

Knit Gallery India Private Limited
Balance sheet as at 31 March 2026

(All amounts in ₹ lakhs, unless otherwise stated)

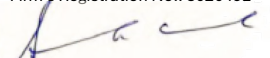
Particulars	Note no.	As at		
		March 31, 2026	March 31, 2025	April 1, 2024
Assets				
I. Non-current assets				
Property, Plant and Equipment	3	2,089.44	2,665.91	1,456.27
Intangible assets	4	-	-	-
Goodwill	4	6,716.61	7,875.61	-
Right of use assets	5	1,373.83	327.94	-
Other Intangible assets	6	0.34	-	-
Intangible assets under development	6 A	126.11	-	-
Deferred tax assets (net)		13.63	-	-
Other Financial Assets	10	239.32	173.45	72.26
Total non-current assets		10,559.28	11,042.91	1,528.53
Current assets				
Inventories	7	4,253.63	3,536.37	1,467.45
Financial assets				
(i) Investments				
(i) Trade receivables	8	1,789.02	3,774.06	646.39
(iii) Cash and cash equivalents	9	1,169.65	115.25	125.79
(iv) Bank balances other than (iii) above	9A	21.11	8.96	627.31
(v) Other financial assets	10	914.83	709.48	753.23
Other current assets	11	1,464.11	2,268.22	475.99
Current tax Assets		-	15.08	60.00
Total current assets		9,612.35	10,427.42	4,156.15
Total assets		20,171.63	21,470.33	5,684.68
II. Equity and liabilities				
Equity				
Equity share capital	12	200.00	200.00	200.00
Other equity	13	1,163.55	1,133.69	2,086.55
Pref share cap				
Total equity		1,363.55	1,333.69	2,286.55
Non-controlling interest				
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	14	2,388.41	1,036.68	57.35
(ii) Lease liabilities	5	1,169.97	205.27	-
(iii) Other financial liabilities	15	2,018.00	3,400.00	-
Deferred tax liabilities		-	146.02	143.76
Other non-current liabilities		-	-	-
Total non-current liabilities		5,576.39	4,787.96	201.12
Current liabilities				
Financial liabilities				
(i) Borrowings	14	8,476.89	10,848.11	1,952.23
(ii) Lease liabilities		222.30	93.45	-
(ii) Trade payables				
- Total outstanding dues to micro enterprises and small enterprises	16	2,196.82	2,989.41	911.35
- Total outstanding dues to creditors other than micro and small enterprise	16	431.00	930.48	301.30
(iii) Other financial liabilities	15	1,734.63	421.78	-
Provisions	17	52.47	39.66	-
Other current liabilities	18	108.37	25.80	32.14
Current tax liabilities (net)		9.22	-	-
Total current liabilities		13,231.69	15,348.68	3,197.02
Total equity and liabilities		20,171.63	21,470.33	5,684.68

