

# MSKA & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

HO

602, Floor 6, Raheja Titanium

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Independent Auditors Examination Report on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2026 and March 31, 2025, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement along with the Statement of Material Accounting Policies and other Explanatory Information for the years ended March 31, 2026 and March 31, 2025, the Restated Combined Statement of Assets and Liabilities as at March 31, 2024, the Restated Combined Statement of Profit and Loss (including Other Comprehensive Income), the Restated Combined Statement of Changes in Equity, the Restated Combined Cash Flow Statement and along with the Statement of Material Accounting Policies and other Explanatory Information for the year ended March 31, 2024 of Kusumgar Limited (formerly known as Kusumgar Private Limited) (collectively, the "Restated Financial Information")

The Board of Directors

**Kusumgar Limited (formerly known as Kusumgar Private Limited)**

101, Manjushree, V.M. Road

JVPD Scheme, Vile Parle (W)

Mumbai- 400 056

Maharashtra, India

Dear Sirs/ Madams,

1. We M S K A & Associates LLP (formerly known as M S K A & Associates), Chartered Accountants (referred to as "we" or "us") have examined the Restated Financial Information of Kusumgar Limited (formerly known as Kusumgar Private Limited) (the "Company" or the "Holding Company" and its subsidiaries (the Company and its subsidiaries together referred to as the "Group")) comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2026 and March 31, 2025, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for each of the years ended March 31, 2026 and March 31, 2025, the Summary Statement of Material Accounting Policies, and other explanatory information along with the Restated Combined Statement of Assets and Liabilities as at March 31, 2024, the Restated Combined Statement of Profit and Loss (including Other Comprehensive Income), the Restated Combined Statement of Changes in Equity, the Restated Combined Statement of Cash Flows and other explanatory information for the year ended March 31, 2024, along with the Summary Statement of Material Accounting Policies (collectively, the "Restated Financial Information"), annexed to this report for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus ("Prospectus" and collectively with RHP as "Offer Documents") prepared by the Company in connection with the initial public offer of equity shares of face value of Rs. 1 each ("Offer"). The Restated Financial Information, which have been approved by the board of directors ("Board of Directors") of the Company at their meeting held on June 05, 2026, have been prepared by the Company in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and

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- c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
  - d) Email dated October 28, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India (“SEBI Communication”)
2. The Company’s management is responsible for the preparation of Restated Financial Information for the purpose of inclusion in the Offer Documents (RHP and the Prospectus) to be filed with Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”) and the Registrar of Companies, Mumbai-I at Mumbai, in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2 to Annexure V to the Restated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective Restated Financial Information. The respective Board of Directors of the companies included in the Group are also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.
3. We have examined such Restated Financial Information taking into consideration:
- a) the terms of reference and our engagement agreed with you vide our engagement letter dated March 20, 2025, in connection with the Offer.
  - b) The Guidance Note read with SEBI Communication. The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
  - c) the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Financial Information have been compiled by the management from the:
- a) Audited consolidated financial statements of the Group as at and for the years ended March 31, 2026 and March 31, 2025 prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, along with the presentation requirements of Division II of Schedule III to the Act (collectively, the “**Audited Consolidated Financial Statements**”), which have been approved by the Board of Directors at their meetings held on May 18, 2026 and June 10, 2025, respectively as stated in Note 2 to Annexure V.
  - b) Audited special purpose combined financial statements of the Group as at and for the year ended March 31, 2024, prepared in accordance with the basis of preparation, as set out in Note 2 of Annexure V of the Restated Financial Information (the “**Audited Special Purpose Combined Financial Statements**”), which have been approved by the Board of Directors at their meeting held on September 04, 2025, on which we have issued our special purpose audit report dated September 04, 2025.



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- c) The Audited Consolidated Financial Statements and the Audited Special Purpose Combined Financial Statements referred to in paragraphs (a) & (b) above includes financial statements and other financial information of Engineered Coated Fabric Private Limited (the "ECFPL") which is a wholly owned subsidiary of the Company and is audited by the Chaturvedi Sohan & Co. (the "Other Auditor").
  - d) The consolidated financial statements of the Group as at and for the year ended March 31, 2026 as referred in paragraph (a) above, includes financial statements and other financial information of Kusumgar Composites Private Limited (the "KCPL"), which is a wholly owned subsidiary of the Company, and is audited by Parikh & Majmudar (the "Other Component Auditor").
5. For the purpose of our examination, we have relied on:
- a) Auditors' report issued by us dated May 18, 2026 on the consolidated financial statements of the Group as at and for the year ended March 31, 2026 as referred in paragraph 4(a) above;
  - b) Auditors' reports issued by us dated June 10, 2025 on the consolidated financial statements of the Group as at and for the year ended March 31, 2025, as referred in paragraphs 4(a) above;
  - c) Auditor's report issued by us dated September 04, 2025 on the Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2024, as referred in paragraphs 4(b) above;
  - d) The financial statements of ECFPL referred in paragraph 4(c) above are audited by the Other Auditor and accordingly reliance is placed on Restated Statement of Assets and Liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, and the Restated Statement of Profit and Loss (including Other Comprehensive Income), and the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the examination report issued by the Other Auditor. The Other Auditor has also confirmed that the above Restated Financial Information of ECFPL Engineered Coated Fabric Private Limited:
    - have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the audited consolidated financial statements of the Group as at and for year ended March 31, 2026 and March 31, 2025 and Combined Financial Statements as at and for the year ended March 31, 2024, as more fully described in Restated Financial Information.
    - There are no qualifications in the Other Auditors' reports on the audited financial statements of ECFPL as at and for the years ended March 31, 2026, March 31, 2025, and March 31, 2024, that require any adjustments to the Restated Financial Information of ECFPL ; and
    - The Restated Financial Information of ECFPL have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.



