

INDEPENDENT AUDITOR'S REPORT

To the Members of Kusumgar Limited (formerly known as Kusumgar Private Limited)

Report on the Audit of the Standalone Financial Statement

Opinion

We have audited the accompanying standalone financial statements of Kusumgar Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and 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 standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the



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Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" 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 report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(g)(vi) below on reporting under Rule 11(g). Also, in the absence of sufficient appropriate audit evidence we are unable to comment whether back-up of the books of account and other books and papers maintained in electronic mode is taken on a daily basis. Further, Books of accounts have been kept in servers physically located in India.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.



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- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - 1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
 - 2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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.
 - 3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was enabled from 11 January ,2025 for Purchase module and 12 February ,2025 for Customer Module and 25 June ,2024 for Sales module and was not enabled at the database level to log any direct data changes for the entire year as explained in note 53 to the financial statements.
Further, where enabled, audit trail feature has operated throughout the period for all relevant transactions recorded in the accounting software. Also, during the



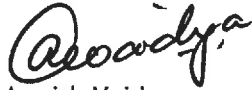
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course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has not been preserved by the Company as it was not enabled in the prior year as per the statutory requirements for record retention.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKHE2675



Place: Mumbai
Date: June 10, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KUSUMGAR LIMITED

Auditor's Responsibilities for the Audit of the Standalone 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKHE2675



Place: Mumbai
Date: June 10, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KUSUMGAR LIMITED FOR THE YEAR ENDED MARCH 31, 2025.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.
- i. (a)B The Company has maintained proper records showing full particulars of intangible assets.
- i. (b) Property, Plant and Equipment, and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment, and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- i. (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.
- i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stock in transit) has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.



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- ii. (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Refer note 24 to the standalone financial statements.

Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

Difference in value of stock for Quarter Ended	Amount disclosed as per quarterly return /Statement (INR in Million)	Amount as per books of account (INR in Million)	Difference	Remarks
June- 2024	945	955	-10	The quarterly returns or statements filed by the Company for working capital limits with such banks are generally in agreement with the books of account of the Company. However, for the quarters specified is difference between the value of stock as per the company's books and the stock value reported in the quarterly stock statement submitted to the bank are primarily due to changes in the valuation of closing inventories.
September - 2024	1,112	1,049	63	
December - 2024	1,168	1,289	-121	

- iii. (a) According to the information and explanations provided to us, the Company has provided loans. Company has not provided advances in the nature of loans, stood guarantee, and provided security to other entities.

(A) The details of such loans to subsidiaries are as follows:

	Guarantees	Security	Loans (Rs. in millions)	Advances in the nature of loans
Aggregate amount granted/provided during the year - Subsidiaries	Nil	Nil	9.48	Nil
Balance Outstanding as at balance sheet date in respect of above cases - Subsidiaries	Nil	Nil	9.48	Nil

And



(B) The details of such loans to parties other than Subsidiaries are as follows:

	Guarantees	Security	Loans (Rs. in millions)	Advances in the nature of loans
Aggregate amount granted/provided during the year - Others	Nil	Nil	158.33	Nil
Balance Outstanding as at balance sheet date in respect of above cases - Others	Nil	Nil	162.22	Nil

During the year the Company has not stood guarantee and provided security to any other entity.

- iii. (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to grant of all loans and investments made are not prejudicial to the interest of the Company.
- iii. (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- iii. (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans and/ or advances in the nature of loans, granted to Subsidiary and Other Parties.
- iii. (e) According to the information and explanations provided to us, there were no loans or advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loan given to the same parties.
- iii. (f) According to the information and explanations provided to us, the Company has not any granted loans and advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however,



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made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.
There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2025, outstanding for a period of more than six months from the date they became payable.
- vii. (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix. (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 24 to the standalone financial statements.
- ix. (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that funds raised on short term basis [in the form of cash credit facility from banks aggregating to INR.657.27 millions] has been used for long-term purposes.
- ix. (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- ix. (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further, the Company do not have any associate or joint ventures. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally



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convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
- xi. (b) During the year no report under Section 143(12) of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- xiv. (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- xvi. (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 50 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to information and explanations given to us there are no projects other than Ongoing projects in relation to which unspent amounts are required to be transferred to a Fund specified in Schedule VII to the Act, 2013 under sub-section (5) of section 135 of the Act. Accordingly, clause 3(xx)(a) of Order is not applicable.
- xx. (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Companies Act, 2013 as explained in Note 52 to the standalone financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKHE2675



Place: Mumbai
Date: June 10, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KUSUMGAR LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kusumgar Limited on the Financial Statements for the year ended March 31, 2025]

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 with reference to standalone financial statements of Kusumgar Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.



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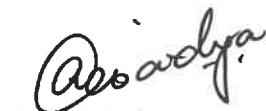
Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amrisha Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKHE2675



Place: Mumbai
Date: June 10, 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Standalone Balance sheet as at 31 March 2025

(Amount in INR Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,689.50	1,327.86
Right-of-use assets	7(a)	597.18	478.25
Capital work in progress	8	451.94	84.34
Other Intangible assets	9	1.33	2.21
Financial assets			
Investments	10	1,270.57	121.80
Loans	11	9.48	-
Other financial assets	12	56.62	70.87
Non current tax assets (net)	13	26.60	-
Other non current assets	14	195.53	83.14
Total non-current assets		4,298.75	2,168.47
Current assets			
Inventories	15	1,315.19	1,363.57
Financial assets			
Trade receivables	16	561.10	448.56
Cash and cash equivalents	17	252.66	317.09
Other bank balances	18	106.02	1,105.27
Loans	19	155.69	-
Other financial assets	20	240.47	27.86
Other current assets	21	376.43	303.74
Total current assets		3,007.56	3,566.09
TOTAL ASSETS		7,306.31	5,734.56
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	22	101.49	19.90
Other equity	23	3,486.06	2,424.16
Total equity		3,587.55	2,444.06
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	24(a)	757.64	348.05
Lease liabilities	7(b)	474.60	359.90
Deferred tax liabilities (net)	39	17.10	34.00
Employee benefit obligations	25	22.30	15.52
Total non-current liabilities		1,271.64	757.47
Current liabilities			
Financial liabilities			
Borrowings	24(b)	1,707.37	417.28
Lease liabilities	7(b)	73.15	49.80
Trade payables	26	-	-
Total outstanding dues of micro and small enterprises		50.42	14.32
Total outstanding dues other than above		421.65	504.22
Other financial liabilities	27	96.83	208.53
Employee benefit obligations	28	8.02	4.43
Other current liabilities	29	89.68	1,306.43
Current tax liabilities (net)	30	-	28.02
Total current liabilities		2,447.12	2,533.03
Total liabilities		3,718.76	3,290.50
TOTAL EQUITY AND LIABILITIES		7,306.31	5,734.56

Summary of material accounting policies

2 & 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No: 105047W

Amrisha Vaidya
Amrisha Vaidya
Partner

Membership No. 101739

Place: Mumbai

Date: June 10, 2025



For and on behalf of the Board of Directors

Kusumgar Limited

CIN: U65990MH1990PLC056871

Siddharth Kusumgar
Siddharth Kusumgar
Managing Director

DIN: 01676799

Place: Mumbai

Date: June 10, 2025

Kinnar Mehta

Kinnar Mehta
Chief Financial Officer

Place: Mumbai

Date: June 10, 2025

Ankur Kothari

Ankur Kothari
Chief Executive Officer &
Director

DIN: 07694977

Place: Mumbai

Date: June 10, 2025

Devanand Mojitra

Devanand Mojitra
Company Secretary
ACS: 14644

Place: Mumbai

Date: June 10, 2025



Kusumgar Limited (formerly known as Kusumgar Private Limited)

Standalone Statement of Profit and Loss for the year ended 31 March 2025

(Amount in INR Millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
INCOME			
Revenue from operations	31	8,057.33	4,741.41
Other income	32	108.06	66.90
Total income		8,165.39	4,808.31
EXPENSES			
Cost of materials consumed	33	4,065.46	2,062.18
Changes in inventories of stock-in-trade	34	(132.52)	(195.91)
Employee benefits expense	35	626.95	387.24
Finance costs	36	145.41	62.86
Depreciation and amortization expense	37	331.90	164.05
Other expenses	38	1,663.16	1,225.47
Total expenses		6,700.36	3,705.89
Profit before tax		1,465.03	1,102.42
Income tax expense	39		
Current tax		395.52	275.63
(Excess) provision for tax relating to prior years		(0.07)	(2.13)
Deferred tax		(19.53)	17.48
Total income tax expense		375.92	290.98
Profit for the year		1,089.11	811.44
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of net defined benefit liability		(5.44)	(11.05)
Gain/(loss) on FVTOCI equity investments		27.87	13.79
Income tax effect on above	39	(2.62)	0.81
Other comprehensive income for the year, net of tax		19.81	3.55
Total comprehensive income for the year		1,108.92	814.99
Earnings per equity share:	40		
- Basic EPS (INR)		10.73	8.00
- Diluted EPS (INR)		10.52	8.00

Summary of material accounting policies

2 & 3

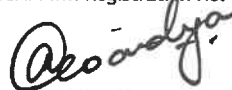
The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No: 105047W



Amrith Vaidya

Partner

Membership No. 101739

Place: Mumbai

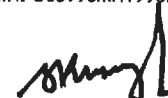
Date: June 10, 2025



For and on behalf of the Board of Directors

Kusumgar Limited

CIN: U65990MH1990PLC056871

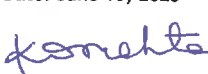


Siddharth Kusumgar
Managing Director

DIN: 01676799

Place: Mumbai

Date: June 10, 2025



Kinnar Mehta
Chief Financial Officer

Place: Mumbai

Date: June 10, 2025



Ankur Kothari
Chief Executive Officer &
Director
DIN: 07694977

Place: Mumbai

Date: June 10, 2025



Devanand Mojindra
Company Secretary
ACS: 14644

Place: Mumbai

Date: June 10, 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Statement Of Changes In Equity For The Year Ended 31 March, 2025

(Amount in INR Millions, unless otherwise stated)

(a) EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at 1 April 2023	1,99,000	19.90
Changes in equity share capital	-	-
As at 31 March 2024	1,99,000	19.90
Changes in equity share capital	10,12,91,000	81.59
As at 31 March 2025	10,14,90,000	101.49

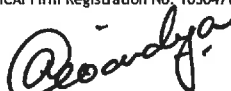
(b) OTHER EQUITY

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive Income	Share based payment reserve	Total
Balance as at 1 April 2023	269.39	57.91	1,281.88	-	-	1,609.18
Profit for the year	-	-	811.44	-	-	811.44
Add/(Less) - Gain/(loss) on FVTOCI equity investments (net of tax)	-	-	-	11.81	-	11.81
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	-	-	(8.27)	-	-	(8.27)
Balance as at 31 March 2024	269.39	57.91	2,085.05	11.81	-	2,424.16

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive Income	Share based payment reserve	Total
Balance as at 1 April 2024	269.39	57.91	2,085.05	11.81	-	2,424.16
Profit for the year	-	-	1,089.11	-	-	1,089.11
Add/(Less) - Gain/(loss) on FVTOCI equity investments (net of tax)	-	-	-	23.88	-	23.88
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	-	-	(4.07)	-	-	(4.07)
Add/(Less) - Bonus issue from general reserve	-	(57.91)	-	-	-	(57.91)
Add/(Less) - Bonus issue from retained earnings	-	-	(23.68)	-	-	(23.68)
Add/(Less) - Share based payment (ESOP)	-	-	-	-	34.57	34.57
Balance as at 31 March 2025	269.39	-	3,146.41	35.69	34.57	3,486.06