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No.: 302049E



Sudesh Choraria

Partner

Membership No.204936



For and on behalf of the Board of Directors

VIJAYANAND A
 Whole-Time Director
 DIN:02154624



A VIJAYA PRABHU
 Whole-Time Director
 DIN: 08080056

Place : Tirupur

Date : May 13, 2026

Knit Gallery India Private Limited
Statement of Profit and Loss for the period ended 31 March 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Quarter Ended March 31, 2026	Quarter Ended Dec. 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the period Apr 1 to May 12, 2025	For the period May 13 to Mar 31, 2026
I Revenue from operations	19	6,678.15	6,846.20	26,991.19	5,829.82	3,180.66	23,810.53
II Other income	20	76.70	65.46	613.68	87.29	13.74	599.94
III Total income (I+II)		6,754.85	6,911.65	27,604.88	5,917.11	3,194.40	24,410
IV Expenses							
Cost of materials consumed	21	2,426.61	3,758.56	13,764.00	4,633.03	1,682.33	12,081.67
Changes in Inventories	22	1,136.72	185.34	291.15	-1,759.11	143.35	147.80
Other operating expenses	23	1,444.34	1,208.66	5,796.89	1,456.50	702.98	5,093.92
Employee benefits expense	24	1,051.21	1,172.18	4,536.08	1,110.29	529.04	4,007.04
Finance costs	25	378.82	271.46	1,227.30	199.94	157.88	1,069.42
Depreciation and amortization expense	26	145.75	141.56	584.01	110.53	81.62	502.39
Other expenses	27	179.82	368.55	1,521.09	689.03	278.01	1,243.08
V Total expenses		6,763.28	7,106.31	27,720.53	6,440.22	3,575.21	24,145.32
VI Profit/ (Loss) before tax (IV-V)		(8.43)	(194.66)	(115.65)	(523.10)	(380.81)	265.16
VII Tax expense							
Current tax		19.42	-	19.42	-	-	-
Deferred tax expenses		(331.49)	(20.86)	(159.65)	2.26	(10.66)	(148.99)
Total tax expense		(312.08)	(20.86)	(140.24)	2.26	(10.66)	(148.99)
VIII Profit / (Loss) for the year (VIII-IX)		303.65	(173.80)	24.59	(525.36)	(370.15)	414.15
IX Other Comprehensive Income							
(A) Items that will not be reclassified to profit or loss		-	-	-	-	-	-
(a) Re-measurement profit/ (losses) on defined benefit plans		(32.14)	31.09	(1.05)	(39.66)		
(b) Net gain on instruments measured at fair value through other comprehensive income		39.05	12.98	6.33	(30.84)	96.76	(90.43)
Income tax on items that will not be reclassified to profit or loss		7.83	(7.83)				
Other comprehensive income for the year, net of tax		14.73	36.24	5.28	(70.50)	96.76	(90.43)
X Total comprehensive income for the year, net of tax		318.38	(137.55)	29.87	(595.86)	(273.39)	323.72
Earning per Share Rs. INR (Face Value Rs 10)							
Basic EPS		15.18	(8.69)	1.23	(26.27)	(18.51)	20.71
Diluted EPS		15.18	(8.69)	1.23	(26.27)	(18.51)	20.71

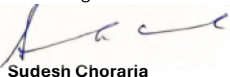
Note: Since the Company was not preparing quarterly financial information till FY-2024-25, the figures for the March 2025 quarter has not been disclosed.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No.: 302049E


Sudesh Choraria

Partner

Membership No.204936



For and on behalf of the Board of Directors

VIJAYANAND A
 Whole-Time Director
 DIN:02154624



A VIJAYA PRABHU
 Whole-Time Director
 DIN: 08080056

Knit Gallery India Private Limited
Statement of Cash Flows for the year ended March 31, 2026

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Cash flows from operating activities:		
Profit / (Loss) for the year	(115.65)	(523.10)
Adjustments to reconcile loss for the period to net cash flows		
Depreciation and amortisation expense	331.54	100.98
Net gain on instruments measured at fair value through other comprehensive income	6.33	(30.84)
Re-measurement profit/ (losses) on defined benefit plans	(1.05)	(39.66)
Unrealised Foreign Exchange Gain / (Loss) (Net)	(166.44)	(47.04)
Interest income received	(14.53)	(15.25)
(Profit)/Loss on sale of assets (net) (including assets scrapped/written off)	(119.11)	-
Advances written off	47.92	-
Finance costs	1,105.97	198.29
Operating profit before working capital changes	1,074.99	(356.63)
(Increase)/Decrease in trade receivables	2,151.48	(3,080.63)
Decrease/(Increase) in other financial assets	(271.22)	(57.44)
Decrease/(Increase) in Inventories	(717.26)	(2,068.92)
Decrease/(Increase) in other current assets	771.27	(1,732.23)
(Decrease)/Increase in other financial liability	(69.15)	3,821.78
(Decrease)/Increase in Current Assets	353.26	(19.45)
Increase/(Decrease) in trade payables	(1,292.06)	2,707.24
(Decrease) in provisions (current)	12.81	39.66
(Decrease) in other current liabilities	82.60	(6.35)
Cash generated from operations	2,096.72	(752.97)
Income taxes refund/(paid)	(10.20)	(372.07)
Net cash generated from operating activities	2,086.52	(1,125.05)
Cash flows from investing activities:		
Business acquisition		
Proceeds from sale of Property, plant and equipment	596.38	-
Purchase of property, plant and equipment	(232.37)	(1,310.62)
Payments for intangible assets	(126.45)	-
Movement in intangible assets (Goodwill)	1,159.00	(7,875.61)
Interest income received	14.53	15.25
Lease rentals	(305.60)	(9.78)
Bank deposits (placed/ redeemed)	(12.15)	618.35
Net cash generated from/(used in) investing activities	1,093.34	(8,562.41)
Cash flows from financing activities:		
Proceeds from long-term borrowings (net)	1,351.73	979.32
Proceeds from short-term borrowings/ Net change	(2,371.23)	8,895.89
Interest paid	(1,105.97)	(198.29)
Net cash (used in) financing activities	(2,125.47)	9,676.92
Net increase/(decrease) in cash and cash equivalents	1,054.40	(10.53)
Cash and cash equivalents at the beginning of the year	115.25	125.79
Movement in Cash and cash equivalents on account of sale of subsidiary		
Cash and cash equivalents at the end of the year	1,169.65	115.25

Note:

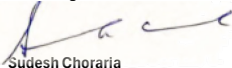
1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors:

For Singhi & Co.

