

The Company's financial performance (standalone and consolidated) for FY ended March 31, 2026 as compared to the previous FY is summarised below:

(₹ in Crore)

Particulars		Standalone		Consolidated	
		FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
	Gross Sales	3,212.98	2,877.99	3,289.13	2,947.10
Less:	Taxes	(416.40)	(428.92)	(426.08)	(440.49)
	Sales (Net of Tax)	**2,796.58**	**2,449.07**	**2,863.05**	**2,506.61**
	Profit before Depreciation & Tax	843.40	753.42	860.72	759.97
Less:	Depreciation & Amortisation	310.34	257.10	311.01	258.03
	Profit Before Tax ("PBT")	**533.06**	**496.32**	**549.71**	**501.94**
Less:	Provision for Tax	141.28	137.47	144.52	140.10
Less:	Deferred Tax (Credit)	(8.30)	(15.76)	(8.77)	(16.01)
Less:	Tax pertaining to earlier years	(0.41)	25.02	(0.39)	25.02
Add:	Share of profit of Joint Venture	-	-	1.54	1.63
	Profit After Tax ("PAT")	**400.49**	**349.59**	**415.89**	**354.46**
Add/(Less):	Other comprehensive income/(Loss) (net of taxes)	(0.34)	(0.27)	(0.38)	(0.23)
	Total Comprehensive Income	**400.15**	**349.32**	**415.51**	**354.23**
Less:	Total Comprehensive Income attributable to Non-Controlling Interest	-	-	4.70	3.88
	Total Comprehensive Income attributable to Owners of the Company	**400.15**	**349.32**	**410.81**	**350.35**

Note: *The above figures are extracted from the audited standalone and consolidated financial statements of the Company prepared in accordance with the Indian Accounting Standards ("**Ind AS**"). Necessary disclosures regarding Ind AS reporting have been made under the Notes to Financial Statements.*

2. PERFORMANCE SUMMARY

Standalone Financial Results

Your Company has a strong track record of revenue growth and profitability. During FY 2025-26, the Company recorded a Gross Turnover of ₹ 3,212.98 Crore representing a growth of 11.64% as compared to a Gross Turnover of ₹ 2,877.99 Crore during the previous FY 2024-25.

The PBT increased by 7.40% to ₹ 533.06 Crore during FY 2025-26 as compared to ₹ 496.32 Crore in the previous FY 2024-25. The PAT is ₹ 400.49 Crore compared to ₹ 349.59 Crore in the previous FY 2024-25, representing a growth of 14.56%.

Consolidated Financial Results

During FY 2025-26, the Company recorded a Gross Turnover of ₹ 3,289.13 Crore as against a Gross Turnover of ₹ 2,947.10 Crore during the previous FY 2024-25, representing an increase of 11.61%.

The PBT increased by 9.52% to ₹ 549.71 Crore as compared to ₹ 501.94 Crore in the previous FY 2024-25. The PAT is ₹ 415.89 Crore compared to ₹ 354.46 Crore in the previous FY 2024-25, representing a growth of 17.33%.

The standalone and consolidated financial performance reflects the Company's continued focus on business growth, operational efficiency and sustainable value creation. As on March 31, 2026, the Company was ranked 257th among listed companies in India by market capitalization, as per the rankings published by BSE Limited.

3. OPERATIONAL HIGHLIGHTS

During FY 2025–26, your Company crossed the significant milestone of 1,000 stores, expanding its retail network to 1,032 stores across more than 220 cities. This milestone reflects the Company's continued focus on strengthening its pan-India presence and enhancing customer accessibility across metropolitan, Tier I, Tier II and Tier III markets.

During the FY under review, the Company launched MetroActiv, a dedicated retail format catering to the growing athleisure and active lifestyle segment, thereby expanding its portfolio and strengthening its presence in a fast-growing category.

The Company continued to strengthen its brand portfolio through strategic partnerships and investments in leading international and lifestyle brands. During the FY, it expanded the presence of Foot Locker in India, strengthened the FILA business through initiatives across product assortment, sourcing, distribution and retail execution, advanced the expansion of New Era, and initiated preparations for the introduction of Clarks in India.

The Company also accelerated the expansion of its Walkway retail format, strengthening its presence in the value footwear segment and expanding its reach among value-conscious consumers, particularly across Tier II and Tier III markets.

Your Company continued to enhance its omni-channel capabilities by further integrating its physical and digital channels. Continued investments in technology, customer engagement initiatives and fulfilment capabilities supported the growth of the Company's digital business and strengthened the overall customer experience.

Recognising the importance of its brands, the Company continued to strengthen its intellectual property protection framework through comprehensive brand protection and enforcement initiatives. During the FY under review, multiple actions were undertaken against trademark infringement, counterfeiting and unauthorised use of the Company's brands across physical and digital channels. A significant milestone was the grant of interim relief by the Hon'ble Bombay High Court in proceedings initiated to protect the Company's "METRO" trademarks against deceptively similar marks, reinforcing the distinctiveness and goodwill associated with the Company's brands.

For a detailed discussion on the Company's business and operational developments during FY 2025-26, please refer to the Management Discussion & Analysis of this Annual Report.

4. BUSINESS PERFORMANCE

FY 2025-26 marked another year of sustained business expansion for your Company, characterised by continued network growth, strengthening customer engagement and further enhancement of its omni-channel retail ecosystem. During the FY under review, the Company added a net 124 stores, taking its retail network to 1,032 stores across 221 cities as of March 31, 2026. Expansion across the Metro, Mochi, Crocs, Walkway, Foot Locker, FitFlop, MetroActiv, FILA and New Era formats further strengthened the Company's market presence while enabling it to serve a broader customer base across multiple retail formats, brands and price segments.

The Company continued to strengthen its omni-channel capabilities, supported by sustained growth in its digital business. E-commerce and omni-channel sales increased by 39% during the year to ₹361 Crore, contributing approximately 12.9% of total sales. Continued investments in digital platforms, integrated fulfilment capabilities and seamless customer engagement have further reinforced the Company's ability to deliver a consistent shopping experience across both physical and online channels.

Leveraging technology and data-driven insights, the Company continued to enhance customer engagement, strengthen its retail proposition and improve overall customer experience. With a balanced focus on expanding its retail footprint, deepening customer relationships and advancing its omni-channel strategy, your Company remains well positioned to support sustainable long-term growth.

5. METRO STOCK OPTION PLAN 2008 ("ESOP 2008"):

In accordance with the Companies Act, 2013 ("**Act**") and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), ESOP 2008 is managed by the Nomination, Remuneration & Compensation Committee ("**NRC Committee**"). The ESOP 2008 has not undergone any changes during the FY under review.