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

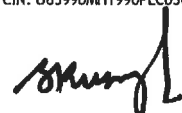

Amrisha Valdia
Partner

Membership No. 101739

Place: Mumbai
Date: June 10, 2025



For and on behalf of the Board of Directors
Kusumgar Limited
CIN: U65990MH1990PLC056871


Siddharth Kusumgar
Managing Director

DIN: 01676799

Place: Mumbai
Date: June 10, 2025


Kinnar Mehta
Chief Financial Officer

Place: Mumbai
Date: June 10, 2025


Ankur Kothari
Chief Executive Officer & Director

DIN: 07694977

Place: Mumbai
Date: June 10, 2025


Devanand Mojidra
Company Secretary

ACS: 14644

Place: Mumbai
Date: June 10, 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)
Standalone Statement of Cash Flow Statement for the year ended 31 March 2025
(Amount in INR Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Cash flow from operating activities		
Profit before tax	1,465.03	1,102.42
Adjustments for:		
Add :		
Depreciation and amortization expenses	331.90	164.05
Finance cost	129.91	40.23
Unwinding of transaction cost	0.41	0.41
Allowance for expected credit loss	38.05	9.84
Sundry balance written off	3.67	3.05
Share based payment to employees	34.57	-
Less :		
Gain on sale of property, plant and equipment	(0.71)	(1.67)
Unwinding of discount on security deposits	(1.93)	(0.97)
Interest income	(58.16)	(29.75)
Unrealized foreign exchange loss	(46.95)	(32.40)
Financial guarantee commission income	-	(0.69)
Sundry balance written back	(0.22)	-
Operating Profit before working capital changes	1,895.57	1,254.52
Changes in operating assets and liabilities		
Adjustments for: Operation Assets		
Decrease / (Increase) in trade receivables	(103.42)	163.70
Decrease / (Increase) in inventories	48.38	(753.30)
Decrease / (Increase) in loans and other financial assets	(388.09)	(9.09)
Decrease / (Increase) in other assets	(99.30)	(200.94)
Adjustments for: Operation Liabilities		
Increase / (Decrease) in trade payables	(50.14)	340.71
Increase / (Decrease) in provisions	4.93	(1.80)
Increase / (Decrease) in other financial liabilities	(139.26)	177.53
Increase / (Decrease) in other liabilities	(1,216.75)	1,265.90
Cash generated from/(used in) operations	(48.08)	2,237.23
Income tax paid (net)	(423.46)	(244.35)
Net cash flows generated from/(used in) operating activities (a)	(471.54)	1,992.88
Cash flows from investing activities		
Payment for capital work in progress, capital advance and creditor for capital	(452.42)	(111.37)
Payment for purchase of property, plant and equipment	(613.17)	(668.95)
Payment for purchase of other intangible assets	(1.26)	-
Proceeds from sale/ disposal of property, plant and equipment	2.19	5.02
Investment in bank deposits	(9.29)	(1,139.05)
Proceed from bank deposits	1,031.04	0.94
Interest received	58.64	25.52
Payment for purchase of investments	(1,120.90)	(108.00)
Net cash flows generated from/(used in) investing activities (b)	(1,105.17)	(1,995.88)
Cash flow from financing activities		
Proceeds from borrowings	1,832.33	378.45
Repayment of borrowings	(139.99)	(82.67)
Principal paid on lease liabilities	(57.08)	(37.09)
Interest paid on lease liabilities	(38.59)	(9.96)
Interest paid on borrowings	(84.39)	(28.39)
Net cash flows generated from/(used in) financing activities (c)	1,512.28	220.34
Net increase in cash and cash equivalents (a+b+c)	(64.43)	217.34
Cash and cash equivalents at the beginning of the year	317.09	99.75
Cash and cash equivalents at the end of the year (refer	252.66	317.09



Kusumgar Limited (formerly known as Kusumgar Private Limited)
Standalone Statement of Cash Flow Statement for the year ended 31 March 2025
(Amount in INR Millions, unless otherwise stated)

Changes in liabilities arising from financing activities and non-cash financing

Particulars	As at 1 April 2024	Cash flows	Non- cash changes	As at 31 March 2025
Non-current borrowings	348.05	409.18	0.41	757.64
Current borrowings	417.28	1,283.16	6.93	1,707.37
Lease liability	409.70	(95.68)	233.73	547.75
Total liabilities from financing activities	1,175.03	1,596.66	241.07	3,012.76

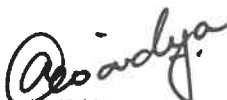
Particulars	As at 1 April 2023	Cash flows	Non- cash changes	As at 31 March 2024
Non-current borrowings	196.55	151.09	0.41	348.05
Current borrowings	270.72	144.68	1.88	417.28
Lease liability	86.69	(47.05)	370.06	409.70
Total liabilities from financing activities	553.96	248.72	372.35	1,175.03

The accompanying notes are an integral part of the standalone financial statements

1. The above Cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 (IND AS 7), "Statement of Cash Flows" notified under section 133 of the Companies Act 2013.
2. Figures in bracket indicate an outflow

As per our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors
Kusumgar Limited
CIN: U65990MH1990PLC056871


Anirish Vaidya
Partner

Membership No. 101739

Place: Mumbai
Date: June 10, 2025




Siddharth Kusumgar
Managing Director

DIN: 01676799

Place: Mumbai
Date: June 10, 2025


Kinnar Mehta
Chief Financial Officer

Place: Mumbai
Date: June 10, 2025


Ankur Kothari
Chief Executive Officer &
Director
DIN: 07694977

Place: Mumbai
Date: June 10, 2025


Devanand Mojidra
Company Secretary
ACS: 14644

Place: Mumbai
Date: June 10, 2025



Kusumgar Limited (formerly known as Kusumgar Private Limited)
Notes forming part of the Standalone financial statements for the year ended 31 March 2025
(Amount in INR million, unless otherwise stated)

1 Company overview

Kusumgar Limited (Formerly known as Kusumgar Private Limited) ('the Company') is a public company domiciled in India and was incorporated on June 15, 1990 under the provisions of Companies Act, 1956 with its registered office in Mumbai, Maharashtra. The Company is engaged in the business of manufacturing, marketing, and supplying a diverse range of technical textile fabrics, offering innovative and high-performance solutions to meet evolving customer requirements. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on December 27, 2024 and consequently the name of the Company has changed to Kusumgar Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on January 28, 2025 with new CIN U65990MH1990PLC056871.

2 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under 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.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

These standalone financial statements were authorized for issue by Board of Directors on June 10, 2025

(b) Basis of measurement

The standalone financial statements have been prepared on accrual basis and under historical cost convention, except for the following:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employees defined benefit obligation and leave encashment are recognised as per actuarial valuation.
- Share-based payments liability measured at fair value

Classification into current and non-current:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

(c) Use of estimates, judgements and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 4 for details).

(d) Presentation currency and rounding off

The standalone financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of millions with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. Amounts shown as "0" are non-zero figures rounded off to the nearest INR million

(e) Going Concern

The standalone financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.



Kusumgar Limited (formerly known as Kusumgar Private Limited)
Notes forming part of the Standalone financial statements for the year ended 31 March 2025
(Amount in INR million, unless otherwise stated)

3 Material accounting policies

A summary of the material accounting policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Financial Statements.

3.01 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

The Company identifies and determines cost of each part of an item of property plant and equipment separately if the part has a cost which is significant to the total cost of that item of property plant and equipment and has useful life that is materially different from that of the remaining item.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced (All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred).

Interest cost incurred is capitalized up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, or re-assessed by the Company. The Company has estimated the following as useful life to provide depreciation on its Property, Plant & Equipment.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Name of the asset	Estimated Useful Lives by the management
Buildings	3 to 30 years
Plant & Machinery	7.5 to 15 years
Electrical Installation	10 years
Furniture & Fixtures	10 years
Vehicles	8 to 10 years
Office Equipment	5 years
Computers	3 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other income' / 'Other expenses' respectively.

3.02 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. The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

3.03 Other Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortization of intangible asset is included in Depreciation and amortization expense in Statement of Profit and Loss.

Software is amortized over the management's estimate of its useful life i.e. 6 years.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.



Kusumgar Limited (formerly known as Kusumgar Private Limited)
Notes forming part of the Standalone financial statements for the year ended 31 March 2025
(Amount in INR million, unless otherwise stated)

3.04 Investments in subsidiaries

A subsidiary is an entity that is controlled by another entity. The Company's investments in its subsidiaries are accounted at cost less impairment if any. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.05 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 or CGU's fair value less costs of disposal and its value in use.

The 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 or CGU 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.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.06 Inventories

Inventories are valued at the lower of cost or net realizable value.

Cost of raw material, stores spares, packing material etc. includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

Finished goods and work-in-progress : cost includes cost of direct material and labour and a proportion of manufacturing based on the normal operating capacity, but excluding borrowing cost.

Spare parts those does not meet definition of Property, Plant and Equipment are carried as inventory.

Transit stock are valued at cost.

3.07 Cash and cash equivalents and Cash flow statement

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, fixed deposits having a original maturity of less than 3 months which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profits before tax are adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

3.08 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated thereafter.



3.09 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company 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.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

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 accessible to the Company.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

3.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 income in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains / losses.



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Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and it is irrevocable.

In case of equity instruments classified as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Other financial assets: Security Deposits

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of Profit and Loss. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or expired

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognised only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. 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.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.



(b) Financial liabilities and equity instruments

Classification as debt or equity

An instrument issued by a 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.

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 the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for such contracts is generally a bank.

Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income/other expense.

Assets or liabilities in this category are presented as financial assets or financial liabilities.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. 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 as finance costs in the Statement of Profit and Loss.

The entity's long-term borrowings are all at a variable interest rate; therefore, the unamortised transaction costs incurred on these borrowings are amortized on a straight-line basis instead of using the effective interest rate (EIR) method."

Financial liabilities at amortised cost

All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised 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 as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle 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.



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3.12 Corporate Guarantee

Corporate guarantees given are treated as deferred income and amortized over the term of the guarantee on a systematic basis. The amortization is recognized in the profit and loss statement under "Other Income," reflecting the usage pattern of the guarantee.

3.13 Leases

As a lessee:

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

- (a) The contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- (b) The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- (c) The Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - The Company has the right to operate the asset; or
 - The Company designed the asset in a way that predetermines how and for what purposes it will be used

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to not recognize leases with a lease term of 12 months or less or of low value in the balance sheet, and lease costs for those short-term leases or low-value leases are recognized on a straight-line basis over the lease term in the Statement of Profit and Loss. The Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component.

3.14 Employee Benefits

(i) Defined benefit plans

Gratuity: The Company's gratuity benefit scheme is a defined benefit plan. Company's net obligation in respect of a defined benefit plan is calculated by estimating amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Present value of obligation under such benefit plan is determined based on actuarial valuation using projected unit credit method which recognizes each period of service that give rise to additional units of employee benefit entitlement and measures each unit separately to build up final obligation. Obligation is measured at present values of estimated future cash flows. The discounted rates used for determining present value are based on market yields on Government Securities as at the balance sheet dates.

