

NDA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kasturi Metal Composite Limited

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

1. We have audited the accompanying Special Purpose Consolidated Financial Statements of Kasturi Metal Composite Limited (Formerly known as Kasturi Metal Composite Pvt. Ltd.) (the "Company") and its subsidiary- Durafloor Concrete Solutions LLP (the Company and its subsidiary together referred to as the "Group"), which comprise the Special Purpose Consolidated Balance Sheet as at 30 September 2024, the Special Purpose Consolidated Statement of Profit and Loss, and the Special Purpose Consolidated Cash Flows Statement for the period ended 30 September 2024, and notes to Special Purpose Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred to as "Special Purpose Consolidated Financial Statements") as requested by Management of the Company for their internal use.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of auditors report on special purpose separate financial statements and on the other financial information of the subsidiary, the aforesaid Special Purpose Consolidated Financial Statements, give a true and fair view of the state of affairs of the Group as at 30 September 2024, and their profit, and their cash flows for the period ended on that date, in accordance with the basis of accounting specified in Note No. 1 to the Special Purpose Consolidated Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated 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 Special Purpose Consolidated 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Special Purpose Consolidated Financial Statements

4. 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 Special Purpose Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India. 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; 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 Special



Purpose Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the Special Purpose Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated 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 Special Purpose Consolidated Financial Statements.
8. As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 8.1 Identify and assess the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error, to 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.
 - 8.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
 - 8.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - 8.4 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Consolidated 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.
 - 8.5 Evaluate the overall presentation, structure and content of the Special Purpose Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



9. 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.
10. 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.

Other Matter

11. These Special Purpose Consolidated Financial Statements have been prepared to assist the Board of Directors in preparing the Restated Consolidated Financial Statements, for the purpose of its proposed Initial Public Offering (IPO) of equity shares, in compliance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'SEBI ICDR Regulations'). We do not accept or assume responsibility for any other purpose except as expressly agreed by our prior consent in writing

Our opinion is not modified in respect of above other matter

FOR NDAA & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.: 129486W/W100775



NIRAJ D. ADATIA

Partner

Membership No.: 120844

UDIN: 25120844BMN2RX5016



Place: Mumbai

Date: 11th March 2025