

NDAA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Kasturi Metal Composite Limited (Formerly Known as Kasturi Metal Composite Private Limited)

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Kasturi Metal Composite Limited (Formerly Known as Kasturi Metal Composite Private Limited)** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as listed in Annexure-A, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the auditor's report on separate financial statements and on the other financial information of the subsidiary, the aforesaid Consolidated 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 accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the group 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 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.



Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of the subsidiary, 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.

Responsibility of the Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors and governing body of the companies included in the Group are responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies and governing board included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Management and the Board of Directors and governing body of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and governing body of companies in the group either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and governing body of the companies included in the Group is responsible for overseeing the financial reporting process of each company.



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

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 holding company, and its subsidiary company covered under the Act, has adequate internal financial controls system 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.
- 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 Group'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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company, 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.

Other Matters

The consolidated statement of Profit and loss includes income and expenses of the subsidiary from the date of acquisition i.e. 29th December 2023 to 31st March 2024. The figures for the said period are derived after deducting income and expenses relating to the period ended 1st April 2023 to 28th December 2024 from the income and expenses for the full year ended 31st March 2024. The net assets acquired on the acquisition date are based on such unaudited Cut off financial statements as on 28th December 2023 which has been prepared and approved by the management of the subsidiary company.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report on the separate financial statements and the other financial information of subsidiary, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditors;
 - c. The Consolidated Financial Statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with Accounting Standards specified under Section 133 of the Act,
 - e. On the basis of the written representations received from the directors of holding company as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 the consolidated financial statements of the Company and the operating effectiveness of such controls, the said provision was not applicable to the holding company being a private limited company till 18th March 2024 wide MCA notification dated 13th June, 2017. Based on the information and explanation given to us and records examined by us, the holding company has established adequate internal financial control with respect to key areas of financial reporting and the same are operating effectively. Refer Annexure B to our report.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report on separate financial statements and also the other financial information of the subsidiary, as noted in 'Other Matters' paragraph:
- i) The group has disclosed the impact, if any, of pending litigations as at March 31, 2024 on its financial position in its consolidated financial statements.
 - ii) The group did not have any long-term contracts including derivative contracts as at March 31, 2024.
 - iii) There were no amounts which were required to be transferred by the group to Investor Education and Protection Fund.
 - iv) (a) The Management of Holding company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management of Holding company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company shall, whether, 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;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.



v) The holding company has not declared or paid any dividend during the year.

vi) Based on our examination which included test checks, the holding Company, in respect of financial year 2023-24 , has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

(h) With respect to the matter to be included in the Auditor's Report under section 197(16):

The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. The holding company was a private limited company till 18th March 2024 and has been converted to a public limited company with effect from 19th March 2024. In our opinion and according to the information and explanations given to us, the remuneration paid by the holding Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, the subsidiary being a limited liability partnership, the Said Order (CARO) is not applicable to such subsidiary. Accordingly reporting under this clause is not applicable to the group.

FOR NDAA & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.: 129486W/W100775



NIRAJ D. ADATIA

Partner

Membership No.: 120844

UDIN:

Place : Mumbai

Date : 27th September, 2024



ANNEXURE "A" REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF KASTURI METAL COMPOSITE LIMITED (FORMERLY KNOWN AS KASTURI METAL COMPOSITE PRIVATE LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024;

List of entities included in the Statement

Sr. No.	Name of the Entity	Relationship
1	Durafloor Concrete Solutions LLP	Subsidiary



ANNEXURE "B" REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF KASTURI METAL COMPOSITE LIMITED (FORMERLY KNOWN AS KASTURI METAL COMPOSITE PRIVATE LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024;

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting with reference to consolidated financial statement of Kasturi Metal Composite Limited (Formerly Known as Kasturi Metal Composite Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiary company as on that date.

Management's Responsibility for Internal Financial Controls

The respective company's management and Board of Directors of the Holding Company and governing body of its subsidiary to whom reporting under clause (i) of subsection 3 of Section 143 of the Act in respect of adequacy of the internal financial controls over financial reporting is applicable, are responsible for establishing and maintaining internal financial controls with respect to consolidated financial statements based on the internal control over financial reporting criteria established by respective 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. 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 the respective 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 internal financial controls with reference to financial statements of Holding Company, its subsidiary company to whom reporting under clause (i) of subsection 3 of Section 143 of the Act is applicable, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, 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 over financial reporting with reference to these Consolidated 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 system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness.



Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 group's internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of internal financial controls over financial reporting with reference to these consolidated financial statements

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that:

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements

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



Opinion

In our opinion, the Holding Company, its subsidiary company to whom reporting under clause (i) of subsection 3 of Section 143 of the Act are applicable have, in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls were operating effectively as on March 31, 2024, based on the internal control with reference to consolidated financial statements criteria established by the holding company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

FOR NDAA & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.: 129486W/W100775



NIRAJ D. ADATIA

Partner

Membership No.: 120844

UDIN : 24120844BKASXK9089

Place : Mumbai

Date : 27th September, 2024