Chartered Accountants
Firm's Registration No.: 302049E


Sudesh Choraria
Partner

Membership No. 204936



Place : Tirupur
Date : May 13, 2026

VIJAYANAND A
Whole-Time Director
DIN: 02154624

A VIJAYA PRABHU
Whole-Time Director
DIN: 08080056



Knit Gallery India Private Limited
Statement of changes in equity as at 31st March 2026

A. Equity share capital

Particulars	No of shares	Amount
As at 1 April 2024	20,00,000	200.00
Fresh issue (net of treasury share)	-	-
As at 31 March 2025	20,00,000	200.00
Fresh issue (net of treasury share)	-	-
As at 31 March 2026	20,00,000	200.00

B. Other equity

Particulars	Reserves and Surplus		Other Comprehensive Income		Total
	Retained Earnings	Capital Reserve	Cash Flow Hedge Reserve	Remeasurement of defined benefit plan	
As at April 1, 2024	1,823.29	-	-	-	1,823.29
Impact of Income tax for the previous period	(357.00)	-	-	-	(357.00)
Impact on transition to Ind AS (refer Note 38)	263.25	-	-	-	263.25
Restated balance as at April 1, 2024	1,729.55	-	-	-	1,729.55
Profit /(Loss) for the year	(525.36)	-	-	-	(525.36)
Other comprehensive income	-	-	(30.84)	(39.66)	(70.50)
As at March 31, 2025	1,204.19	-	(30.84)	(39.66)	1,133.69
As at April 1, 2025	1,204.19	-	(30.84)	(39.66)	1,133.69
Profit /(Loss) for the year	24.59	-	-	-	24.59
Other comprehensive income	-	-	6.33	(1.05)	5.28
As at March 31, 2026	1,228.78	-	(24.51)	(40.71)	1,163.55

There are no prior period errors other than those adjusted on Ind AS transition .

Retained earnings: Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to the statement of profit and loss.

Cash flow hedge reserve: The Company has designated its hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of Profit and Loss.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm's Registration No.: 302049E

Sudesh Choraria

Sudesh Choraria
Partner
Membership No.204936



Place : Tirupur
Date : May 13, 2026

For and on behalf of the Board of Directors

Vijayananda

VIJAYANANDA
Whole-Time Director
DIN:02154624



A Vijaya Prabhu

A VIJAYA PRABHU
Whole-Time Director
DIN: 08080056

INDEPENDENT AUDITOR'S REPORT

To the Members of Knit Gallery India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Knit Gallery India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("The Act" or "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 the 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, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the financial statements.

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

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Those Charged with Governance for the Financial Statements

The 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. 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 the 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.

In preparing the 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.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Other Matter

The financial statements of the Company for the year ended March 31, 2025 have been audited by the predecessor auditor who expressed an unmodified opinion on the financial statements vide their report dated June 25, 2025.

Our opinion on the audited financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
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;



- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, no managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. The Company has accounted for material foreseeable losses, if any, for long-term contracts including derivative contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - iv. a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, if any, 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 Intermediaries shall, whether 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;
 - b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, if any, 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, that the 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; and
 - c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.



- v. The Company has not declared or paid any dividend during the year, hence requirement for compliance with Section 123 of the Act is not applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and has been operated throughout the year for all relevant transactions recorded in the respective software(s), except that in respect of the Inventory accounting software, audit trail feature is not enabled throughout the year.

Further, except for the accounting software(s) referred in above paras, where the audit trail feature is not enabled, we did not come across any instance of audit trail feature being tampered with.

Additionally, where enabled, the audit trail has been preserved by the company on and from December 21, 2024 as per the statutory requirements for record retention.

For Singhi & Co.,
Chartered Accountants
Firm Registration No: 302049E



A handwritten signature in blue ink, appearing to read "Sudesh Choraria".