During the FY under review, the Company granted stock options to eligible employees under ESOP 2008. Each vested option entitles the holder to one Equity Share of ₹5/- each of the Company. Further, 2,97,092 Equity Shares of ₹ 5 each were allotted pursuant to exercise of stock options under ESOP 2008. The certificate issued by Secretarial Auditor and the disclosures required pursuant to Regulations 13 and 14 of the SBEB Regulations are available on the website of the Company at https://metrobrands.com/employee-stock-option-scheme.

6. SHARE CAPITAL

As of March 31, 2026, the Authorised Equity Share Capital of the Company was ₹ 1,50,00,00,000/- comprising 30,00,00,000 Equity Shares of ₹ 5 each.

During FY under review, pursuant to the allotment of Equity Shares under ESOP 2008, the issued, subscribed and paid-up share capital of the Company increased from ₹ 1,36,12,48,230/- (divided into 27,22,49,646 Equity Shares of ₹ 5 each) as on March 31, 2025, to ₹ 1,36,27,33,690/- (divided into 27,25,46,738 Equity Shares of ₹ 5 each) as on March 31, 2026.

After the end of FY under review, the Company has allotted 18,603 Equity Shares of ₹ 5/- each upon exercise of ESOP options. As on the date of this report, the paid-up share capital of the Company has risen to ₹ 1,36,28,26,705/- (divided into 27,25,65,341 Equity Shares of ₹ 5 each).

7. PUBLIC DEPOSITS

During FY under review, the Company had no deposits outstanding at the beginning of the year and did not accept any deposits during FY 2025-26 within the meaning of Sections 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, as on March 31, 2026, there were no deposits outstanding, unpaid or unclaimed and there was no non-compliance with the provisions of Chapter V of the Act.

8. DIVIDEND AND APPROPRIATIONS

The Board, at its meeting held on January 27, 2026, declared and paid an interim dividend of ₹ 3/- per Equity Share of face value ₹ 5/- each.

Considering the Company's strong financial performance, the Board has recommended a final dividend of ₹ 3/- per Equity Share of face value ₹ 5/- each for FY 2025-26. Subject to the approval of the Members at the ensuing Annual General Meeting ("**AGM**"), the total dividend for FY 2025-26 would aggregate to ₹ 6/- per Equity Share, resulting in a total payout of approximately ₹ 163.47 Crore.

The dividend declared and recommended for FY 2025-26 is in accordance with the Company's Dividend Distribution Policy and shall be paid out of the profits of the Company and retained earnings. The Dividend Distribution Policy is available on the Company's website at https://metrobrands.com/wp-content/uploads/2026/01/MBL_Dividend-Distribution-Policy-website.pdf.

Pursuant to the provisions of the Finance Act, 2020, dividend income is taxable in the hands of Members and the Company is required to deduct tax at source on dividend payments at the prescribed rates in accordance with the provisions of the Income-tax Act, 1961.

9. TRANSFER TO RESERVES

During the FY under review, no amount was transferred to the reserves by the Company.

10. MATERIAL CHANGES AND COMMITMENTS– IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FY TILL THE DATE OF THIS REPORT

No revisions were made to the Financial Statements of the Company during FY 2025-26. Further, there have been no material changes or commitments affecting the financial position of the Company that have occurred between the end of FY and the date of this Report.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), forms part of this Annual Report.

12. SUBSIDIARIES AND ASSOCIATE COMPANY

A. SUBSIDIARY COMPANIES

i) Metro Athleisure Limited ("**MAL**")

MAL, a wholly owned subsidiary of the Company, was incorporated on December 22, 2016 and has a paid-up share capital of ₹ 97,82,78,900 (Rupees Ninety-Seven Crore Eighty-Two Lakh Seventy-Eight Thousand Nine Hundred only). During FY 2025-26, MAL recorded gross turnover of ₹ 8.61 Crore and a PAT of ₹ 3.91 Crore.

ii) Metmill Footwear Private Limited ("**Metmill**")

Metmill, a 51% subsidiary of the Company, was incorporated on September 16, 2009 and has a paid-up share capital of ₹ 1,25,00,000 (Rupees One Crore Twenty-Five Lakh only). During FY 2025-26, Metmill recorded a gross turnover of ₹ 76.15 Crore, representing a growth of 16.5% over the previous FY. PAT for the year stood at ₹ 9.63 Crore, registering a growth of 23.15% as compared to FY 2024-25.

B. ASSOCIATE COMPANY

M.V. Shoe Care Private Limited ("**MVSC**")

MVSC, an Associate Company in which the Company holds 49% of the equity share capital, was incorporated on September 08, 2008 and has a paid-up share capital of ₹ 14,00,00,000 (Rupees Fourteen Crore only). During FY 2025-26, MVSC recorded gross turnover of ₹ 53.14 Crore, representing a decrease of 0.47% compared to the previous FY. PAT stood at ₹ 3.40 Crore as compared to ₹ 2.99 Crore in FY 2024-25, reflecting a growth of 13.71%.

Pursuant to Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement in the prescribed format AOC-1, containing the salient features of the Financial Statements of MAL, Metmill & MVSC, their performance including their contribution to the consolidated performance of the Company, forms an integral part of this Report as **Annexure 1**.

The Audited Consolidated Financial Statements of your Company for FY ended March 31, 2026, prepared in compliance with the applicable provisions of the Act including relevant Ind AS issued by the Institute of Chartered Accountants of India and notified under Section 133 of the Act, also forms part of this Annual Report.

During FY under review, no company became or ceased to be a subsidiary company or associate company of the Company.

13. BOARD OF DIRECTORS

The Board of the Company comprises professionals with diverse skills, expertise and experience, who provide strategic guidance and oversight to the management. As on March 31, 2026, the Board consisted of ten (10) Directors, comprising three (3) Executive Directors, one (1) Non-Executive Director, one (1) Non-Executive Nominee Director and five (5) Independent Directors including one (1) Woman Director.

The composition of the Board and its Committees, details of Directors, and the core skills, expertise and competencies identified by the Board in the context of the Company's business are set out in the Corporate Governance Report which forms an integral part of this Report as **Annexure 7**.