Defined benefit costs are categorised as follows:

- i. The current service cost of the defined benefit plans, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of Profit and Loss when they occur.
- ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of Profit and Loss.
- iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.



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(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The company provides benefits such as provident fund to its employees which is treated as defined contribution plan.

(iii) Short-term employee benefit obligations

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(iv) Compensated absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method

Presentation and disclosure:

For the purpose of presentation of defined benefit plans and compensated absences, the allocation between the current and non-current provisions has been made as determined by an actuary.

3.15 Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(i) Sale of Products

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the goods is shipped to the customer or on delivery to the customer, as may be specified in the contract.

(ii) Rendering of Services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligations for the services rendered.

(iii) Other Operating revenue

Government Grants and subsidies:

Recognition and Measurement:

The Company recognises grant as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them and the grant will be received in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance.

Revenue from export incentives, including those arising under the Remission of Duties and Taxes on Exported Products (RoDTEP), Merchandise Exports from India Scheme (MEIS), and Duty Drawback Scheme, is recognised on an accrual basis, post-export, at the rates at which the entitlements accrue.

Presentation:

Income from the above grants and subsidies are presented under Revenue from Operations - "Other Operating Income".

3.16 Other income

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the Statement of profit and loss.

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

3.17 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. 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 Company intends to settle the asset and liability on a net basis.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically 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.



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(ii) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.19 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 is engaged in selling of goods. The CODM identified entire business as a single reportable segment, hence segment reporting is not applicable.

3.20 Employee stock compensation cost

The fair value of options granted under the Company's employee stock option scheme (excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted :

- ▶ 'including any market performance conditions (e.g. the entity's share price)
- ▶ 'excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- ▶ 'including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time). Further details are given in Note 50.

That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.21 Borrowing cost

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



4 Material accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

4.01 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

(b) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

(c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

(f) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

(g) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(h) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions

(i) Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables and contract assets.

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated. The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future.

(j) Share based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black Scholes model for Employee Stock Option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 51.

5 Recent pronouncements

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback - Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



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6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Building	Leasehold Improvements	Electrical Installation	Plant & Machinery*	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total
Gross carrying amount										
Balance as at 01 April 2023	37.08	61.04	46.58	9.83	638.70	9.97	10.57	46.39	3.37	863.53
Additions	-	1.00	9.64	25.05	618.16	3.19	5.92	3.52	2.47	668.95
Disposals	-	-	-	-	21.32	-	-	12.38	-	33.70
Balance as at 31 March 2024	37.08	62.04	56.22	34.88	1,235.54	13.16	16.49	37.53	5.84	1,498.78
Accumulated depreciation										
Balance as at 01 April 2023	-	3.58	9.11	1.77	58.03	1.64	2.78	5.60	1.33	83.84
Depreciation charge during the year	-	3.76	11.71	1.94	88.16	1.83	2.60	5.88	1.55	117.43
Disposals	-	-	-	-	20.55	-	-	9.80	-	30.35
Balance as at 31 March 2024	-	7.34	20.82	3.71	125.64	3.47	5.38	1.68	2.88	170.92
Gross carrying amount										
Balance as at 01 April 2024	37.08	62.04	56.22	34.88	1,235.54	13.16	16.49	37.53	5.84	1,498.78
Additions	-	-	46.63	10.09	490.04	7.37	10.04	45.46	3.54	613.17
Disposals	-	-	-	-	4.05	0.07	-	0.04	-	4.16
Balance as at 31 March 2025	37.08	62.04	102.85	44.97	1,721.53	20.46	26.53	82.95	9.38	2,107.79
Accumulated depreciation										
Balance as at 01 April 2024	-	7.34	20.82	3.71	125.64	3.47	5.38	1.68	2.88	170.92
Depreciation charge during the year	-	3.72	14.46	4.45	210.54	2.33	4.13	8.39	2.03	250.05
Disposals	-	-	-	-	2.63	0.01	-	0.04	-	2.68
Balance as at 31 March 2025	-	11.06	35.28	8.16	333.55	5.79	9.51	10.03	4.91	418.29
Net carrying amount as at 31 March 2025	37.08	50.98	67.57	36.81	1,387.98	14.67	17.02	72.92	4.47	1,689.50
Net carrying amount as at 31 March 2024	37.08	54.70	35.40	31.17	1,109.90	9.69	11.11	35.85	2.96	1,327.86

*During the year, Company has capitalised borrowings cost of 0.29 Millions (31 March 2024 INR 13.70 Millions)

Note - For details of property, plant and equipment given as security to lenders refer note 24



7 LEASES

Company as a lessee

The Company has entered into various agreements to take premises on rent for official purposes. The agreements are subject to termination, renewal and escalation clauses for lease rentals.

The weighted average incremental borrowing rate applied to lease liabilities is 8.65%

Information about leases for which the Company is a lessee is presented below:

(a) Right-of-use asset

Particulars	Leasehold Land and Building	Plant & Equipment	Total
Gross carrying amount			
Balance as at 1 April 2023	175.67	12.51	188.18
Additions	359.20	15.92	375.12
Balance as at 31 March 2024	534.87	28.43	563.30
Accumulated depreciation			
Balance as at 1 April 2023	37.97	2.78	40.75
Depreciation for the year	36.22	8.08	44.30
Balance as at 31 March 2024	74.19	10.86	85.05
Gross carrying amount			
Balance as at 1 April 2024	534.87	28.43	563.30
Additions	198.64	-	198.64
Balance as at 31 March 2025	733.51	28.43	761.94
Accumulated depreciation			
Balance as at 1 April 2024	74.19	10.86	85.05
Depreciation for the year	71.63	8.08	79.71
Balance as at 31 March 2025	145.82	18.94	164.76
Net carrying amount as at 31 March 2025	587.69	9.49	597.18
Net carrying amount as at 31 March 2024	460.68	17.57	478.25

(b) Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	409.70	86.69
Add: Additions during the year	195.14	360.10
Add: Interest on lease liabilities	38.59	9.96
Less: Lease payments	(95.68)	(47.05)
Balance at the end of the year	547.75	409.70
Current portion of lease liabilities	73.15	49.80
Non-current portion of lease liabilities	474.60	359.90

Maturity analysis of lease liabilities is disclosed in (Refer Note 49)

(c) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Refer note	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation charge of right-of-use assets	37	79.71	44.30
Interest expense (included in finance costs)	36	38.59	9.96
Expense relating to short-term leases (included in rent expenses under other expenses)	38	12.80	12.11
Variable lease payments (included in rent expenses under other expenses)	38	7.54	-

(d) Amounts recognised in the cash flow statement

The cash flow statement shows the following amounts relating to leases:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Principal payment of lease liabilities	57.08	37.09
Interest payment on lease liabilities	38.59	9.96



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8 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	84.34	1.90
Add: Addition during the year	665.93	84.05
Less: Capitalisation during the year	298.33	1.61
Closing balance	451.94	84.34

(a) Ageing of capital work-in-progress

As at 31 March 2025	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	451.58	0.36	-	-	451.94
(ii) Projects temporarily suspended	-	-	-	-	-
Total	451.58	0.36	-	-	451.94

As at 31 March 2024	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	84.05	0.29	-	-	84.34
(ii) Projects temporarily suspended	-	-	-	-	-
Total	84.05	0.29	-	-	84.34

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended.

9 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying amount		
Balance as at 1 April 2023	7.00	7.00
Additions	-	-
Disposals	-	-
Balance as at 31 March 2024	7.00	7.00
Accumulated amortization		
Balance as at 1 April 2023	2.47	2.47
Amortization charge during the year	2.32	2.32
Disposals	-	-
Balance as at 31 March 2024	4.79	4.79
Gross carrying amount		
Balance as at 1 April 2024	7.00	7.00
Additions	1.26	1.26
Disposals	-	-
Balance as at 31 March 2025	8.26	8.26
Accumulated amortization		
Balance as at 1 April 2024	4.79	4.79
Amortization charge during the year	2.14	2.14
Disposals	-	-
Balance as at 31 March 2025	6.93	6.93
Net carrying amount as at 31 March 2025	1.33	1.33
Net carrying amount as at 31 March 2024	2.21	2.21



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10 INVESTMENTS (NON CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in equity instruments		
Investment in subsidiary company at cost (unquoted)		
55,100 equity shares of Engineered Coated Fabric Pvt Ltd [Face Value INR 100 (31 March 2024: INR Nil), each fully paid]	1,118.53	-
100 equity shares of Kusumgar Middle East FZ LLC [Face value AED 1000 (31 March 2024: AED Nil), each fully paid]	2.37	-
	1,120.90	-
Investment in other entities at FVTOCI (unquoted)		
72,000 (31 March 2024: 72,000) equity shares of Toray Kusumgar Advanced Textile Private Limited [Face Value INR 1000 (31 March 2024: INR 1000) each fully paid]	149.66	121.79
1000 (31 March 2024: 1000) equity shares of Saraswat Co-operative Bank [Face Value INR 10 (31 March 2024: INR 10), each fully paid]	0.01	0.01
100 (31 March 2024: 100) equity shares of SVC Bank [Face Value INR 25(31 March 2024: INR 25), each fully paid]*	0.00	0.00
	149.67	121.80
Total	1,270.57	121.80
Aggregate amount of unquoted investments	1,270.57	121.80
Aggregate amount of impairment in value of investments	-	-

*Amounts shown as "0" are non-zero figures rounded off to the nearest INR million

11 LOANS

Particulars	As at 31 March 2025	As at 31 March 2024
Loans considered good - Unsecured		
Loan to subsidiary (Refer Note 44 & 49)*	9.48	-
Total	9.48	-

*Loan given to subsidiary, repayable within 3 years, classified as non-current based on management's intention.

12 OTHER FINANCIAL ASSETS (NON CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits (Refer Note 44)	35.68	27.43
Fixed deposit		
Against bank guarantees	20.94	25.94
Against letter of credit	-	17.50
Total	56.62	70.87

13 NON CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax asset (net)	26.60	-
Total	26.60	-

14 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Advance paid to creditors-Capital	195.53	83.14
Total	195.53	83.14

15 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw Material*	503.85	720.53
Semi Finished Fabric	227.14	231.79
Finished Fabric	518.57	381.40
Stores & Spares	65.63	29.85
Total	1,315.19	1,363.57

*Raw material includes Stock in Transit amounting to Rs. 16.30 millions(31 March 2024: 151.13 millions)

Notes:

(a) Provision for inventory write-down of INR 39.57 million (31 March 2024: INR 180.45 million) was recognised in the Statement of Profit and Loss.

