



METROglobal Limited

(CIN No.: L21010MH1992PLC069527)

PAVING THE PATH TO PROGRESS

ANNUAL REPORT 2021-22

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Investor Information

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For more details visit our website
<https://www.metrogloballimited.com/>

Disclaimer

This document contains statements about expected future events, which are forward-looking. By their nature, forward-looking statements require the Company to make certain assumptions and are subject to inherent risks and uncertainties. Accordingly, these assumptions, may not prove to be accurate. Readers are advised that the actual future results, and events may differ from those expressed in the forward-looking statements.

FY 2021-22 highlights

₹ **25,478.32** Lacs
Total income

₹ **1,591.22** Lacs
Profit before tax

₹ **35,489.00** Lacs
Net worth*

₹ **1,183.37** Lacs
Profit after tax

*As on March 31, 2022



At MetroGlobal Limited, it is our ability to understand and deliver on customer expectations that has helped us grow and paving the path to progress for stakeholders.

We are flexible and committed to act in their best interests, in strict adherence to trade policies and protocols. We operate across multiple commodity markets, varied geographies, diverse global regulations and often amid volatile geo-political environments, with unwavering focus on deadlines, quality and pricing.

With quality and commitment as our hallmarks, we realise the need to move in to newer territories and segments to include more satisfied customers in our fold. We attribute our success to our overall strategy of differentiating, diversifying and developing.

We are creating an operating model that is flexible enough to embrace new opportunities and smart enough to derive maximum value for all stakeholders.



FROM THE CHAIRMAN'S DESK



Dear Shareholders,

India's economy, having been decimated by multiple waves of COVID-19 and strict lockdown measures, is now firmly in recovery mode. India's economy grew by 8.6% in 2021-22, making it one of the fastest growing economies. The rejuvenation of India's economy is being facilitated by a number of positive macro fundamentals.

Global trade growth remained strong during the year under review, as its value continued to increase through each quarter of 2021-22. All major trading economies saw imports and exports rise well above pre-pandemic levels in 2019. The positive trend for international trade was largely the result of increases in commodity prices, subsiding pandemic restrictions and a strong recovery in demand due to economic stimulus packages.

The real estate industry has always been a dominant player and has contributed greatly to the country's economic prosperity. Real estate markets across India have shown resilience and succeeded in maintaining their position in exceptional years hurt by pandemics and other challenges. While the housing sector showed a strong

recovery throughout, the commercial real estate showed more stability in late 2021. Going forward, the recovering housing demand, reopening of offices and government support towards the affordable housing segment are collectively helping in a solid recovery of the real estate sector across India.



We reported an attractive growth as both our businesses performed better.

Our performance

Our total income for 2021-22 stood at ₹ 25,478.32 Lacs compared to ₹ 25,390.59 Lacs in FY 2020-21, recording a marginal growth. The Profit before Tax witnessed a rise to ₹ 1,591.22 Lacs in 2021-22, as compared to ₹ 978.57 Lacs in 2020-21. Profit after Tax for 2021-22 was recorded at ₹ 1,183.37 Lacs, compared to ₹ 712.78 Lacs in the previous year.

Our entire business strategy revolves around the customer. We try to extend maximum benefits in terms of competitive cost, timely delivery, quality assurance and real-time information dissemination. We have deployed a dedicated team of professionals, equipped with a strong technology platform, to provide customised services to clients and provide them real-time updates about the global commodity markets.

We expanded our current product portfolio and set our footprints in unexplored markets. We also actively took steps towards diversification of our business and evolving a more risk-focused approach. The result is encouraging, reflected in the improvement of our performance and growing business confidence.

We are constantly exploring trading and financing opportunities to utilise our strong financial and distribution robustness.

Our success is derived from our people – their experience, focus and perseverance. We have an extremely dedicated, innovative and customer oriented workforce. Our people management has been reinforced by prudent talent attraction, ongoing talent retention, extensive empowerment, leadership development and a customer-first responsiveness. The cohesive and collective teamwork will ensure a bright future.

Way forward

We are conscious of our objective to strengthen our financial and operational performance. We will do this by increasing sales, adopting new strategies, enriching the product mix, entering into new SPV for real estate development, upgrading our human resources and providing complete customer satisfaction.