During FY 2025-26 and as on the date of this Report, the following changes took place in the Board of the Company:

- Mr. Mohammed Iqbal Hasanally Dossani (DIN: 08908594), Whole-time Director of the Company, was re-appointed for a further term of five (5) years with effect from June 25, 2026, liable to retire by rotation, by the Members of the Company at the 48th AGM held on September 18, 2025.
- Mr. Srikanth Velamakanni (DIN: 01722758), Independent Director of the Company, completed his term and ceased to hold office with effect from March 24, 2026, in accordance with the provisions of the Act and Listing Regulations. The Board places on record its sincere appreciation for his valuable guidance, counsel and contributions during his tenure with the Company.
- Based on the recommendation of the NRC Committee, the Board, at its meeting held on August 04, 2026, approved the following appointment/re-appointment, subject to approval of the Members at the ensuing 49th AGM of the Company:
  - Appointment of Mr. Sonny Iqbal (DIN: 02962053) as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from August 05, 2026, for a period of five (5) years.
  - Re-appointment of Ms. Farah Malik Bhanji (DIN: 00530676), Managing Director of the Company, for a term of five (5) years with effect from April 01, 2027 at a remuneration not exceeding ₹10,00,00,000/- (Rupees Ten Crore only) per annum.
  - Re-appointment of Ms. Alisha Rafique Malik (DIN: 10719537), Whole-time Director of the Company, who is liable to retire by rotation and being eligible, offers herself for re-appointment in accordance with Section 152 of the Act read with the Articles of Association of the Company.

14. KEY MANAGERIAL PERSONNEL ("KMP")

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons were KMPs of the Company as on March 31, 2026:

1. Ms. Farah Malik Bhanji, Managing Director
2. Mr. Mohammed Iqbal Hasanally Dossani, Whole-time Director
3. Ms. Alisha Rafique Malik, Whole-time Director
4. Mr. Nissan Joseph, Chief Executive Officer
5. Mr. Kaushal Khodidas Parekh, Chief Financial Officer
6. Ms. Deepa Sood, Chief Legal Officer & Company Secretary

15. SENIOR MANAGEMENT PERSONNEL ("SMP")

Pursuant to the provisions of Regulation 34, read with Schedule V of the Listing Regulations, the details of the SMP of the Company as on March 31, 2026, along with the changes therein since the end of the previous FY, are set out in the Corporate Governance Report, which forms part of this Annual Report.

16. DECLARATION BY INDEPENDENT DIRECTORS

The Company has five (5) Independent Directors on its Board as on March 31, 2026. The Company has received the requisite declarations and confirmations from all Independent Directors confirming that:

- they meet the criteria of independence prescribed under Section 149(6) and Schedule IV of the Act and the Rules made thereunder, as well as Regulation 16(1)(b) of the Listing Regulations, and that there has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV of the Act and the Company's Code of Conduct for Directors and SMP;
- they have registered their names in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs and have passed the online proficiency self-assessment test or are exempt from the requirement, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- they are not debarred from holding the office of director pursuant to any order of SEBI or any other authority; and
- they are not aware of any circumstance or situation that exists or may reasonably be anticipated which could impair or impact their ability to discharge their duties with objective and independent judgment.

In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise and experience and fulfil the conditions specified under the Act and the Listing Regulations. The Board is satisfied that they are independent of the management.

17. NUMBER OF MEETINGS OF BOARD

During FY 2025-26, four (4) Board Meetings were held. The details relating to Board Meetings and attendance of Directors in each Board Meeting held during FY under review have been separately provided in the Corporate Governance Report. Gap between any 2 consecutive Board Meetings did not exceed 120 days, in compliance with the provisions of the Act and Listing Regulations.

18. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KMP AND SMP

The NRC Committee has formulated a policy, in accordance with the provisions of the Act and the Listing Regulations, governing the selection, appointment, remuneration and evaluation of Directors, KMP and SMP. It also lays down the criteria for determining the qualifications, positive attributes and independence of Directors.

The Policy sets out the remuneration framework for Directors, KMP and SMP and provides for their performance evaluation and retention. It is designed to attract, retain and motivate individuals with the requisite skills and experience at the Board and senior management levels, while ensuring alignment of their objectives with the Company's long-term vision and strategic goals.

The Policy is available on the Company's website and can be accessed at: https://metrobrands.com/wp-content/uploads/2024/07/NRCPolicy.pdf.

19. ANNUAL GENERAL MEETING

The 48th AGM of the Company was held on September 18, 2025 through video conferencing/other audio-visual means, in compliance with the applicable circulars issued by the MCA and SEBI. All the Whole-time Directors except Ms. Alisha Rafique Malik and the Chairpersons of the Audit Committee and the NRC Committee attended the AGM.

20. PERFORMANCE EVALUATION OF THE INDIVIDUAL DIRECTORS, THE COMMITTEES AND THE BOARD

Pursuant to the provisions of the Act and the Listing Regulations, the Company conducts an annual evaluation of the performance of the Board, its Committees and Individual Directors with the objective of enhancing the effectiveness of its governance framework and decision-making processes.

The NRC Committee has laid down a structured framework and criteria for evaluating the performance of the Board, Committees, Independent Directors, Non-Executive Directors, the Managing Director and the Chairperson. The evaluation is conducted through a confidential and structured process, based on parameters approved by the Board and aligned with the Guidance Note on Board Evaluation issued by SEBI.

The evaluation, *inter alia*, covered Board composition and diversity, quality of deliberations, effectiveness of Board and Committee processes, strategic oversight, succession planning, risk management, governance practices, flow of information and individual contributions of Directors. The performance of the Committees was assessed by the Board after seeking inputs from Committee members, while the performance of individual Directors was evaluated based on their participation, preparedness, engagement and contribution to Board and Committee discussions.

A separate meeting of the Independent Directors was held on January 12, 2026, without the presence of the Non-Independent Directors and members of the management. At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors, the Chairperson and the Board as a whole. The Board also evaluated the performance of the Independent Directors, excluding the Director being evaluated.

The Board further reviewed the quality, adequacy and timeliness of information flow between the management and the Board. Based on the evaluation carried out, the Board was satisfied with its overall effectiveness and that of its Committees and individual Directors.

The criteria for performance evaluation of the Board, its Committees and individual Directors are available on the Company's website at https://metrobrands.com/wp-content/uploads/2024/07/PerformanceEvaluationPolicy.pdf.

21. INDEPENDENT DIRECTORS' INDUCTION AND FAMILIARIZATION PROGRAMME

The Company has in place a comprehensive familiarisation programme for its Independent Directors in accordance with the Listing Regulations. Upon appointment, Independent Directors are provided with a formal letter setting out their roles, responsibilities and terms of appointment, and are familiarised with the Company's business, operations, industry landscape, governance framework, values and culture. The familiarisation process is an ongoing exercise and includes regular interactions with the management team and business heads, enabling Independent Directors to gain deeper insights into the Company's operations and contribute effectively to strategic and operational discussions at Board and Committee Meetings.