(b) For details of Inventories given as security to lenders Refer Note 24

16 TRADE RECEIVABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Considered good (Refer Note 44)	625.50	474.91
Less- Allowance for expected credit loss (Refer Note 38)	(64.40)	(26.35)
Total	561.10	448.56

Note - For details of Trade Receivables given as security to lenders Refer Note 24



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March 31, 2025			Current					
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	-	453.86	130.08	26.92	6.67	5.78	2.19	625.50
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	-	453.86	130.08	26.92	6.67	5.78	2.19	625.50
Less: Allowance for expected credit loss								(64.40)
Total								561.10

March 31, 2024			Current						
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Receipts					Total	
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed trade receivables									
- considered good	-	-	452.08	10.18	8.17	2.38	2.10	474.91	
- which have significant increase in credit risk	-	-	-	-	-	-	-	-	
- credit impaired	-	-	-	-	-	-	-	-	
Disputed trade receivables									
- considered good	-	-	-	-	-	-	-	-	
- which have significant increase in credit risk	-	-	-	-	-	-	-	-	
- credit impaired	-	-	-	-	-	-	-	-	
Subtotal	-	-	452.08	10.18	8.17	2.38	2.10	474.91	
Less: Allowance for expected credit loss								(26.35)	
Total								448.56	

17 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks*		
- In current accounts	162.15	315.97
- Deposits with original maturity of less than three months	90.00	-
Cash on hand	0.51	1.12
Total	252.66	317.09

*Cash and cash equivalents as at March 31, 2025 and March 31, 2024 include restricted cash and bank balances of INR 7.79 millions and INR 1.63 millions, respectively. These amounts represent unspent funds allocated for Corporate Social Responsibility (CSR) activities in accordance with Section 135 of the Companies Act, 2013, and the applicable CSR Rules. The funds are restricted in use and are not available for general business purposes. They will be utilised solely for eligible CSR activities.

18 OTHER BANK BALANCES

Particulars	As at 31 March 2025	As at 31 March 2024
Bank deposits having original maturity of more than 3 months but less than 12 months	69.87	1,031.98
Fixed deposit		
- Against bank guarantees	11.10	31.19
- Against letter of credit	25.05	42.10
Total	106.02	1,105.27

19 LOANS

Particulars	As at 31 March 2025	As at 31 March 2024
Loans considered good - Unsecured		
Other parties*	155.69	-
Total	155.69	-

*The unsecured loan carries an interest rate ranging from 9.00% to 9.10% per annum and is repayable within 12 months from the reporting date.

20 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposit (Refer Note 44)	234.43	21.68
Interest accrued (Refer Note 44)	4.33	4.81
Other receivables (Refer Note 44)	1.71	1.37
Total	240.47	27.86

21 OTHER CURRENT ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with statutory & government authorities	266.78	137.17
Advance paid to creditors	84.16	151.31
Prepaid expenses*	18.97	9.15
Loan to employees	6.52	6.11
Total	376.43	303.74

*As at March 31, 2025, prepaid expenses include ₹7.03 million incurred in connection with the proposed initial public offering (IPO) of equity shares of the Company. Upon successful completion of the IPO, these expenses will be adjusted against the securities premium account, to the extent permissible under Section 52 of the Companies Act, 2013.



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22 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2025	As at 31 March 2024
Authorized share capital		
24,00,00,000 (31 March 2024: 3,00,000) Equity Shares of INR 1 (31 March 2024: INR 100) each	240.00	30.00
Issued, subscribed and paid up	240.00	30.00
10,14,90,000 (31 March 2024: 1,99,000) Equity Shares of INR 1 (31 March 2024: INR 100) each fully paid	101.49	19.90
Total	101.49	19.90

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,99,000	19.90	1,99,000	19.90
Add: Split of shares from INR 100 each to INR 1 each	1,97,01,000	-	-	-
Add: Bonus shares issued during the period	8,15,90,000	81.59	-	-
Outstanding at the end of the year	10,14,90,000	101.49	1,99,000	19.90

(b) Rights, preferences and restrictions attached:

- 1) The Company has only one class of Equity Shares having a par value of INR 1 per share (31 March 2024: INR 100 per share). Each holder of Equity Shares is entitled to one vote per share.
- 2) They are also entitled to dividend if proposed by the Board of Directors and approved by the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- 3) In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their share holding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% holding	No. of shares	% holding
Siddharth Y Kusumgar	6,56,94,630	64.73%	1,28,813	64.73%
Sapna S Kusumgar	3,13,99,170	30.94%	61,567	30.94%

(d) Details of Equity shares held by Promoters at the end of the year

Promoter name	As at 31 March 2025			As at 31 March 2024		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Siddharth Y Kusumgar	6,56,94,630	64.73%	0.00%	1,28,813	64.73%	0.00%
Sapna S Kusumgar	3,13,99,170	30.94%	0.00%	61,567	30.94%	0.00%
Siddharth Y Kusumgar HUF	43,35,000	4.27%	0.00%	8,500	4.27%	0.00%
Yogesh K Kusumgar	51,000.00	0.05%	0.00%	100.00	0.05%	0.00%

(e) The members in its Ordinary General meeting passed a resolution held on 1 October 2024 approving the sub-division of each equity share of face value of INR 100 each fully paid up into face value of INR 1 each fully paid up.

Also, the members in its Ordinary General meeting dated 29 January 2025 have approved increase in the authorised share capital from INR 30 million divided into 30 million equity shares of INR 1 each (post split of shares) to INR 240 million divided into 240 million equity shares of INR 1 each.

Further, the Board of Directors have also passed a resolution on 29 January 2025 and approved the issue of bonus equity shares in its meeting which was further approved by shareholder in the meeting held on 20 February 2025 in the ratio of 3 equity shares of INR 1 each for every 1 equity share of INR 1 each by capitalization of such sum standing to the credit of free reserves of the Company.

Further, the Board of Directors have also passed a resolution on 17 March 2025 and approved the issue of bonus equity shares in its meeting which was further approved by shareholder in the meeting held on 25 March 2025 in the ratio of 11 equity shares of INR 1 each for every 40 equity share of INR 1 each by capitalization of such sum standing to the credit of free reserves of the Company.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.



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23 OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium		
General reserve	269.39	269.39
Retained earnings	-	57.91
Other comprehensive Income	3,146.41	2,085.05
Share based payment reserve	35.69	11.81
Total	34.57	-
	3,486.06	2,424.16

(a) Securities premium

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Add : Securities premium credited on share issue	269.39	269.39
Closing balance	-	-
	269.39	269.39

(b) General reserve

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Less : Utilised towards bonus issue	57.91	57.91
Closing balance	(57.91)	-
	-	57.91

(c) Retained Earnings

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Add: Profit for the year	2,085.05	1,281.88
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	1,089.11	811.44
Less: Utilised towards bonus issue	(4.07)	(8.27)
Closing balance	(23.68)	-
	3,146.41	2,085.05

(d) Other comprehensive Income

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Add/(Less) - Gain/(loss) on FVTOCI equity investments	11.81	-
Closing balance	23.88	11.81
	35.69	11.81

(e) Share based payment reserve

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance		
Add: Expense for the year	-	-
Add: Transferred during the year	34.57	-
Closing balance	-	-
	34.57	-

Nature and purpose of reserves

(a) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

(b) Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013 including for dividends and bonus issue.

(c) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, bonus share issue, dividends or other distributions paid to shareholders.

(d) Other comprehensive Income reserve represents the cumulative gains and losses arising on the revaluation of equity investments measured at fair value through other comprehensive income.

(e) The share options outstanding reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.



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24 BORROWINGS

(a) Non-current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
(i) Term loan (from Bank) (refer note (1) below)		
Less: Current maturities of long term debt	881.68 (145.49)	462.47 (127.63)
	736.19	334.84
(ii) Vehicle Loan (refer note (2) below)		
Less: Current maturities of long term debt	33.49 (12.04)	17.79 (4.58)
Total	757.64	348.05

(b) Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
Working capital demand loan from a bank (refer note (3) below)	1,430.50	35.52
Packing credit foreign currency loans (PCFC)	73.80	245.44
Buyers credit	16.02	-
Cash credit	18.48	-
Current maturities of long-term borrowings(Term Loan - including bank interest payable)	156.53	131.74
Current maturities of long-term borrowings(Vehicle Loan)	12.04	4.58
Total	1,707.37	417.28

Refer Note 49

Note 1- Term loans

a. The Company has availed a term loan from HDFC Bank Limited amounting to INR 215 million, secured by a hypothecation charge on Plant and Machinery acquired from the loan proceeds, immovable properties located at Plot Nos. 10 and 11, Kosamba, and personal guarantees provided by the Mr. Yogesh Kusumgar(Director) and Mr. Siddharth Kusumgar (Managing Director).

b. The Company has also obtained an additional term loan from HDFC Bank Limited amounting to INR 450 million , secured by a hypothecation charge on Plant and Machinery purchased out of the term loan proceeds, immovable properties located at Plot Nos. 1271 and 1273, Tadkeshwar, and personal guarantees of the Mr. Yogesh Kusumgar(Director) and Mr. Siddharth Kusumgar (Managing Director).

c. Further, the Company has availed another term loan from HDFC Bank Limited amounting 1000 million. Out of this, 530.04 millions was disbursed during the year, secured by a hypothecation charge on Plant and Machinery and immovable property situated at Fairdeal Textile Park, Composite Unit 2, Block Ni 692/A, Surat, industrial property located at Vasundhara Canning Compound, near Pardi railway station, Killa Pardi, District Valsad 396125, Gujrat and Plot No. 1274, Village Tadkeshwar, opp General Polytex Co. Pvt Ltd, Teh Mandvi, District - Surat-394170 and personal guarantees of the Mr. Yogesh Kusumgar(Director) and Mr. Siddharth Kusumgar (Managing Director).

d. Two of the aforementioned term loans are currently under a moratorium period of one year from the date of disbursement. However, the Company is required to service the interest on the outstanding loan amount during the moratorium period.

Term loans repayment schedule

Sr. No.	Bank name	Rate of Interest (%)	Instalment period	Outstanding as at 31st March 2025	Outstanding as at 31st March 2024
1	HDFC Bank Ltd	8.34 to 8.73	29 June 2020 to 05 May 2027		
2	HDFC Bank Ltd	8.34 to 8.73	18 June 2020 to 13 Sep 2025	69.36	100.18
3	HDFC Bank Ltd	8.34 to 8.73	31 Dec 2021 to 31 Dec 2026	3.00	9.00
4	HDFC Bank Ltd	8.34 to 8.73	31 March 2022 to 31 March 2028	12.08	18.99
5	HDFC Bank Ltd	8.60	28 Jan 2025 to 28 Jan 2031	269.92	334.30
Total				527.32	-
				881.68	462.47

(There is no default in terms of repayment of Principle and Interest)

Note 2- Vehicle loans

Vehicle loans repayment schedule

Sr. No.	Bank name	Rate of Interest (%)	Maturity period	Outstanding as at 31st March 2025	Outstanding as at 31st March 2024
1	Daimler Financial Services	6.7 to 7.90	04-May-27	3.08	4.36
2	HDFC Bank Ltd	6.7 to 7.90	05-Nov-27	8.70	11.53
3	HDFC Bank Ltd	6.7 to 7.90	04-May-27	1.43	1.90
4	HDFC Bank Ltd	8.60	05-Nov-27	20.28	-
Total				33.49	17.79



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Note 3 - Working capital demand loan

Working Capital Loan ranges from 8.34% to 9.25% from Banks are secured by hypothecation charge on the stock of Raw Materials, Finished and Semi Finished Goods and Book Debts arising out of Business transactions.

The quarterly returns or statements filed by the Company for working capital limits with such banks are generally in agreement with the books of account of the Company. However, for the quarters specified below, difference between the value of stock as per the company's books and the stock value reported in the quarterly stock statement submitted to the bank are primarily due to changes in the valuation of closing inventories.