An agile, flexible business such as ours needs to constantly recalibrate its strategies in line with evolving trends. We will continue to focus on our core strengths to deliver significant shareholder value. Overall, consolidation of our capabilities across products and domains will pave the way for a whole new era

of growth and opportunity for us. To conclude I remain optimistic that we will continually strengthen our operating profile and deliver superior performance in the coming years.

I also wish to take this opportunity to express my thanks to our entire stakeholder community. Our employees, customers, vendors, partners, suppliers, bankers have shown continuous support towards our growth story and for which we are deeply grateful. I will also like to extend my gratitude to my fellow Board Members for their guidance and direction and our shareholders who have supported our progress and growth.

Warm regards

Gautam M. Jain
Chairman

About us

Building on solid fundamentals

METROGlobal Limited is a well-diversified enterprise that primarily engages in the business of trading of chemicals, textiles, minerals and ores, metals and precious metals. Embarking on a journey to become a well-diversified group, MetroGlobal Limited diversified and expanded in the field of realty development as well as financial investments.

Today, we are one of the most financially robust companies that primarily focus on importing chemicals, minerals and ores in bulk to distribute the same across India through its financial strength and distribution network. Apart from importing, it also does trading in the fields of textiles, metals and precious metals across India.

We believe in the power of networking and constantly uplifting our working standards. We strive to create business values that we can pass not only to our stakeholders but to the next-gen of entrepreneurs as well. And we intend to do so through integrated and ethical business practices.

Vision

We envision ourselves as a strongly established and enhanced business leadership firm that is able to serve customers worldwide with quality products and services. And we continuously apply innovation and result-oriented methodologies to get one step closer to this vision.



Enhanced Business Leadership



Quality Product & Services



Serving Customers Worldwide

Mission

Since the inception of MetroGlobal, improving the quality of life for shareholders has always been our core mission. We infuse result-oriented innovations in our culture that helps uplift society as a whole. And to spread a positive impact on our stakeholder's lives, directly or indirectly, we incorporate environmental protection at every level of our operations and management.



Environment protection



Innovation



Result orientation



Quality life for shareholders

Core values

Value creation

We strongly believe that a business becomes an established organisation through its core values. And we consistently direct our Company efforts in creating & providing values that redefine the operational and management functionalities.

Integrity & ethical behaviour

Moral obligations are at the core of MetroGlobal Limited. We integrate the functionality of our Company with ethical behavioural practices at every level of management structure through transparent policies.

Quality through compliance and best practices

Even while being a trading company, we ensure the quality of materials that comply with our stakeholders' requirements and market demand. And to fulfil this demand at every point of time, we go beyond industry standards to deliver.

Mutual respect

Not limiting our concerns for people only, we, at MetroGlobal Limited respect environmental causes as well. And we strongly prohibit unethical practices, manipulation of facts, exploitation and disrespectful behaviours towards any individual, be it from the organisation or not.

Team work

In today's fast-paced world, an organisation does not thrive with internal support and efforts only. So, we continuously collaborate and cooperate with industry leaders to rise together above and beyond the targeted goals.

Key differentiator

Experience and expertise

We possess rich experience enables us to analyse consumer behaviour and market trends and accordingly evolve through strategy.

Financial prowess

Cash-surplus position and negligible borrowings – mostly non-fund based limits (for importing of material).

Opportunity focussed

Robust business model helps seek better opportunities and diversify into different directions broad basing our basket.

Quality excellence

We adhere to globally benchmarked standards and invest consistently in quality control and world-class packaging.

Management bandwidth

Experienced promoter background and goodwill owing to the legacy and the long-standing existence in the field of business across decades.

Enhanced reach

Possess wide distribution network with strategic tie ups logistical partners.

BUSINESSES

PROGRESSING ACROSS SEGMENTS

Trading

Our trading business deals with chemicals, textiles, minerals & ores, metals and precious metals. We majorly import bulk materials from different manufacturers but we source commodities domestically as well. And we continuously work to improve and expand our product portfolio to serve our clients better. Our warehousing network is spread across India to facilitate our local consumers. And we use our significant purchasing power to buy high-quality materials in huge quantities at a discounted price to distribute the same to our reputable clients.

We utilise our networking prowess to serve our clients better at every stage. Be it to reduce the cost of trading, easing the process or guaranteeing supply on time, we ensure the finest business services.