The details of the familiarisation programme for Independent Directors are available on the Company's website at: https://metrobrands.com/wp-content/uploads/2022/03/Details-of-ID-Familarisation-Programme-.pdf.

Further, pursuant to Regulation 25(7) of the Listing Regulations, the details of the training and familiarisation programmes conducted for Independent Directors during FY 2025-26 are available on the Company's website at: https://metrobrands.com/wp-content/uploads/2026/08/Details-of-Fam-Program-2026-Website-Uploading-Feb-25-2026.pdf.

22. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted various Committees to facilitate focused oversight and informed decision-making in key areas of the Company's operations and governance. The Committees function within the scope of authority delegated by the Board and operate in compliance with the applicable provisions of the Act, the Rules made thereunder, the Listing Regulations and the Articles of Association of the Company. The Committees of the Board are:

- Audit Committee
- Nomination, Remuneration & Compensation Committee
- Corporate Social Responsibility & Sustainability Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Share Allotment and Transfer Committee
- Investment Committee

During FY 2025-26, the Board accepted all recommendations made by its Committees, wherever required. Details relating to the composition, terms of reference, number of meetings held and attendance of members of the respective Committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

23. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2). Adequate systems and processes are in place to ensure compliance with the said Secretarial Standards and were operating effectively during FY 2025-26.

24. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY ("CSR")

A detailed report on the CSR initiatives undertaken by the Company during FY 2025-26 is provided in the Business Responsibility section of this Annual Report.

Pursuant to Section 135 of the Act and the Rules made thereunder, the Annual Report on CSR activities, containing the prescribed disclosures, forms an integral part of this Report as **Annexure 2**. The terms of reference of the CSR Committee are set out in the Corporate Governance Report forming part of this Annual Report.

An outline of the Company's CSR Policy and the CSR initiatives undertaken during the FY under review are included in **Annexure 2**. The CSR Policy is available on the Company's website at https://metrobrands.com/wp-content/uploads/2022/05/Corporate-Social-Responsibility-Policy.pdf.

25. RELATED PARTY TRANSACTIONS ("RPTs")

All contracts, arrangements and transactions entered into by the Company with related parties during FY 2025-26 were in the ordinary course of business and on an arm's length basis. None of the transactions entered into by the Company with related parties qualified as material transactions under the Act, the Listing Regulations or the Company's Policy on Related Party Transactions ("**RPT Policy**"). Further, there were no materially significant RPTs with the Promoters, Directors or KMPs that could have had a potential conflict with the interests of the Company. Accordingly, the disclosure of RPTs in Form AOC-2, as prescribed under Section 134(3)(h) of the Act, is not applicable.

All RPTs are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for transactions of a repetitive nature in accordance with the applicable provisions of the Act and the Listing Regulations.

During the FY under review, the RPT Policy was revised to align with the amendments to the Listing Regulations. The Policy is available on the Company's website at https://metrobrands.com/wp-content/uploads/2026/01/MBL-RPT-Policy-clean.pdf.

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments covered under Section 186 of the Act are disclosed in the Financial Statements forming part of this Annual Report.

27. RISK MANAGEMENT

The Company views risk management as an integral component of effective corporate governance and sustainable value creation. In an increasingly dynamic business environment, the Company's risk management framework enables the timely identification, assessment and management of risks and opportunities that may impact its strategic objectives, operational performance and stakeholder interests.

The Company has established a structured risk management framework that is embedded across key business functions and decision-making processes. The framework facilitates proactive risk identification, evaluation and mitigation, while supporting business resilience, operational continuity and informed strategic planning. The Company has adopted a Risk Management Policy that sets out the guiding principles and processes for managing risks across the organization. The Policy is available on the Company's website at https://metrobrands.com/wp-content/uploads/2024/07/RiskManagementPolicy.pdf.

The Risk Management Committee, under the oversight of the Board, periodically reviews the Company's risk profile and the effectiveness of mitigation measures implemented for key strategic, operational, financial, regulatory and emerging risks. The Audit Committee also reviews the adequacy and effectiveness of the Company's risk management and internal control systems. In the opinion of the Board, there are no risks which may threaten the existence of the Company.

Recognising the increasing importance of technology and data governance, the Company continues to strengthen its cyber security and data protection framework through enhanced security controls, periodic vulnerability assessments, employee awareness programmes and a structured incident response mechanism. The Company has also reinforced its data privacy governance and compliance framework in line with the Digital Personal Data Protection Act, 2023.

The Risk Management Policy is reviewed periodically to ensure its continued relevance and effectiveness. Further details on the Company's risk management framework are provided in the Corporate Governance Report forming part of this Annual Report.

28. INTERNAL FINANCIAL CONTROLS AND SYSTEMS

The Company has adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations, and such controls were operating effectively during FY 2025-26. The controls are integrated across key functions and processes and are supported by well-defined policies and procedures aimed at ensuring operational efficiency, safeguarding of assets, reliable financial reporting, optimal resource utilisation and compliance with applicable laws and regulations.

The internal control framework is subject to continuous review and strengthening to align with the evolving business environment. The Audit Committee periodically reviews the adequacy and effectiveness of internal controls and provides guidance for further strengthening of the systems, wherever required.

During FY 2025-26, neither the Internal Auditors nor the Statutory Auditors reported any material weakness or significant concern regarding the effectiveness of the internal control system. Further, no instances of fraud were reported by the Auditors under Section 143(12) of the Act to the Audit Committee or the Board.

29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH ACT")

In compliance with the provisions of the POSH Act, the Company has adopted a comprehensive Policy on Prevention of Sexual Harassment at the Workplace. The Policy establishes a zero-tolerance framework and provides a structured mechanism for the prevention, prohibition and redressal of complaints of sexual harassment, thereby ensuring a safe, secure and dignified work environment.

The Policy is applicable to all employees of the Company, as well as to all individuals associated with its operations, including consultants, trainees, interns, volunteers, contractual personnel, third-party service providers and visitors across all locations, business units, subsidiaries, affiliates and group entities. The Company has constituted an Internal Committee in accordance with the POSH Act to ensure prompt, fair and effective resolution of complaints, in line with principles of natural justice and confidentiality.

The Company also undertakes regular awareness, training and sensitization programs across its workforce to reinforce a culture of respect, inclusivity and zero tolerance towards any form of harassment. These initiatives are designed to ensure awareness of rights and obligations under the Policy and to strengthen preventive mechanisms across the organization.