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- e) The financial statements of KCPL referred in paragraph 4(d) above are audited by the Other Component Auditor and accordingly reliance is placed on Restated Statement of Assets and Liabilities as at March 31, 2026, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for the years ended March 31, 2026 in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the examination report issued by the Other Component Auditor. The Other Component Auditor has also confirmed that the above Restated Financial Information of KCPL :
- have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/ classifications, if any, followed in the audited consolidated financial statements of the Group as at and for year ended March 31, 2026 as more fully described in Restated Financial Information.
  - there are no qualifications in the Other Component Auditors' reports on the audited financial statements of KCPL as at and for the years ended March 31, 2026 that require any adjustments to the Restated Financial Information of ECFPL; and
  - The Restated Financial Information of KCPL have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.
6. The audit reports issued by us referred to in paragraph 5 included the following matters, which do not require any adjustment to the Restated Financial Information:

## **Other Matter Paragraph with respect to our audit report issued by us referred in paragraph 5(a)**

“We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 179.54 million as at March 31, 2026, total revenues of Rs. 361.68 million, net profit (including other comprehensive income) of Rs.43.04 million and net cash outflow amounting to Rs. 5.91 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.”

## **Report on Other Legal and Regulatory Requirements paragraphs with respect to our audit report issued by us referred in paragraph 5(a)**

### **Reporting on Audit Trail**

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was enabled at the database level from July 27, 2025 in respect of an accounting software to log any direct data changes as explained in Note 52 to the financial statements.



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Further, where enabled, audit trail feature has operated for all relevant transactions recorded in the accounting software. Also, during the 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 been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective year.

## **Other Matter Paragraph with respect to our audit report issued by us referred in paragraph 5(b)**

“We did not audit the financial statements of Engineered Coated Fabric Private Limited, whose financial statements (before consolidation adjustments) reflect total assets of Rs.138.57 million as at March 31, 2025, total revenues of Rs.478.40 million and net cash inflows amounting to Rs.30.93 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.”

## **Report on Other Legal and Regulatory Requirements paragraphs with respect to our audit report issued by us referred in paragraph 5(b)**

### **Reporting on Audit Trail**

“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 January 11, 2025 for Purchase module and February 12, 2025 for Customer Module and June 25, 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 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.”

## **Emphasis of Matter paragraphs with respect to our audit report issued by us referred in paragraph 5(c)**

“We draw attention to note 2(a) to the accompanying Special Purpose Combined Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Combined Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company



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with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai, Maharashtra, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations'), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Combined Financial Statements may not be suitable for another purpose.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of this matter.”

## **Other Matter Paragraph with respect to our audit report issued by us referred in paragraph 5(c)**

“We did not audit the financial statements of Engineered Coated Fabric Private Limited, whose financial statements (before consolidation adjustments) reflect total assets of Rs. 163.12 million as at March 31, 2024, total revenues of Rs. 552.18 million and net cash inflows amounting to Rs. 8.34 million for the year ended on that date, as considered in the financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the Special Purpose Combined Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the Special Purpose Combined Financial Statements is not modified in respect of the above matter.”

## **Other Matter Paragraph with respect to Other Auditor's report referred in paragraph 5(d) for the year ended March 31, 2025**

“The comparative financial information of the company for the year ended March 31, 2024 and transition date opening balance Sheet as at April 01, 2023 included in these financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021 specified under Section 133 and other relevant provisions of the Act audited by the predecessor auditor whose report for the year ended March 31, 2024 and March 31, 2023 dated September 04, 2024 and September 01, 2023, respectively expressed an unmodified audit opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IND AS, which have been audited by us.”



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## Other Matter Paragraph with respect to Other Auditor's report referred in paragraph 5(d) for the year ended March 31, 2024

"The Statutory Financial Statements of the Company for the year ended March 31, 2024, prepared in accordance with the Accounting Standards specified under section 133 of the Act, read together with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, were audited by predecessor auditor "Mamta K Mehta and Associates" whose report expressed an unmodified opinion."

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended March 31, 2026, as more fully described in Note 2 to Annexure V to Restated Financial Information;
  - b) there are no qualifications in the auditors' reports on the audited financial statements of the Company as at and for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 which require any adjustments to the Restated Financial Information. However, items relating to emphasis of matter, as referred to in paragraph 6 above which do not require any corrective adjustments in the Restated Financial Information, have been disclosed in Note Part C - (b)(iii) to Annexure VI to Restated Financial Information; and
  - c) have been prepared in accordance with the Act, the SEBI ICDR Regulations, Guidance Note and SEBI Communication.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditors' reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.



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11. Our report is intended solely for use of the Board of Directors and for inclusion in the Offer Documents (RHP and the Prospectus) to be filed with the SEBI, BSE, NSE and the Registrar of Companies, Mumbai-I at Mumbai ('RoC'), as applicable in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the report. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates LLP (formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W/W101187



Amrish Vaidya  
Partner

Membership Number: 101739

UDIN: 26101739MHPZNL1130



Place: Mumbai

Date: June 05, 2026