Sudesh Choraria

Partner

Membership No: 204936
UDIN: 26204936EEVRIB5412

Date : May 13, 2026

Place: Chennai

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 of the Independent Auditors’ Report of even date to the members of **Knit Gallery India Private Limited** on the financial Statements as of and for the year ended March 31, 2026)

We report that:

- i. In respect of its Property Plant and Equipment and Intangible Assets:
 - a) (A) According to information and explanations given to us, the Company has maintained the records showing full particulars, including quantitative details and situation of its property, plant and equipment, however the same is pending for updation and reconciliation.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Property, plant and equipment of the Company are physically verified by the management according to a phased programme to cover all the items over a specified period, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, physical verification of Property, plant and equipment was carried out by the management. However, proper reconciliation of the amount of Property, Plant & Equipment with the books of accounts is still under progress and the management is in the process of completion of the same.
 - c) According to the information and explanations given to us and on the basis of our examination, title deeds of the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the financial statements, are held in the name of the Company.
 - d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
 - e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.
- ii. In respect of its Inventories:
 - a) The management has conducted Physical verification of Inventories (other than stocks lying with third parties and in-transit) at all its locations, wherever possible, at reasonable intervals during the year and as far as we can ascertain and according to the information and the explanations given to us, the discrepancies noticed between the physical stocks and book stocks were not material and the same have been properly dealt with in the books of account.



- b) As per the information and explanations provided to us and based on our examination of the books of accounts of the Company, the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed with banks are not in agreement with the books of accounts. The variances observed in current assets disclosed are as under:

(Rs. in Lakhs)

Quarter ended	As per returns filed with banks	As per books of accounts	Variance	Remarks
June 30, 2025	9,935.83	6,006.39	3,929.44	The new management is in the process of resolving the matter.
September 30, 2025	8,756.10	5,669.25	3,086.85	
December 31, 2025	12,466.32	5,609.83	6,856.49	
March 31, 2026	14,780.04	6,042.65	8,737.39	

- iii. According to the information and explanations given to us and based on the audit procedures performed, the Company has during the year for loan availed by a related party. The Company has not granted any loans or advances in the nature of loans, secured or unsecured, or provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year. Therefore, provisions of clause 3(iii) (a) to 3(iii) (f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and records examined by us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provision of clause 3(iv) of the said Order are not applicable to the company
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of textile products manufactured by the Company and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. As explained to us, since the revenue from exports in foreign exchange exceeds seventy five percent of the total revenue of the Company, cost audit is not applicable to the Company under the Companies (Cost Records and Audit) Rules, 2014.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
- a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There was no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
- b) There are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.



- viii. According to the information and explanation given to us, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.
- ix. In respect of its Borrowings:
- a) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.
 - b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
 - c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has availed loans from banks and financial institutions. The amount of loan was applied for the purpose for which the loan was obtained. Further the Company has not availed any loans from Government or has not issued any debenture during the year.
 - d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.
 - e) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Thus, the provisions of clause 3(x)(a) of the order are not applicable to the Company.
- b) According to the information and explanations give 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, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act,2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.



- xiii. Based on our examination of the books and records of the Company, and as confirmed by the management, all the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the financial statements in accordance with the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; However, we are yet to receive the Internal audit reports hence not considered.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi)(a) of the Order is not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;
- d) According to the representations given by the management, the Group does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;
- xvii. The Company has not incurred cash loss during the current financial year. However, it had incurred cash loss of Rs.414.83 lakhs in the immediately preceding financial year.
- xviii. There has been resignation of statutory auditors during the year. We have taken into consideration the issue, objections or concern raised, if any, by the out-going auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. According to the information and explanations given to us and based on our examination of the records of the Company, the company does not meet the criteria as specified under 135(1) of the Act read with companies (Corporate Social Responsibility Policy) Rules ,2014 and accordingly, reporting under Clause 3[xx] of the order is not applicable.

For Singhi & Co.
Chartered Accountants
Firm Registration No : 302049E



A handwritten signature in blue ink, appearing to read "Sudesh Choraria", written over a light-colored rectangular background.

Sudesh Choraria
Partner
Membership No: 204936
UDIN: 26204936EEVRIB5412

Date : May 13,2026
Place: Chennai

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of KNIT GALLERY INDIA PRIVATE LIMITED on the financial Statements as of and for the year ended March 31, 2026)

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

1. We have audited the internal financial controls over financial reporting of **Knit Gallery India Private Limited** ('the Company') as of March 31, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India ('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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



5. 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. Company's internal financial control over financial reporting 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 includes those policies and procedures that
- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (b) 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 authorizations of management and directors of the Company; and
 - (c) 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India, except for certain incremental improvements to be made w.r.t. financial accounting processes.

For Singhi & Co.
Chartered Accountants
Firm Registration No: 302049E



A handwritten signature in blue ink, appearing to read "Sudesh Choraria".

Sudesh Choraria
Partner

Date : May 13,2026
Place: Chennai

Membership No: 204936
UDIN: 26204936EEVRIB5412