The details of complaints received, disposed and pending during FY 2025-26 are as follows:

Particulars	No. of Complaints
Number of complaints pending at the beginning of FY	NIL
Number of complaints filed during FY	4
Number of complaints disposed of during FY	4
Number of complaints pending as at end of the FY	NIL
Number of cases pending for more than 90 days	NIL

Further details are provided in the Corporate Governance Report forming part of this Annual Report.

30. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for FY 2025-26 has been made available on the Company's website at https://metrobrands.com/annual-return/ and will be filed with the Registrar of Companies within the statutory timelines.

31. STATUTORY AUDITORS AND AUDIT REPORT

At the 45th AGM held on September 07, 2022, the Members approved the appointment of M/s. S R B C & CO LLP, Chartered Accountants (FRN: 324982E/E300003) as Statutory Auditors of the Company for a term of five (5) consecutive years up to the conclusion of the 50th AGM.

The firm is a limited liability partnership registered with the Institute of Chartered Accountants of India and is primarily engaged in audit and assurance services. It is part of the S.R. Batliboi & Affiliates network of audit firms.

The Auditors' Report on both Standalone and Consolidated Financial Statements for FY 2025-26 is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

32. SECRETARIAL AUDITOR AND HIS REPORT

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of Listing Regulations and applicable SEBI circulars, CS Sekar Ananthanarayan, Practicing Company Secretary (FCS No. 14013, COP No. 2450), was appointed as the Secretarial Auditor of the Company by the Members at the 48th AGM held on September 18, 2025, for a term of five (5) consecutive FYs from FY 2025-26 to FY 2029-30.

The Secretarial Audit Report in Form MR-3 issued by CS Sekar Ananthanarayan does not contain any qualification, reservation, adverse remark or disclaimer and forms an integral part of this Report as **Annexure 3**.

Annual Secretarial Compliance Report:

Pursuant to Regulation 24A of the Listing Regulations, the Company has undertaken a secretarial compliance audit for FY 2025-26 covering all applicable compliances under SEBI Regulations, Circulars, Notifications and Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by CS Sekar Ananthanarayan has been submitted to the Stock Exchanges within the prescribed timelines and is also available on the Company's website at https://metrobrands.com/wp-content/uploads/2026/05/Reg-24A_ACR_2025-26signed.pdf.

33. INTERNAL AUDITOR

The tenure of M/s. KPMG Assurance and Consulting Services LLP as Internal Auditors of the Company concluded at the end of FY 2025-26. During their engagement, they supported the Company in strengthening its internal control environment and audit processes.

Subsequently, based on a review of qualifications, experience and capability commensurate with the scale and requirements of the Company, the Board, at its meeting held on May 20, 2026, appointed M/s. PricewaterhouseCoopers Services LLP (PwC) as the Internal Auditors of the Company for a term of three (3) FYs from FY 2026-27 to FY 2028-29, in accordance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

34. COST AUDIT

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records and requirement of cost audit are not applicable to the Company.

35. PARTICULARS OF EMPLOYEES

The statement containing the information required under Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors and employees of the Company, forms an integral part of this Report as **Annexure 4**.

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

The information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, and foreign exchange earnings and outgo, forms an integral part of this Report and is set out in **Annexure 5**. The disclosure highlights the Company's ongoing efforts towards improving energy efficiency, adopting appropriate technologies and managing foreign exchange exposure in a prudent manner during the FY under review.

37. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has instituted a robust Vigil Mechanism through its Whistle Blower Policy in compliance with Section 177(9) of the Act and Regulation 22 of the Listing Regulations, aimed at upholding the highest standards of ethical conduct and corporate governance. The Policy is applicable to employees, Directors, contractors, consultants, trainees, service providers and other associated persons across the Company and its subsidiaries, affiliates and group entities.

The mechanism enables reporting of concerns relating to unethical behaviour, fraud, corruption, violations of laws and regulations, non-compliance with Company policies, and leakage or suspected leakage of UPSI. It provides a secure framework for confidential reporting, fair investigation and adequate safeguards against victimisation of whistle blowers, including access to the Chairperson of the Audit Committee in appropriate cases.

The Vigil Mechanism is overseen by the Audit Committee, which reviews its effectiveness on a periodic basis. During FY 2025-26, no person was denied access to the Audit Committee. Four (4) matters were reported under the Policy during the FY under review, which were duly investigated and appropriately resolved.

Further details of the Policy are provided in the Corporate Governance Report forming part of this Annual Report. The Policy is also available on the Company's website at https://metrobrands.com/wp-content/uploads/2024/07/WhistleBlowerPolicy.pdf.

38. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board based on representations received from Management, and the processes involving the Company's statutory and internal audit functions, and to the best of its knowledge, ability and due enquiry, the Directors of your Company confirm that:

a) in the preparation of the annual accounts for the FY ended March 31, 2026, the applicable accounting standards have been followed.

b) they 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 as on March 31, 2026 and of the profits of your Company for FY ended March 31, 2026.

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the Directors have prepared the annual accounts for FY ended March 31, 2026 on a "going concern" basis.

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

f) adequate systems and processes, commensurate with the size of the Company & nature of its business are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

39. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

40. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")

The Company integrates purpose-driven leadership with digital capability and innovation to address its material environmental, social and economic impacts, while enabling sustainable value creation for customers, business partners and stakeholders across the value chain. Its approach to environmental responsibility is guided by its sustainability priorities and initiatives as outlined in the BRSR.

In compliance with Regulation 34(2)(f) of Listing Regulations, read with SEBI Master Circular HO/49/14/14(7)2025-CFDPOD2/I/3762/2026 dated January 30, 2026, the BRSR for FY 2025-26 has been prepared and forms an integral part of this Report as **Annexure 6**.

In accordance with the applicable SEBI requirements, the BRSR Core disclosures for FY 2025-26 have been subjected to reasonable assurance. Accordingly, the Company has obtained a Reasonable Assurance Report on the BRSR Core Indicators from M/s. Ainapur & Associates on a standalone basis which is included **Annexure 6.**

41. GREEN INITIATIVES

As part of your Company's continued commitment to environmental sustainability and in support of green initiatives, the electronic copy of the Notice of the 49th AGM of the Company, along with the Annual Report for FY 2025-26, is being sent to all Members whose e-mail addresses are registered with the Depository Participant(s) on the cut-off date. For Members whose e-mail addresses are not registered, a letter containing the web link and exact path for accessing the Annual Report is being sent in accordance with applicable law. Members may request a physical copy of the Annual Report, which shall be provided in accordance with the applicable provisions.

42. CORPORATE GOVERNANCE AND DISCLOSURES

Corporate governance has remained a foundational principle for the Company since inception, guiding its approach to business conduct, decision-making, and stakeholder engagement. The governance framework is built on a strong value system and is embedded across the organisation, reinforcing transparency, accountability, and ethical business practices.