Sr. No.	Bank name	Quarter Ended	Amount as per books of accounts	Amount as per quarterly return/statement	Difference
1	HDFC Bank Ltd. And CITI Bank	Jun-24	955.00	945.00	(10.00)
2	HDFC Bank Ltd. And CITI Bank	Sep-24	1,049.00	1,112.00	63.00
3	HDFC Bank Ltd. And CITI Bank	Dec-24	1,289.00	1,168.00	(121.00)

25 EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Grautity (Refer Note 43)	7.78	9.87
Leave encashment payable (Refer Note 43)	14.52	5.65
Total	22.30	15.52

26 TRADE PAYABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (Refer Note 49)	50.42	14.32
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 49)	402.46	485.03
Total outstanding dues to related parties (Refer Note 44 & 49)	19.19	19.19
Total	472.07	518.54

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

Particulars	As at 31 March 2025	As at 31 March 2024
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	50.42	14.32
- Interest	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(vi) 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.	-	-



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As at 31 March 2025	Current					
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
Undisputed trade payables						
- MSME	-	39.60	10.76	-	0.02	0.04
- Others	16.30	174.29	226.73	0.22	2.23	1.89
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	16.30	213.89	237.48	0.22	2.25	1.93
						472.07

Trade Payables ageing schedule

As at 31 March 2024	Current					
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment			
			Less than 1 year	1-2 years	2-3 years	More than 3 years
Undisputed trade payables						
- MSME	-	7.33	6.72	0.02	0.23	0.01
- Others	151.13	139.56	204.27	6.88	0.47	1.91
Disputed trade payables						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	151.13	146.89	211.00	6.90	0.70	1.92
						518.54

27 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Sundry creditors for capital goods	53.15	25.59
Employee dues payable	30.43	29.78
Foreign currency forward contract*	-	1.82
Expenses payables	12.90	150.99
Scrap deposit	0.35	0.35
Total	96.83	208.53

*Derivatives contract not designated as hedge are carried at fair value through profit or loss

28 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Grauity (Refer Note 43)	6.51	3.58
Leave encashment payable (Refer Note 43)	1.51	0.85
Total	8.02	4.43

29 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from customers	27.44	1,264.61
Liability towards corporate social responsibility (Refer Note 52)	20.38	8.22
Statutory dues	41.86	33.60
Total	89.68	1,306.43

30 CURRENT TAX LIABILITY

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax liability (net)	-	28.02
Total	-	28.02



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31 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from contract with customer		
Sale of products		
Manufactured goods	7,961.79	4,609.86
Sale of services	7.00	11.29
Other Operating Income	7,968.79	4,621.15
Government grants		
Duty drawback	18.04	52.34
RODTEP income	29.33	27.20
Sale of scrap	21.03	24.55
	20.14	16.17
Total	88.54	120.26
	8,057.33	4,741.41

32 OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Foreign exchange gain		
Interest income on	46.95	32.40
Fixed deposit		
Unwinding of discount on security deposits	57.99	29.46
Other interest income	1.93	0.97
Financial guarantee commission income	0.17	0.29
Profit on sale of assets	-	0.69
Sundry balance written back	0.71	1.67
Miscellaneous income	0.22	-
Total	0.09	1.42
	108.06	66.90

33 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening Stock		
Add: Purchases	720.53	166.68
Less: Closing stock	3,848.78	2,616.03
Total	(503.85)	(720.53)
	4,065.46	2,062.18

34 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Inventories at the end of the year:		
Finished stock	518.57	381.40
Semi finished stock	227.14	231.79
	745.71	613.19
Inventories at the beginning of the year:		
Finished stock	381.40	236.58
Semi finished stock	231.79	180.70
	613.19	417.28
Net (Increase)	(132.52)	(195.91)

35 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages		
Staff welfare expenses	512.25	346.33
Contribution to provident and other funds (Refer Note 43)	48.18	21.31
Share based payment to employees (Refer Note 51)	23.10	15.18
Gratuity expenses (Refer Note 43)	34.57	-
Total	8.85	4.42
	626.95	387.24



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36 FINANCE COSTS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest expense on		
Borrowings	91.73	30.68
Lease liabilities	38.59	9.96
Financial guarantee liability	-	0.06
Bank and Other finance charges	15.09	22.16
Total	145.41	62.86

37 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of property, plant and equipment (Refer Note 6)	250.05	117.43
Depreciation of right to use assets (Refer Note 7)	79.71	44.30
Amortization of intangible assets (Refer Note 9)	2.14	2.32
Total	331.90	164.05

38 OTHER EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Power and fuel	310.02	176.52
Job work and labour charges (Refer Note 44)	424.14	290.30
Royalty Expense	129.64	325.08
Consumption of stores	161.13	100.31
Travelling and conveyance	83.49	51.18
Freight and forwarding charges	128.24	50.64
Professional and legal fees	81.72	44.73
Effluent treatment charges	39.12	35.88
Advertisement and marketing	29.51	15.85
Repairs & maintenance on		
Plant and machinery	36.44	27.21
Building	9.14	3.25
Others	9.56	7.38
Rates and taxes	37.88	9.94
Testing charges	14.47	4.32
Corporate social responsibility expenses (Refer Note 52)	12.46	6.92
Fair value loss on foreign currency forward contract	-	1.82
Insurance charges	10.43	3.80
Rent expenses (Refer Note 7(c) & 44)	20.34	12.11
Brokerage and commission*	14.69	9.23
Allowance for expected credit loss	38.05	9.84
Payment to auditors (Refer Note 38.1)	2.32	1.80
Bad debts	3.67	3.05
Sundry balance written off	2.50	-
Contribution to political parties	0.50	-
Donation	0.16	0.05
Miscellaneous and Admin expenses	63.54	34.26
Total	1,663.16	1,225.47

*The Company has applied the practical expedient under Ind AS 115 and recognised brokerage and commission costs incurred to obtain contracts as an expense, given that the expected amortisation period is one year or less.

38.1 DETAILS OF PAYMENT TO AUDITORS (EXCLUSIVE OF GOODS AND SERVICE TAX)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
As auditor:		
To statutory auditors:		
-For Audit	2.20	1.80
-For Others	0.12	-
Total	2.32	1.80



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39 TAX EXPENSE

(a) Income tax expense:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax	395.52	275.63
(Excess)/Short tax provision for earlier years	(0.07)	(2.13)
Deferred tax	(19.53)	17.48
Income tax expense reported in the statement of profit or loss	375.92	290.98

(b) Income tax expense charged to Other Comprehensive income (OCI)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Items that will not be reclassified to profit or loss		
Remeasurement of net defined benefit liability	1.37	2.78
Gain/(loss) on FVTOCI equity investments	(3.99)	(1.97)
Income tax charged to OCI	(2.62)	0.81

(c) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax		
Enacted income tax rate applicable to the Company	1,465.03	1,102.42
Current tax expenses/(Credit) on profit/(loss) before tax at the enacted income tax rate	25.17%	25.17%
	368.72	277.46
Effect of non deductible expense	3.38	9.06
(Excess)/Short tax provision for earlier years	(0.07)	(2.13)
Others	3.89	6.59
Income tax expense	375.92	290.98

The Company has opted for new tax rate under section 115BAA of Income Tax Act, 1961 from the FY 2021-22. Hence, the enacted tax rate for current and deferred tax for current year is 25.168% (22% + surcharge + cess).



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(d) Deferred tax balances:

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax assets		
Fair valuation of security deposit	4.66	4.27
Provision for credit allowances on trade receivables	16.21	6.63
Lease liabilities	137.86	103.12
Transaction cost impact on term loan	0.59	-
Provision for employee benefits	7.63	4.42
	166.95	118.44
Deferred tax liability		
Property, plant and equipment	27.80	44.86
Right-of-use assets	150.30	105.27
Transaction cost impact on term loan	-	0.34
Fair value gain on Investments in unquoted equity shares.	5.95	1.97
	184.05	152.44
Deferred tax liability [Net]	17.10	34.00

Movement in deferred tax assets and deferred tax liabilities from 01 April 2024 to 31 March 2025:

Particulars	As at 01 April 2024	Recognised in profit or loss	Recognised in OCI	As at 31 March 2025
Property, plant and equipment	44.86	(17.06)	-	27.80
Right-of-use assets	105.27	45.01	-	150.29
Transaction cost impact on term loan	0.34	(0.93)	-	(0.59)
Fair value gain on Investments in unquoted equity shares.	1.97	-	3.99	5.97
Provision for employee benefits	(4.42)	(1.84)	(1.37)	(7.63)
Fair valuation of security deposit	(4.27)	(0.39)	-	(4.66)
Provision for credit allowances on trade receivables	(6.63)	(9.58)	-	(16.21)
Lease liabilities	(103.12)	(34.74)	-	(137.88)
Deferred tax liability [Net]	34.00	(19.53)	2.62	17.10

Movement in deferred tax assets and deferred tax liabilities from 01 April 2023 to 31 March 2024:

Particulars	As at 01 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
Property, plant and equipment	24.04	20.83	-	44.86
Right-of-use assets	22.00	83.26	-	105.27
Transaction cost impact on term loan	0.45	(0.11)	-	0.34
Fair value gain on Investments in unquoted equity shares.	-	-	1.98	1.97
Provision for employee benefits	(2.07)	0.44	(2.79)	(4.42)
Fair valuation of security deposit	(0.95)	(3.32)	-	(4.27)
Provision for credit allowances on trade receivables	(4.16)	(2.48)	-	(6.63)
Lease liabilities	(21.82)	(81.30)	-	(103.12)
Corporate Guarantee	(0.16)	0.16	-	-
Deferred tax liability [Net]	17.33	17.48	(0.81)	34.00



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40 EARNINGS/ LOSS PER SHARE (EPS)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit attributable to ordinary equity holders	1,089.11	811.44
Weighted average number of equity shares outstanding for calculation of Basic EPS (Nos.) in millions (Face Value per share - Equity shares: INR 1 each)	101.49	101.49
Basic earnings per share (INR)		
Profit attributable to ordinary equity holders	10.73	8.00
Weighted average number of equity shares outstanding for calculation of Basic EPS (Nos.) in millions	1,089.11	811.44
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.) in millions	101.49	101.49
Total of Weighted average number of shares outstanding for calculation of Diluted EPS (Nos.) in millions	2.06	-
Diluted earnings per share (INR)	103.55	101.49
	10.52	8.00

In line with the requirements of Ind AS 33, the basic and diluted earnings per share for the current period and previous periods presented have been calculated/ restated after considering the share split and bonus issue (Refer Note 22(e)).

41 CONTINGENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Letter of credit	53.11	47.12
Corporate guarantee given to related party	-	75.00

42 CAPITAL COMMITMENT

Particulars	As at 31 March 2025	As at 31 March 2024
Plant & Machinery	852.70	570.19
Total	852.70	570.19

43 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no further obligations towards specified contributions. The contributions are charged to the statement of profit and loss as and when they accrue.

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Employers' Contribution to Provident Fund	21.23	14.04
Employers' Contribution to Superannuation Fund and New Pension Scheme	0.98	1.14
Total	22.21	15.18

(b) Compensated absences

The company has a policy on compensated absences and expected cost of compensated absences (PL) is determined by actuarial valuation performed by an external actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Below are the actuarial assumptions used -

Principal assumptions used for the purpose of leave encashment

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount Rate	6.61%	6.97%
Salary increase rate	6.00%	6.00%
Employee turnover rate	6.00%	6.00%
Retirement age	60 Years	60 Years

The provision for compensated absences is as below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Non-current	14.52	5.65
Current	1.51	0.85



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(c) Defined benefit plans

Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity and currently the company has funded gratuity plan. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method.