Key products

- Chemicals
- Minerals & Ores
- Metals
- Textiles
- Precious Metals

Global network

- China
- USA
- South Africa
- Middle East

Real estate

With the aim of diversification, we entered the real estate sector in 2011. In our business of developing and constructing real estate space, a square foot is the basic unit for measurement and comparison across the industry. Our constant endeavour is to maximise value to its key stakeholders for each square foot of real estate space delivered. We have completed many independent projects as well as partnered with many key players of the real estate industry in Gujarat delivering best-in-class quality construction.

Core strengths

- Consistent focus on value, growth, quality, transparency, integrity and timely delivery.
- Possess more than a decade rich experience and have gathered immense expertise in execution
- Built long-term relationship with our suppliers and clients, who trust us to deliver them the best prices on one hand and the best materials on the other.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND INDUSTRY OVERVIEW

Economic environment

The global economy recovered significantly in 2021 after a steep decline in 2020. In April 2022, the International Monetary Fund (IMF) estimated global GDP growth of 6.1% for 2021, followed by 3.6% in 2022 and 3.6% in 2023. Varying vaccine roll-outs and fiscal support levels affect the anticipated levels of economic growth in individual countries. The war in Ukraine has triggered a costly humanitarian crisis that, without a swift and peaceful resolution, is becoming overwhelming.

Multilateral efforts are being undertaken by countries to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic.

The National Statistical Office (NSO) estimated India's real GDP growth at 8.6% in FY 2021-22, following a contraction of (-)6.6% in FY 2020-21.

Chemicals

Indian chemical industry is extremely diversified covering more than 80,000 commercial products. It can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. India has one of the largest global chemical markets, and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. India accounts for 2.5% of the world's global chemical sales. **India's chemical industry was estimated to be worth US\$178 billion in FY 2019-20 and has a significant potential to reach US\$300 billion by FY 2024-25.**

Major chemical players have been continuously increasing their scale of operations, which is visible from recent capex announcements by many of them. This has been improving Indian chemical players' competitiveness when compared to the Chinese players. **India is emerging as a fast-growing specialty chemicals hub on a rise in its competitiveness.** This change will be led by the availability of low-cost labour along with the world-wide initiative of being non-China dependant.

On the policy front, Production Linked Incentives (PLI) is a good measure as it incentivises the industry to quickly put up investment and start commercialising sales. Chemical industry also needs to be incentivised to push making India a global manufacturing hub.



Textile

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. India's textiles and clothing industry is one of the mainstays of the national economy. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector is the second largest in the world. Traditional sectors like handloom, handicrafts and small scale power loom units are the biggest source of employment for millions of people in rural and semi urban area. It provides direct and indirect employment and source of livelihood for millions of people including a large number of women and rural population.

Indian domestic textile and apparel market is estimated at US\$ 75 billion in 2020-21. The market fell 30% from US\$ 106 billion in 2019-20. **The market is expected to recover and grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26.** (Source: Wazix Advisors)

India is the 6th largest exporter of Textiles & Apparel in the world. The share of textile, apparel and handicrafts in India's total exports was 11.4% in 2020-21. India holds 4% share of the global trade in textiles and apparel. India's textiles products, including handlooms and handicrafts, are exported to more than 100 countries. USA and EU-27 and UK, account for approximately 47% of India's textiles and apparel exports. (Source: Ministry of Textiles Annual Report 2021-22)



Real estate

India's real estate sector is witnessing a healthy increase in demand in 2022 and this momentum is expected to hold for the rest of the year. From commercial spaces to the residential market, the overall market outlook is a bright one for the real estate industry.

A number of initiatives have been undertaken by the Government of India with the hope of incentivising real estate purchases. **The announcements made in the Union Budget 2022-2023 will help in creating a thriving atmosphere in the real estate sector. Going forward, NITI Aayog expects that the Indian real estate sector will reach a market size of \$1 trillion by 2030 and will account for 13% of India's GDP by 2025.** (Source: Times of India)

Currently, our projects are being executed through the SPV route at the following locations, are under various stages of implementation:

DK Metro Procon Private Limited

- Development of an Industrial Estate at a prime location in Chatral, Gujarat
- Selling industrial plots and sheds, warehouses and offices and shops

Dual Metals Private Limited

- Developing a commercial building in Ahmedabad, 'Kalpvruksh'

Myspace Infracon LLP

- Selling plots to other industries in the industrial belt of Ankleshwar, Gujarat

Ganesh Infrastructure and PMZ Developers

- Multiple projects developed across 200,000 square meters of land in Ankleshwar, Gujarat
- Projects covering residential buildings, row houses, commercial complexes and shopping malls