In accordance with Regulation 34(3) read with Schedule V of the Listing Regulations, the Corporate Governance Report along with the certificate issued by the Secretarial Auditor confirming compliance with applicable governance requirements forms part of this Annual Report. Further, pursuant to Regulation 17(8) read with Schedule II of the Listing Regulations, the Chief Executive Officer and Chief Financial Officer have provided certification to the Board affirming the integrity of the financial statements and cash flow statements, the effectiveness of internal control systems, and appropriate disclosure of all material matters to the Audit Committee.

43. GENERAL DISCLOSURES

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

i. There was no change in the nature of business of the Company during FY 2025-26.

ii. There was no issue of equity shares with differential rights as to dividend, voting or otherwise, issue of sweat equity shares and buyback of shares.

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

iv. There was no one time settlement done with any bank or financial institution.

v. There is one proceeding initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which does not materially impact the business of the Company. The Company is contesting the matter based on merits at the admission stage.

vi. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

vii. The Company is in compliance with the applicable provisions relating to the Maternity Benefit Act, 1961 (now Code on Social Security, 2020).

viii. There were no revisions in the Financial Statements and the Balance Sheet of the Company.

44. ACKNOWLEDGEMENT

The Board places on record its sincere gratitude to all employees for their commitment and contribution during the FY under review. With such a strong foundation and shared vision, the Board is confident that the Company is well positioned to drive continued success in the years ahead.

The Board conveys its appreciation to its customers, shareholders, suppliers, business partners, bankers, the Government and regulatory authorities for their continued support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Rafique Abdul Malik
Chairman and Non- Executive Director
DIN: 00521563

Place: Mumbai
Date: August 04, 2026

ANNEXURES

The following reports have been annexed and form part of this report:

Annexure 1 – AOC-1: Statement containing the salient features of the Financial Statement of MAL and Metmill (Subsidiary Companies) and MVSC (Associate Company)

Annexure 2 – Annual Report on Corporate Social Responsibility (CSR) activities

Annexure 3 – Secretarial Audit Report (MR-3)

Annexure 4 – Statement of Remuneration

Annexure 5 – Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Annexure 6 – Business Responsibility and Sustainability Report

Annexure 7 – Corporate Governance Report

ANNEXURE 1 – TO THE DIRECTORS' REPORT

Form AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES FOR THE FY ENDED MARCH 31, 2026.

(₹ in Crore)

Sr No	Particulars	Metmill Footwear Private Limited	Metro Athleisure Limited
1.	The date since when subsidiary was acquired	September 16, 2009	December 01, 2022
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	
4.	Share Capital	1.25	97.83
5.	Other Equity	67.25	(98.39)
6.	Total Assets	74.98	14.94
7.	Total Liabilities	6.48	15.50
8.	Investments	8.23	0.79
9.	Turnover	66.47	7.98
10.	Profit before taxation	12.88	3.91
11.	Provision for taxation	3.25	-
12.	Profit after taxation	9.63	3.91
13.	Proposed Dividend	-	-
14.	Percentage of shareholding	51%	100%

Notes:

Names of subsidiaries which are yet to commence operations: **Not Applicable**

Names of subsidiaries which have been liquidated or sold during the FY: **Not Applicable**

Part "B": Associates and Joint Ventures

1. **Name of Associates or Joint Ventures:** M.V. Shoe Care Private Limited
2. **Latest audited Balance Sheet Date:** March 31, 2026
3. **Date on which the Associate or Joint Venture was associated or acquired:** August 24, 2016
4. **Shares of Associate or Joint Ventures held by the Company on the FY end**
   a) **Number of shares –** 68,60,000
   b) **Amount of Investment in Associates or Joint Venture –** ₹ 4.92 Crore
   c) **Extent of Holding (in percentage) –** 49%
5. **Description of how there is significant influence -** Control of at least 20% of total share capital
6. **Reason why the associate/joint venture is not consolidated –** The entity is not consolidated as the Company does not exercise control over it and has only joint control/significant influence. Therefore, in accordance with Paragraph 16 of Ind AS 28, the investment is accounted for using the equity method in the Consolidated Financial Statements.
7. **Net worth attributable to shareholding as per latest audited Balance Sheet –** ₹ 17.90 Crore
8. **Profit or Loss for the year (after other comprehensive income)**
   a. **Considered in Consolidation –** ₹ 1.54 Crore
   b. **Not Considered in Consolidation –** ₹ 1.85 Crore

Note:
1. Names of associates or joint ventures which are yet to commence operations. – **Not Applicable**
2. Names of associates or joint ventures which have been liquidated or sold during the FY. – **Not Applicable**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR METRO BRANDS LIMITED

Sd/-
RAFIQUE ABDUL MALIK
CHAIRMAN AND NON-EXECUTIVE DIRECTOR
DIN: 00521563

Place: Mumbai
Date: August 04, 2026

ANNEXURE 2 – TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Your Company's approach to CSR is closely aligned with its commitment to Environmental, Social, and Governance values and sustainable development. The CSR policy reflects the Company's belief in contributing meaningfully to the well-being of communities. It places strong emphasis on supporting economically and socially disadvantaged groups, while also extending benefits to the larger society.

The Company's CSR efforts focus on areas that can make a lasting difference such as health and wellness, education, environmental care, skill development, sports development and rural progress. These initiatives are designed to reach diverse and deserving communities across rural, semi-urban, and urban India. Special attention is also given to supporting individuals engaged in traditional occupations such as cobblers and shoe-shiners, helping to improve their quality of life.

With the intention of creating wider and more meaningful impact, the Company partners with trusted organizations and local groups, ensuring that resources are used effectively and reach those who need them most. All CSR activities are carried out in line with Schedule VII of the Act and are thoughtfully designed to support inclusive growth and long-term sustainability.

The CSR policy provides a clear and transparent framework to guide the Company's community initiatives. It reflects the Company's dedication to acting responsibly, caring for the environment, and building a better future for all stakeholders, especially the generations to come. Stakeholders may find the CSR Policy at: https://metrobrands.com/wp-content/uploads/2022/05/Corporate-Social-Responsibility-Policy.pdf

2. Composition of CSR Committee & details of meetings held:

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR committee held during the FY	Number of meetings of CSR Committee attended during the FY
	Ms. Farah Malik Bhanji	Chairperson, Managing Director	2	2
	Mr. Arvind Kumar Singhal	Member, Non-Executive Independent Director	2	2
	Ms. Radhika Piramal	Member, Non-Executive Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. –

CSR Policy and CSR projects - https://metrobrands.com/csr/

Composition of CSR committee - https://metrobrands.com/list-of-board-committees/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – NA

5. (a) **Average net profit of the Company as per Section 135(5):** ₹472.73 Crore
   (b) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 9.45 Crore
   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous FY:** NIL
   (d) **Amount required to be set off for the FY, if any:** NIL
   (e) **Total CSR obligation for the FY (b+c-d):** ₹ 9.45 Crore

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 8.39 Crore.