The Company has invested in a plan assets scheme managed by the Life Insurance Corporation of India (LIC), in accordance with the applicable provisions of Indian law.

i) Amount recognised in balance sheet

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligation as at the end of the year	52.41	37.54
Fair Value of plan assets at the end of the year	38.12	24.09
Net liability recognized in Balance Sheet	(14.29)	(13.45)
Current liability	6.51	3.58
Non-current liability	7.78	9.87
Total	14.29	13.45

ii) Changes in the present value of benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligation at the beginning of the year	37.54	21.85
Included in profit or loss		
Interest cost	2.49	1.48
Current service cost	8.46	4.46
Past service cost	-	-
	10.95	5.94
Included in OCI		
Actuarial (gain)/ loss - Financial Assumptions	1.62	8.10
Actuarial (gain)/ loss - Experience	3.58	2.60
	5.20	10.70
Other		
Benefit Paid	(1.28)	(0.95)
Benefit paid from plan assets	-	-
Present value of obligation at the end of the year	52.41	37.54

iii) Changes in the fair value of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
Fair value of plan assets as at the beginning of the year	24.09	19.39
Included in profit or loss		
Interest income on plan assets	2.10	1.52
	2.10	1.52
Included in OCI		
Return on plan assets greater / (lesser) than discount rate	(0.24)	(0.35)
	(0.24)	(0.35)
Other		
Employer contributions	13.45	4.46
Benefits paid	(1.28)	(0.93)
Fair value of plan assets as at the end of the year	38.12	24.09

iv) Reconciliation of balance sheet amount

Particulars	As at 31 March 2025	As at 31 March 2024
Opening net liability	13.45	2.45
Expense recognised in profit and loss	8.85	4.42
Expense/(income) recognised in other comprehensive income	5.44	11.05
Employers contribution	(13.45)	(4.46)
Benefits paid by the company	-	(0.01)
Balance sheet Liability at the end of year	14.29	13.45



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v) Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost		
Net Interest cost	8.46	4.46
Past service cost	0.39	(0.04)
- Interest expense on DBO	-	-
- Interest (income) on plan assets	-	-
Total expenses recognized in the statement of profit and loss	8.85	4.42

vi) Expense recognized in other comprehensive income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial (gains)/ losses arising from:		
- Experience		
"Financial Assumptions"	3.58	2.60
Return on plan assets excluding interest income	1.62	8.10
	0.24	0.35
Net actuarial (gains) / losses recognised in OCI	5.44	11.05

vii) Principal assumptions used for the purpose of the actuarial valuation

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Discount Rate	Table	Table
Salary increase rate	6.61%	6.97%
Withdrawal rate	6.00%	6.00%
Average attained age	6.00%	6.00%
Retirement age	33.98	33.21
	60.00	60.00

viii) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at 31 March 2025	As at 31 March 2024
Change in Discount rate		
Delta effect + 1%	48.10	34.39
Delta effect - 1%	57.43	41.23
Change in rate of salary increase		
Delta effect + 1%	-	-
Delta effect - 1%	56.64	40.73
	48.61	34.70

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ix) Maturity profile of benefit payments

Year	As at 31 March 2025	As at 31 March 2024
Year 1		
Year 2	6.51	3.58
Year 3	3.98	2.28
Year 4	3.81	3.32
Year 5	4.03	3.11
Year 6 and above	3.78	3.29
	17.72	13.82

The weighted average duration of defined benefit obligation is 9.20 years.



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x) **Gratuity is a defined benefit plan and entity is exposed to the following risks:**

(i) **Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- (a) **Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result in obligation at a rate that is higher than expected.
- (b) **Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- (c) **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(ii) **Investment / Interest Risk:**

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.



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44 RELATED PARTY DISCLOSURES

The Company's related parties principally includes subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business. All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

(a) Names of related parties and description of relationship as identified by the Company:

Name of company	Relationship
Engineered Coated Fabric Pvt. Ltd.	Subsidiary
Kusumgar Middle East FZ LLC	

Name of company	Relationship
Specialty Fabrics Pvt. Ltd. Concord Weaving & Preparatory Pvt. Ltd Kusumgar Technomic Fabrics Pvt. Ltd. V B Kusumgar & Co Pvt. Ltd. 4S Holdings Shubita Fabrics LLP Kusumgar Holdings LLP Paraborne Systems LLP Toray Kusumgar Advanced Textile Private Limited Pertex Solution LLP	Enterprises over which Key Managerial Personnel have significant influence

(b) Key Managerial Personnel (KMP)/ others

	Relationship
Yogesh Kusumgar (Director) (Until March 4, 2025)	Key Managerial Personnel
Siddharth Kusumgar (Managing Director)	Key Managerial Personnel
Kiran Shah (Director) (Until March 4, 2025)	Key Managerial Personnel
Ankur Kothari (Chief Executive Officer & Director)	Key Managerial Personnel
Sapna Kusumgar (Managing Director)	Key Managerial Personnel
Naresh Patel (Chief Financial Officer) (Until December 9, 2024)	Key Managerial Personnel
Kinnar Mehta (Chief Financial Officer) (From January 1, 2025)	Key Managerial Personnel
Devanand Mojidra (Company Secretary (From February 22, 2025)	Key Managerial Personnel
Deepti Gupta (Independent Director) (From March 17, 2025)	Key Managerial Personnel
Kaushal Jaysingh Sampat (Independent Director) (From March 17, 2025)	Key Managerial Personnel
Amita Soni	Key Managerial Personnel
Babita Kusumgar	Relatives of Key Managerial Personnel
Sushmi Doshi	Relatives of Key Managerial Personnel
	Relatives of Key Managerial Personnel

(c) Transactions with Key Managerial Personnel

	For the year ended 31 March 2025	For the year ended 31 March 2024
Short-term employee benefits*		
Share-Based Payments	66.91	51.61
Others	34.57	-
Total	9.85	5.40
	111.33	57.01

* Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are done for the Company as a whole.



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(d) Transactions with related party during the year are as follows:

Sr no	Transactions with related parties	For the year ended 31 March 2025	For the year ended 31 March 2024
1	Transactions with Subsidiaries and Enterprises over which Key Managerial Personnel have significant influence Job Work-Sales Specialty Fabrics Pvt. Ltd 3.33 4.89 Job Work-Expenses Engineered Coated Fabric Pvt. Ltd 72.71 110.71 Chemical & Packing Material Sale Engineered Coated Fabric Pvt. Ltd. 30.20 29.59 Fabric Sales Engineered Coated Fabric Pvt. Ltd. 277.38 360.47 Paraborne Systems LLP - 0.88 Stores & Spares sale Paraborne Systems LLP - 2.76 Stores & Spares purchase Paraborne Systems LLP - 19.40 Fabric Purchase Engineered Coated Fabric Pvt. Ltd. 365.48 111.47 Plant and machinery Purchase Engineered Coated Fabric Pvt. Ltd. 2.70 - Chemical Purchase Engineered Coated Fabric Pvt. Ltd. - 2.27 Yarn Purchase Specialty Fabrics Pvt. Ltd 4.28 0.17 Guarantee income Engineered Coated Fabric Pvt. Ltd - 0.69 Interest paid Engineered Coated Fabric Pvt. Ltd - 0.06 Rent Paid 4S Holdings 11.73 9.66 Specialty Fabrics Pvt. Ltd 6.00 6.00 Amita Soni 1.43 1.39 Babita Kusumgar 1.43 1.39 Sushmi Doshi 1.43 1.39 Interest Received Paraborne Systems LLP - 0.08 Kusumgar Middle East FZ LLC 0.47 - Investment Kusumgar Middle East FZ LLC 2.37 - Engineered Coated Fabric Pvt. Ltd. 1,118.53 -		



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(Amount in INR Millions, unless otherwise stated)

Sr no	Transactions with related parties	For the year ended 31 March 2025	For the year ended 31 March 2024
	Fees paid to Consultant		
	Kinnar Dhansukhlal Mehta	3.60	-
	Kiran Nagindad Shah	6.25	-
	Loan Given		
	Kusumgar Middle East FZ LLC	9.48	-
	Loan taken		
	Siddharth Kusumgar (Director)	194.09	-
	Sapna Kusumgar (Director)	90.08	-
	Interest Paid		
	Siddharth Kusumgar (Director)	2.19	-
	Sapna Kusumgar (Director)	0.07	-
	Loan repaid		
	Siddharth Kusumgar (Director)	194.09	-
	Sapna Kusumgar (Director)	90.08	-
	Deposit given		
	4S Holdings	0.10	-
	Amita Soni	0.10	-
	Babita Kusumgar	0.10	-
	Sushmi Doshi	0.10	-
		-	-
	Deposit received		
	4S Holdings	17.50	-
	Other receivables		
	Kusumgar Middle East FZ LLC	0.34	1.37
	Total	2,507.64	664.64

(e) Sr no	Balances outstanding with related parties	As at 31 March 2025	As at 31 March 2024
1	Deposit given		
	4S Holdings	6.10	23.50
	Amita Soni	0.10	-
	Babita Kusumgar	0.10	-
	Sushmi Doshi	0.10	-
	Total	6.40	23.50
2	Receivable as at balance sheet		
	Specialty Fabrics Pvt. Ltd	-	-
	Engineered Coated Fabric Pvt. Ltd.	-	47.76
	Paraborne Systems LLP	-	-
	Pertex Solution LLP	-	-
	Kusumgar Middle East FZ LLC	1.71	1.37
	Total	1.71	49.13



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(f) Sr no	Balances outstanding with related parties	As at 31 March 2025	As at 31 March 2024
3	Investments in Subsidiaries Engineered Coated Fabric Pvt. Ltd. Kusumgar Middle East FZ LLC	1118.53 2.37	- -
4	Other Investment Toray Kusumgar Advanced Textile Private Limited Total	149.66 1,270.56	121.79 121.79
5	Loan given Kusumgar Middle East FZ LLC Total	9.48 9.48	- -
6	Interest accrued Kusumgar Middle East FZ LLC Total	0.47 0.47	- -
7	Payable as at balance sheet date Engineered Coated Fabric Pvt. Ltd. Paraborne Systems LLP Total	- 19.19 19.19	1.12 19.19 20.31

Terms and Conditions of Transaction with Related Parties:

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest-free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties.