(b) **Amount spent in Administrative Overheads:** ₹ 0.42 Crore

(c) **Amount spent on Impact Assessment, if applicable:** NA

(d) **Total amount spent for the FY ((a)+(b)+(c)):** ₹ 8.81 Crore

(e) **CSR amount spent or unspent for the FY:**

(₹ in Crore)

Total Amount Spent for the FY	Amount unspent (in FY 2025-26)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
8.81	0.64	April 28, 2026	NA	Nil	NA

(f) **Excess amount for set off, if any –**

(₹ in Crore)

Sr. No.	Particulars	Amount
1.	Two percent of average net profit of the Company as per section 135(5)	9.45
2.	Total amount spent for the FY	8.81
3.	Excess amount spent for the FY [(ii)-(i)]	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous FYs, if any	NIL
5.	Amount available for set off in succeeding FYs [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three FYs: -

(₹ in Crore)

Sr. No.	Preceding FY	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the reporting FY	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding FYs	Deficiency, if any
					Name of the Fund	Amount	Date of transfer		
1	2024-25	0.05	0.05	0.05	-	NIL	-	NIL	-
2	2023-24	0.51	NIL	NIL	-	NIL	-	NIL	-
3	2022-23	0.06	NIL	NIL	-	NIL	-	NIL	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the FY: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):
Out of the total obligation of ₹9.45 crores, the Company has spent ₹8.81 crores on various projects. The unspent balance of ₹0.64 crores pertaining to the ongoing projects has been transferred to the Unspent CSR Account in compliance with the statutory provisions.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR METRO BRANDS LIMITED

Sd/-
FARAH MALIK BHANJI
MANAGING DIRECTOR AND CHAIRPERSON OF CSR COMMITTEE
DIN: 00530676

Sd/-
NISSAN JOSEPH
CHIEF EXECUTIVE OFFICER

Place: Mumbai
Date: August 04, 2026

ANNEXURE 3 – TO THE DIRECTORS' REPORT

FORM MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Metro Brands Limited
401, Zillion, 4th Floor,
LBS Marg and CST Road Junction,
Kurla West, Mumbai – 400 070.

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

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the financial year ended March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place.

I have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company for the financial year under review, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

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

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Portfolio Investments & Investments by Non-Resident Indians;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 to the extent they are applicable to the Company:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and dealing with client;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

(vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company:

a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

I have also examined the compliance with the applicable clauses of the following: -

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

I further report that

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

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

Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

I further report that based on compliance mechanism established by the Company and on the basis of compliance certificates issued by the CEO & CFO and taken on record by the Board of Directors, prima facie there are adequate systems and processes in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Also, as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

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

a) During the financial year under review, 2,97,092 Equity Shares of ₹ 5/- each were allotted consequent to exercise of the options by the employees pursuant to the ongoing Employees Stock Options (ESOPs) scheme namely Metro Stock Option Plan, 2008.

b) Mr. Srikanth Velamakanni (DIN: 01722758), ceased to be a Non-Executive Independent Director of the Company with effect from March 24, 2026, upon completion of his term.

A SEKAR (SEKAR ANANTHANARAYAN)
COMPANY SECRETARY
PLACE: MUMBAI FCS 14013 CP 2450
DATE : MAY 20, 2026 UDIN: F014013H000411751

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

'Annexure A'

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. The responsibility of the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. The audit was conducted in accordance with applicable Standards. Those Standards require that the Auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about level of compliance with applicable laws and maintenance of records.

3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the Company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013 and other applicable statutes.

5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

A SEKAR (SEKAR ANANTHANARAYAN)
COMPANY SECRETARY
PLACE: MUMBAI FCS 14013 CP 2450
DATE : MAY 20, 2026 UDIN: F014013H000411751

ANNEXURE 4 – TO THE DIRECTORS' REPORT

Statement of Remuneration

Pursuant to Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the FY 2025-26, the percentage increase in remuneration of Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary in the FY 2025-26.

(₹ in Crore)

Sr. No.	Name of the Director/KMP	Designation	Remuneration of Director / KMP for the FY 2025-26	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration in FY 2025-26 as compared to FY 2024-25
1.	Mr. Rafique Abdul Malik	Non-Executive Chairman	6.853	304.41	NIL
2.	Ms. Farah Malik Bhanji	Managing Director	3.857	171.7	7.00%
3.	Ms. Alisha Rafique Malik	Whole-time Director	1.630	72.5	10.00%
4.	Mr. Mohammed Iqbal Hasanally Dossani	Whole-time Director	*0.714	31.8	14.00%
5.	Mr. Utpal Hemendra Sheth@	Non-Executive Nominee Director	NIL	NIL	NIL
6.	Mr. Bhaskar Bhat**	Independent Director	0.20	9.03	NA
7.	Mr. Arvind Kumar Singhal	Independent Director	0.19	8.25	22.89%
8.	Mr. Vikas Vijaykumar Khemani	Independent Director	0.15	6.69	-17.10%
9.	Mr. Mithun Padam Sacheti	Independent Director	0.13	5.69	22.73%
10.	Mr. Srikanth Velamakanni$	Independent Director	0.11	4.69	-26.47%
11.	Ms. Radhika Piramal***	Independent Director	0.16	7.26	NA
12.	Mr. Nissan Joseph	CEO	#8.843	393.7	10.00%
13.	Mr. Kaushal Khodidas Parekh	CFO	&4.761	212.0	10.00%
14.	Ms. Deepa Sood	Company Secretary	%1.414	63.1	10.00%

** Including perquisites of ₹0.45/- Crore pursuant to exercise of Stock Options.*

 # Including perquisites of ₹4.45/- Crore pursuant to exercise of Stock Options.

& Including perquisites of ₹2.64/- Crore pursuant to exercise of Stock Options.

% Including perquisites of ₹0.44 /- Crore pursuant to exercise of Stock Options.

@ Mr. Utpal Hemendra Sheth (DIN: 00081012), Non-Executive Nominee Director, voluntarily waived his right to receive any remuneration.

$ Mr. Srikanth Velamakanni (DIN: 01722758) has ceased to be an Independent Director of the Company with effect from the closure of business hours on March 24, 2026, upon completion of his term of appointment.

*** Mr. Bhaskar Bhat (DIN: 00148778), Independent Director, was appointed with effect from February 06, 2025.*

**** Ms. Radhika Piramal (DIN: 02105221), Independent Director, was appointed with effect from February 06, 2025.*

2. The percentage increase in the median remuneration of Employees for the FY 2025-26 was 6.8%.
3. The Company has 5,179 permanent Employees on the rolls of Company as on March 31, 2026.
4. Average increase made in the salaries of Employees other than the managerial personnel in the FY 2025-26 was 7.6%. The Company has taken proactive reward and career related measures to ensure our talent feels valued and maintain our competitiveness.
5. We affirm that the remuneration paid to the Directors and KMP is as per the Nomination, Remuneration and Compensation Policy of the Company.

Note:

a) The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and the limits approved by the Board of Directors and Shareholders of the Company.

b) Employees for the above purpose include all employees excluding employees working for its subsidiaries and group companies.

Information as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the FY ended March 31, 2026 (including details of top ten employees of the Company)

A. Employed throughout the year and were in receipt of remuneration of not less than ₹ 1,02,00,000/- (Rupees One Crore Two Lakh only) per annum

Sr. No.	Employee Name	Designation	Remuneration Received (₹ in crore)	Qualification	Total experience (in years)	Date of commencement of employment	Age (in years) Last employment
1	Farah Malik Bhanji	Managing Director	3.857	B.A, B.B.A. in Finance (USA), OPM Harvard, U.S.A.	27	05-Dec-00	50 Years, Business
2	Nissan Joseph*	Chief Executive Officer	8.843	MBA	26	01-Jul-21	61 years, Map Active Philippines
3	Alisha Rafique Malik	Whole-time Director & President	1.630	BA in Finance	17	01-Jul-09	39 Years, Business
4	Aziza Rafique Malik	President	2.657	B.Com	36	02-Jan-86	76 years, Business
5	Kaushal Khodidas Parekh*	Chief Financial Officer	4.761	B.Com, CA, CS	22	28-Mar-12	46 years, Ernst & Young
6	Mohit Dhanjal*	Chief Operating Officer	2.123	BA- Sociology, Public Admin and Political Science	31	01-Aug-24	52 Years, Reliance Retail Ltd
7	Aashish Dipak Mashruwala*	Chief Transformation Officer	3.381	BE, MDP	20	01-Oct-20	54 Years, Ecco shoes
8	Nandini Mehta*	Chief Human Resource Officer	1.601	Post Graduation - Human Resource Management	27	16-Aug-21	57 Years, Landmark Group
9	Deepa Sood*	Chief Legal Officer & Company Secretary	1.414	LLB, CS	24	15-Sep-21	47 years, Antara Senior Living Ltd
10	Maulik Rajendra Desai*	Senior Vice President	2.826	Masters in marketing management	20	22-Apr-19	52 years, Crossword Book Stores
11	Mohmed Jaffer Yusuf Ali Panjwani*	Vice President	1.538	LLB	20	23-Nov-18	49 Years, Shoppers Stop Ltd.
12	Manoj Singh*	Vice President	1.554	MBA	21	02-May-17	56 Years, Liberty Shoes Ltd
13	Manoj Agarwal*	Assistant Vice President	1.088	B.Com, CA, CIA, CISA	30	25-Feb-16	50 Years, Golden Group of Companies, Oman
14	Sukhminder Singh Lamba*	Assistant Vice President	1.026	MBA	15	02-Mar-20	36 Years, Flipkart Internet Service Pvt. Ltd.

**Includes perquisite value of Stock Options exercised during FY 2025-26.*

B. Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand only) per month

Sr. No.	Employee Name	Designation	Remuneration Received (₹ in crore)	Qualification	Total experience (in years)	Date of commencement of employment	Age (in years) Last employment
1	Tajdin Mohamedali Gilani*	Vice President	2.089	B.Com, DFM, CAN	31	01-Oct-18	67 Years, Metro Shoes
2	Amit Kumar	Senior Vice President	1.453	Post Graduation-Apparel Marketing and Merchandising	29	28-Sep-23	54 Years, Arvind Fashion Ltd
3	Jitendra Ashok Mangave	Chief Information & Technology Officer	1.323	B. Tech	27	10-Apr-25	50 Years, Landmark Group
4	Harshvardhan Singh Chauhan	Chief Marketing Officer	0.133	MBA-Marketing	19	23-Feb-26	42 Years, Bharat YEF

**Includes perquisite value of Stock Options exercised during FY 2025-26.*

Notes:

a) The employees have/had permanent employment contracts with the Company.

b) During FY under review, no employee of the Company was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director(s), and who holds by himself/herself, along with his/her spouse and dependent children, not less than two percent (2%) of the equity shares of the Company.

c) Ms. Farah Malik Bhanji, Ms. Aziza Rafique Abdul Malik & Ms. Alisha Rafique Abdul Malik are Relatives of each other.

ANNEXURE 5 – TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

A. Conservation of Energy:

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

The Company has switched to renewable energy sources than to depend on non-renewable ones. The Company has installed solar panels as detailed hereunder at its warehouses in Bhiwandi.

Sr. No.	Warehouse	Project Capacity	Commissioned on	Solar power generated till March 2026
1	Warehouse 1	110 KW	June 10, 2020	60.26 MWH
2	Warehouse 2	130 KW	November 19, 2021	82.09 MWH

Subsequent to the end of FY 2025-26, the Company vacated Warehouse 1 and divested the rooftop solar power system installed at that location by way of sale to the developer of the premises. The Company plans to install a new rooftop solar power system at the new warehouse commissioned in its place, as part of its continued focus on renewable energy adoption.

B. Technology Absorption:

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

ii. Details of technology imported during the last three years reckoned from the beginning of the FY: NIL

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

C. Foreign Exchange Earnings / Outgo:

(₹ In Crore)

Sr. No.	Particulars	2025-26	2024-25
1.	**Foreign Exchange Earnings**		
	Sale of Footwear and Accessories	4.36	NIL
2.	**Foreign Exchange Outgo**		
	a) Purchase of Footwear and Accessories including Advance	88.96	54.74
	b) Travelling & Other Expenses	1.01	0.47
	c) Professional & Consultancy Fees	16.89	1.13

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR METRO BRANDS LIMITED

Sd/-
RAFIQUE ABDUL MALIK
CHAIRMAN AND NON-EXECUTIVE DIRECTOR
DIN: 00521563

Place: Mumbai
Date: August 04, 2026