The Company has availed the following term loans from HDFC Bank Ltd., which are secured by way of hypothecation of plant and machinery acquired out of the respective loan proceeds. These loans are further secured by personal guarantees provided by the Mr. Yogesh Kusumgar(Director) and Mr. Siddharth Kusumgar (Managing Director):

- (a) Term loan secured by hypothecation of plant and machinery located at Plot Nos. 10 and 11, Kosamba.
- (b) Term loan secured by hypothecation of plant and machinery located at Plot Nos. 1271 and 1273, Tadkeshwar.
- (c) Term loan secured by hypothecation of plant and machinery located at Fairdeal Textile Park, Composite Unit 2, Block No. 692/A, Surat and industrial property located at Vasundhara Canning Compound, near Pardi railway station, Killa Pardi, District Valsad 396125, Gujrat and Plot No. 1274, Village Tadkeshwar, opp General Polytex Co. Pvt Ltd, Teh Mandvi, District - Surat-394170.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates



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45 REVENUE AS PER IND AS 115

(a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2025			Total
	Revenue From Fabrics & solutions	Revenue from ancillary products & others	Revenue from Service	
Revenue from operation				
Sale of products				
Manufactured goods	7,622.79	338.99	-	7,961.79
Sale of services	-	-	7.00	7.00
Gross revenue from contracts with customers	7,622.79	338.99	7.00	7,968.79
Less: Consideration payable to customers	-	-	-	-
Net revenue from contracts with customers	7,622.79	338.99	7.00	7,968.79
Geographical markets				
India				
Outside India	5,867.89	305.81	7.00	6,180.71
Net revenue from contracts with customers	1,754.90	33.18	-	1,788.08
Timing of revenue recognition				
Goods or services transferred at a point in time	7,622.79	338.99	-	7,961.79
Goods or Services transferred over a period of time	-	-	7.00	7.00
Net revenue from contracts with customers	7,622.79	338.99	7.00	7,968.79

Particulars	For the year ended 31 March 2024			Total
	Revenue From Fabrics & solutions	Revenue from ancillary products & others	Revenue from Service	
Revenue from operation				
Sale of products				
Manufactured goods	4,520.08	89.78	-	4,609.86
Sale of services	-	-	11.29	11.29
Gross revenue from contracts with customers	4,520.08	89.78	11.29	4,621.15
Less: Consideration payable to customers	-	-	-	-
Net revenue from contracts with customers	4,520.08	89.78	11.29	4,621.15
India				
Outside India	3,362.57	79.86	11.29	3,453.72
Net revenue from contracts with customers	1,157.50	9.92	-	1,167.43
Timing of revenue recognition				
Goods or services transferred at a point in time	4,520.08	89.78	-	4,609.86
Goods or Services transferred over a period of time	-	-	11.29	11.29
Net revenue from contracts with customers	4,520.08	89.78	11.29	4,621.15

(b) Performance Obligation

Sale of Products:

The performance obligation in case of sale of product is satisfied at a point in time i.e., when the goods is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of Services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligations for the services rendered.

(c) Contract Balances

The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	561.10	448.56
Unbilled revenue-Contract assets	-	-
Deferred revenue-Contract liability	-	-
Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.	27.44	1,264.61

Set out below is the amount of revenue recognised from:

Particulars	As at 31 March 2025	As at 31 March 2024
Contract liabilities		
Opening balance		
Addition during the year	1,264.61	29.18
Revenue recognised during the year	27.44	1,264.61
Closing balance	(1,264.61)	(29.18)
	27.44	1,264.61



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46 SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating Segments, the Company's business activities, as reviewed by the management, fall within a single operating segment, namely manufacturing of technical textiles fabrics. Consequently, no additional segmental disclosures are required in these financial statements beyond those already provided.

(a) Break up of revenue based on geographical segment

Particulars	As at 31 March 2025	As at 31 March 2024
India	6,180.72	3,453.72
USA	678.94	465.58
Germany	403.52	276.60
South Africa	62.55	67.20
Srilanka	102.79	-
Bangladesh	-	41.70
France	208.24	72.35
Others	332.03	244.00
Closing balance	7,968.79	4,621.15

(b) The carrying amount of non current operating assets by location of assets

Particulars	As at 31 March 2025	As at 31 March 2024
Within India	2,962.08	1,975.80
Outside India	-	-
Closing balance	2,962.08	1,975.80

(c) Revenue from customers of the Company which is individually more than 10 percent of the Company's total revenue:

Particulars	As at 31 March 2025	As at 31 March 2024
Customer one	24.97%	46.00%
Customer two	27.97%	-



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47 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial Assets and financial Liabilities which are classified as below -

Particulars	Amortised Cost	FVTOCI	FVTPL	Total
As at 31 March 2025				
Financial Assets				
Current				
Trade receivables	561.10	-	-	561.10
Cash and cash equivalents	252.66	-	-	252.66
Other bank balances	106.02	-	-	106.02
Loans	155.69	-	-	155.69
Other financial assets	240.47	-	-	240.47
	1,315.94	-	-	1,315.94
Non-current				
Investment	1,120.90	149.67	-	1,270.57
Loans	9.48	-	-	9.48
Other financial assets	56.62	-	-	56.62
	1,187.00	149.67	-	1,336.67
Financial Liabilities				
Current				
Borrowings	1,707.37	-	-	1,707.37
Lease liability	73.15	-	-	73.15
Trade payables	472.07	-	-	472.07
Other financial liabilities	96.83	-	-	96.83
	2,349.42	-	-	2,349.42
Non-current				
Borrowings	757.64	-	-	757.64
Lease liability	474.60	-	-	474.60
	1,232.24	-	-	1,232.24
As at 31 March 2024				
Financial Assets				
Current				
Trade receivables	448.56	-	-	448.56
Cash and cash equivalents	317.09	-	-	317.09
Other bank balances	1,105.27	-	-	1,105.27
Other financial assets	27.86	-	-	27.86
	1,898.78	-	-	1,898.78
Non-current				
Investment	-	121.80	-	121.80
Other financial assets	70.87	-	-	70.87
	70.87	121.80	-	192.67
Financial Liabilities				
Current				
Borrowings	417.28	-	-	417.28
Lease liability	49.80	-	-	49.80
Trade payables	518.54	-	-	518.54
Other financial liabilities	206.71	-	1.82	208.53
	1,192.33	-	1.82	1,194.15
Non-current				
Borrowings	348.05	-	-	348.05
Lease liability	359.90	-	-	359.90
	707.95	-	-	707.95



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(b) Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The company has classified its financial instruments into the three levels prescribed under the Ind AS as below-

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
FVTOCI-Investments in unquoted equity instruments	-	-	149.66	149.66
As at 31 March 2024				
FVTOCI-Investments in unquoted equity instruments	-	-	121.79	121.79
Derivative financial instruments - loss on outstanding foreign exchange forward contracts	-	1.82	-	1.82

Fair value of Financial Assets and Liabilities measured at amortized cost:

The fair value of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), borrowings (current), trade payables and other financial liabilities (current) are approximate to the carrying amounts because of the short-term nature of these financial instruments.

Fair value measurements using observable inputs (level 2)

The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs as at reporting date.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2025 and 31 March 2024:

Particulars	Unlisted equity securities	Total
As at 31 March 2023	-	-
Acquisitions	108.00	108.00
Disposal	-	-
Gains recognised in other comprehensive income	13.79	13.79
Transfer from level 2	-	-
As at 31 March 2024	121.79	121.79
Acquisitions	-	-
Disposal	-	-
Gains recognised in other comprehensive income	27.87	27.87
Transfer from level 2	-	-
As at 31 March 2025	149.66	149.66

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 March 2025 as shown below:

Description of significant unobservable inputs to valuation:

As at 31 March 2025

Financial instrument	Valuation technique	Key Unobservable Inputs	Range in (%)	Sensitivity of the Input to Fair Value
FVTOCI assets in unquoted equity shares	Discounted cash flow method	Discount Rate	17.60%	Increase and decrease in discount rate by 1% would decrease and increase fair value by 13.68 millions and 16.15 millions respectively.
		Growth Rate	5.00%	Increase and decrease in terminal growth rate by 1% would increase and decrease fair value by 3.80 millions and 10.94 millions respectively.

As at 31 March 2024

Financial instrument	Valuation technique	Key Unobservable Inputs	Range in (%)	Sensitivity of the Input to Fair Value
FVTOCI assets in unquoted equity shares	Discounted cash flow method	Discount Rate	13.30%	Increase and decrease in discount rate by 1% would decrease and increase fair value by 9.06 millions and 10.60 millions respectively.
		Growth Rate	0.50%	Increase and decrease in terminal growth rate by 0.50% would increase and decrease fair value by 2.82 millions and 2.60 millions respectively.



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48 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium, all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans including interest accrued, and by reducing cash and cash equivalents, bank balances other than cash and cash equivalents.

Particulars	As at 31 March 2025	As at 31 March 2024
Net Debt	2,465.01	765.33
Less: Cash and cash equivalents	(252.66)	(317.09)
Less: Bank balances other than cash and cash equivalents	(106.02)	(1,105.27)
Net adjusted debt (A)	2,106.33	(657.03)
Equity	3,587.55	2,444.06
Total equity (B)	3,587.55	2,444.06
Total debt and equity (C) = (A)+(B)	5,693.88	1,787.03
Gearing ratio (A) / (C)	0.37	0.00

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. These risks are categorised into market risk, credit risk and liquidity risk.

(a) Market risk

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

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Company exposed to below two market risks-

i) 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable borrowings, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on profit before tax	
	1% increase/ 1% decrease	
	As at 31 March 2025	As at 31 March 2024
Borrowings (Impact on profit and loss)	(0.92)/0.92	(0.31)/0.31



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ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade receivable and trade payable.

The foreign currency trade receivables/trade payables balances (unhedged) are as follows:

Particulars	Amount in foreign currency (in Millions)	
	As at 31 March 2025	As at 31 March 2024
Trade receivables		
USD	3.22	2.04
EURO	0.28	0.38
CHF	-	0.03
JPY	-	34.20
Trade payables		
USD	1.44	2.34
EURO	0.04	-

Particulars	Equivalent amount in INR (In Millions)	
	As at 31 March 2025	As at 31 March 2024
Receivables		
USD	281.49	169.90
EURO	25.95	34.38
CHF	-	2.72
JPY	-	18.84
Payables		
USD	123.36	194.76
EURO	4.02	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

Particulars	Financial Impact (+/-)	
	31 March 2025	31 March 2024
USD (+/- 10% movement)	15.81	2.49
EURO (+/- 10% movement)	2.19	3.44
CHF (+/- 10% movement)	-	0.27
JPY (+/- 10% movement)	-	1.88

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, loans, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	561.10	448.56
Cash and cash equivalents	252.66	317.09
Other bank balances	106.02	1,105.27
Investments	1,270.57	121.80
Loans	165.17	-
Other financial assets	297.09	98.73
Total	2,652.61	2,091.45



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Balances with banks and fixed deposits are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

Investments

The Company limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

The Company is exposed to credit risk on its loan receivables and other financial assets. However, there is no material concentration of credit risk, as exposures are well diversified and no single counterparty presents a significant risk.

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Company's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies, hence no adjustment for forward looking factors is carried.

Reconciliation of loss allowance for trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Opening provision	26.35	16.51
Addition	38.05	9.84
Reversal	-	-
Amounts written off	-	-
Closing provision	64.40	26.35

Other financial assets: (except fixed deposit with bank and interest accrued)

Based on the assessment carried out by the Company, credit risk on certain aged security deposits has increased significantly and these balances are considered credit-impaired.

Reconciliation of loss allowance for security deposits

Particulars	As at 31 March 2025	As at 31 March 2024
Opening provision	-	0.80
Addition	-	-
Reversal	-	-
Amounts written off	-	(0.80)
Closing provision	-	-

Note-Credit risk for security deposit other than above and other receivables has not increased significantly.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The table below summarizes the undiscounted maturity profile of the Company's financial liabilities on an undiscounted basis:

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at 31 March 2025				
Borrowings	1,707.37	670.33	89.65	2,467.35
Lease liabilities	117.83	410.13	222.34	750.30
Trade payables	467.66	4.40	-	472.06
Other financial liabilities	96.83	-	-	96.83
Total	2,389.69	1,084.86	311.99	3,786.54
As at 31 March 2024				
Borrowings	417.28	349.42	-	766.70
Lease liabilities	83.42	320.52	168.69	572.63
Trade payables	509.02	9.52	-	518.54
Other financial liabilities	208.53	-	-	208.53
Total	1,218.25	679.46	168.69	2,066.40



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50 RATIOS

S No.	Ratio	Particulars		Ratio as on		Variation %	Reason (If variation is more than 25%)
		Numerator	Denominator	31 March 2025	31 March 2024		
(a)	Current Ratio	Current Assets	Current Liabilities	1.23	1.41	-13%	Not Applicable
(b)	Debt-Equity Ratio	Debt= long term borrowing + Short-term borrowings	Equity= Share capital + Reserve and Surplus	0.69	0.31	119%	During the year, the company availed a term loan, vehicle loan, and working capital loan from the bank, which led to an increase in the ratio
(c)	Debt Service Coverage Ratio	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	4.32	4.89	-12%	Not Applicable
(d)	Return on Equity Ratio	Net Income= Net Profits after taxes	Average shareholder's equity	0.36	0.40	-9%	Not Applicable
(e)	Inventory Turnover Ratio	Cost of goods sold	(Opening Inventory + Closing Inventory) / 2	2.94	1.89	55%	The company's performance, including revenue, showed improvement over the previous year, contributing to a better inventory turnover ratio.
(f)	Trade Receivables Turnover Ratio	Net credit sales	(Opening trade receivables + Closing trade receivable) / 2	15.79	8.90	77%	While the company's revenue almost doubled during the year, trade receivables did not increase proportionally, reflecting better credit management
(g)	Trade Payables Turnover Ratio	Net Credit Purchase	(Opening Trade Payables + Closing Trade Payables) / 2	7.77	7.55	3%	Not Applicable
(h)	Net Capital Turnover Ratio	Revenue from operations	Average working capital= Average of current assets - current liabilities	10.00	4.76	110%	During the year, the company recorded a significant increase in revenue compared to the previous year, while trade receivables remained relatively stable. Additionally, current liabilities increased due to a rise in working capital borrowings. These factors collectively led to an improvement in the Net Capital Turnover Ratio.
(i)	Net Profit Ratio	Net profit after tax	Net sales	0.13	0.17	-21%	Not Applicable
(j)	Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Asset-Current Liability	0.33	0.36	-8%	Not Applicable
(k)	Return on Investment	Net Profit	Net Investment= Net Equity	0.30	0.33	-9%	Not Applicable



51 Employee stock option plan

Equity-settled share option plan

Kusumgar ESOP Plan 2024 ("ESOP 2024") was approved by the Board of Directors and the Shareholders of the Company on 22nd October, 2024. The ESOP 2024 covers grant of Options to the specified employees of the Company covered under ESOP. As per the scheme, the number of shares that will vest is conditional upon the employee rendering the requisite service. The shares will be issued in tranches over the vesting period, in accordance with the terms of the plan.

This valuation report has been prepared using the Black-Scholes model, which takes into account key components such as historical volatility, exercise price, and the risk-free rate of return.

(a) Reconciliation of total outstanding share options

Particulars	For the year ended 31 March 2025	
	No. of stock options	Weighted average exercise price (INR)
Options Outstanding at the beginning of year	-	-
Options Granted during the year	-	-
Options Exercised during the year	20,71,222	1.00
Options Forfeited / Expired during the year	-	-
Options Outstanding at the end of year	-	-
Exercisable at the end of the period	20,71,222	1.00

(b) Tranche wise terms of options

i) Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted	Exercise price (INR)	Fair Value of option as on the date of grant
Tranche 1	October 2024 - October 2025	12 Months	22-Oct-25	58,806	1.00	281.53
Tranche 2	October 2024 - April 2026	18 Months	01-Apr-26	22,420	1.00	281.54
Tranche 3	October 2024 - April 2027	30 Months	01-Apr-27	40,612	1.00	281.55
Tranche 4	October 2024 - April 2028	42 Months	01-Apr-28	40,612	1.00	281.56
Tranche 5	October 2024 - April 2029	54 Months	01-Apr-29	40,612	1.00	281.57
Tranche 6	October 2024 - April 2030	66 Months	01-Apr-30	40,612	1.00	281.58
Tranche 7	October 2024 - April 2031	78 Months	01-Apr-31	40,612	1.00	281.59
Tranche 8	October 2024 - April 2032	91 Months	01-Apr-32	40,612	1.00	281.60
Tranche 9	October 2024 - April 2033	103 Months	01-Apr-33	40,612	1.00	281.61
Tranche 10	October 2024 - April 2034	115 Months	01-Apr-34	40,612	1.00	281.61
Total				4,06,122		

ii) Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted*	Exercise price (INR)	Fair Value of option as on the date of grant (INR)
Tranche 1	February 2025 - October 2025	8 Months	22-Oct-25	1,76,418	1.00	281.53
Tranche 2	February 2025 - April 2026	14 Months	01-Apr-26	67,260	1.00	281.54
Tranche 3	February 2025 - April 2027	26 Months	01-Apr-27	1,21,836	1.00	281.55
Tranche 4	February 2025 - April 2028	38 Months	01-Apr-28	1,21,836	1.00	281.56
Tranche 5	February 2025 - April 2029	50 Months	01-Apr-29	1,21,836	1.00	281.57
Tranche 6	February 2025 - April 2030	62 Months	01-Apr-30	1,21,836	1.00	281.58
Tranche 7	February 2025 - April 2031	74 Months	01-Apr-31	1,21,836	1.00	281.59
Tranche 8	February 2025 - April 2032	86 Months	01-Apr-32	1,21,836	1.00	281.60
Tranche 9	February 2025 - April 2033	98 Months	01-Apr-33	1,21,836	1.00	281.61
Tranche 10	February 2025 - April 2034	110 Months	01-Apr-34	1,21,836	1.00	281.61
Total				12,18,366		

iii) Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted*	Exercise price (INR)	Fair Value of option as on the date of grant (INR)
Tranche 1	March 2025 - October 2025	7 Months	22-Oct-25	64,687	1.00	281.53
Tranche 2	March 2025 - April 2026	13 Months	01-Apr-26	24,662	1.00	281.54
Tranche 3	March 2025 - April 2027	25 Months	01-Apr-27	44,673	1.00	281.55
Tranche 4	March 2025 - April 2028	37 Months	01-Apr-28	44,673	1.00	281.56
Tranche 5	March 2025 - April 2029	49 Months	01-Apr-29	44,673	1.00	281.57
Tranche 6	March 2025 - April 2030	61 Months	01-Apr-30	44,673	1.00	281.58
Tranche 7	March 2025 - April 2031	73 Months	01-Apr-31	44,673	1.00	281.59
Tranche 8	March 2025 - April 2032	85 Months	01-Apr-32	44,673	1.00	281.60
Tranche 9	March 2025 - April 2033	97 Months	01-Apr-33	44,673	1.00	281.61
Tranche 10	March 2025 - April 2034	109 Months	01-Apr-34	44,673	1.00	281.61
Total				4,46,734		

* These are the additional options granted due to bonus share issue by the company.

(c) The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

Particulars	Weighted average fair value of the options at the grant dates (INR)	Risk free Interest rates	Expected life (in years)	Expected volatility (%)	Weighted average share price (INR)
Tranche 1	207.91	6.50%	1.00	50%	1.00
Tranche 2	79.27	6.51%	1.44	50%	1.00
Tranche 3	143.59	6.54%	2.44	50%	1.00
Tranche 4	143.60	6.57%	3.44	50%	1.00
Tranche 5	143.60	6.59%	4.44	50%	1.00
Tranche 6	143.61	6.61%	5.44	50%	1.00
Tranche 7	143.61	6.63%	6.44	50%	1.00
Tranche 8	143.61	6.65%	7.44	50%	1.00
Tranche 9	143.62	6.67%	8.44	50%	1.00
Tranche 10	143.62	6.68%	9.44	50%	1.00
Total	1,436.04				

The Company expects that employees will be able to exercise their options at any time after the vesting period. Accordingly, the Company considers the vesting date to be the grant date for valuation purposes.

The expected volatility factor reflects the fluctuations in share returns over time and is measured by the annualized standard deviation of stock returns. As the Company is not listed, historical volatility of comparable listed companies has been used as a proxy to estimate the expected volatility of the Company's shares.

(d) Expense recognised in profit or loss from share based payment transaction

Particulars	For the year ended 31 March 2025
Employee share based payment expense recognised in statement of profit and loss	34.57

(e) Amounts presented in balance sheet as a part of the scheme as follows (Share based payment reserve):

Particulars	As at 31 March 2025
Balance at the beginning of the year	-
Add: Employee stock option expense recognised	-
Less: Options exercised during the year	34.57
Balance at the end of the year	34.57



Kusumgar Limited (formerly known as Kusumgar Private Limited)
Notes forming part of the Standalone financial statements for the year ended 31 March, 2025
(Amount in INR Millions, unless otherwise stated)

52 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities contribution towards contribution towards educational, for the mentally retarded children.

The details of funds primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 are as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Amount required to be spent by the company during the year.	12.46	6.92
Amount of expenditure incurred	0.30	2.17
Shortfall at the end of the year (including previous year shortfall)	20.40	8.24
Reason for above shortfall*	Pertains to ongoing projects	Pertains to ongoing projects
Nature of CSR activities	Contribution towards educational health and medical etc.	Contribution towards educational health and medical etc.
Details of related party transactions, e.g., contribution to a trust-controlled NA by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures	-	-
Where a provision is made with respect to a liability incurred by entering in-to contractual obligation, the movements in the provision during the year	-	-

*The unspent amount transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

53 OTHER MATTERS - 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 except that the audit trail feature at the application level was enabled from 11 January ,2025 for Purchase module and 12 February ,2025 for Customer Module and 25 June ,2024 for Sales module and was not enabled at the database level to log any direct data changes for the entire year.

54 ADDITIONAL REGULATORY INFORMATION:

(i) Title deeds of Immovable Properties not held in name of the Company

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii) Fair valuation of investment property

The Company does not have any investment property.

(iii) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(iv) Details of benami property held

The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.

(v) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) Relationship with struck off companies

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

(vii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction there which are yet to be registered with the Registrar of Companies beyond the statutory period.



Kusumgar Limited (formerly known as Kusumgar Private Limited)

Notes forming part of the Standalone financial statements for the year ended 31 March, 2025

(Amount in INR Millions, unless otherwise stated)

(viii) Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) Utilisation of Borrowed funds and share premium:

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:

- 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 to or on behalf of the ultimate beneficiaries.

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:

- 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.

(xi) Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(xii) Utilisation of Borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xiii) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

55 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on May 03, 2023. However, the final rules/interpretation have not yet been issued. The Company will complete their evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

56 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by schedule III of the Act.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No: 105047W

Amrisha Vaidya

Partner

Membership No. 101739

Place: Mumbai

Date: June 10, 2025



For and on behalf of the Board of Directors

Kusumgar Limited

CIN: U65990MH1990PLC056871

Siddharth Kusumgar

Managing Director

DIN: 01676799

Place: Mumbai

Date: June 10, 2025

Kinnar Mehta

Chief Financial Officer

Place: Mumbai

Date: June 10, 2025

Ankur Kothari

Chief Executive Officer & Director

DIN: 07694977

Place: Mumbai

Date: June 10, 2025

Devanand Mojindra

Company Secretary

ACS: 14644

Place: Mumbai

Date: June 10, 2025