COSMO FILMS, INC.

FINANCIAL STATEMENTS & INDEPENDENT AUDITORS REPORT

FOR THE YEARS ENDED MARCH 31, 2026 & MARCH 31, 2025

INEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Cosmo Films Inc.**

Report on the Audit of the standalone Ind AS Financial Statements

We have audited the accompanying financial statements of Cosmo Films Inc., which comprise the balance sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements"). These Ind AS financial statements have been prepared by the Company's management as per the Generally Accepted Accounting Principles adopted in India for the purpose of consolidating the Company's financials with that of holding Company.

Management's Responsibility for the standalone Ind AS Financial Statements

Management is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of standalone Ind AS Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Manohar Chowdhry & Associates ★ Chartered Accountant ★

HUDA Plot No. 191/56, Near Devinder Vihar, Sector-56, Gurugram-122 011, Delhi NCR, India
Tel: +91 124 4044821 | Web: www.mca.co.in

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view of the state of affairs of Cosmo Films Inc. as at March 31, 2026, and of its results of operations and its cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles adopted in India.

Basis of Accounting and Restriction on Distribution and Use

The financial statements have been prepared for purposes of providing information to Cosmo First Limited to enable it to prepare their consolidated financial statements for the year ended March 31, 2026. As a result, the financial statements may not be suitable for any other purpose.

Place: Gurugram
Date: 06-05-2026

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No: 001997S

Manohar Chowdhry & Associates * Chartered Accountants *

M. V. Naveen

M V Naveen
Partner
Membership No: 235029
UDIN: 26235029VEVRSU3713

COSMO FILMS, INC.
BALANCE SHEETS

	Note reference	As at March 31, 2026 ($)	As at March 31, 2025 ($)
ASSETS			
Current assets			
Cash and cash equivalents		4,08,969	5,00,250
Investments	[B]	19,47,029	-
Accounts receivable (net)	[C]	51,37,715	48,44,766
Inventories (net)	[D]	1,91,14,711	1,45,50,266
Prepaid expenses		3,12,503	30,266
Other current assets	[E]	75,18,765	1,27,47,216
Deferred tax asset	[H]	19,551	3,15,786
Total current assets		**3,44,59,243**	**3,29,88,548**
Non current assets			
Property plant and equipment (net)	[F]	15,78,669	79,220
Total non current assets		**15,78,669**	**79,220**
Total assets		**3,60,37,912**	**3,30,67,768**
LIABILITIES AND STOCK HOLDER'S EQUITY			
Current liabilities			
Accounts payable	[G]	15,41,660	10,53,810
Dues to affiliates	[I]	-	-
Accrued expenses		11,66,458	13,22,052
Total current liabilities		**27,08,118**	**23,75,862**
STOCKHOLDER'S EQUITY			
Common stock par value $0.02 in March 2026 and March 2025, and 5,000 shares authorized,		58	58
Shares issued and outstanding as at March 31, 2026 - 2,875 and March 31, 2025 - 2,875			
Additional paid-in capital		2,94,99,903	2,94,99,903
Accumulated deficit		38,29,834	11,91,946
Total stockholder's equity		**3,33,29,794**	**3,06,91,906**
Total liabilities and stockholder's equity		**3,60,37,912**	**3,30,67,768**

For Manohar Chowdhary & Associates
Chartered Accountants
F.R. No.: 001997S
M. V. Naveen
M V Naveen
Partner
Membership No. 235029
UDIN: 26235029VEVRSU3713
Place: Gurugram
Date: 06-05-2026

For and on behalf of Board of Directors
COSMO FILMS INC
Neeraj Jain
Neeraj Jain
Director

The accompanying notes are an integral part of these financial statements.

COSMO FILMS, INC.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Note reference	For the year ended March 31, 2026 ($)	For the year ended March 31, 2025 ($)
SALES			
Film sales		4,81,32,538	4,14,99,302
Equipment and service		73,192	87,273
Other operating income		11,79,043	9,57,607
Other non-operating income		53,112	3,15,932
Total sales		**4,94,37,885**	**4,28,60,113**
COST OF SALES			
Film cost		3,75,05,919	3,30,32,831
Equipment and service		41,304	52,788
Total cost of sales		**3,75,47,223**	**3,30,85,619**
GROSS PROFIT		**1,18,90,662**	**97,74,495**
OPERATING EXPENSES			
Sales and marketing distribution		67,33,931	50,25,923
Administration		16,74,874	13,24,995
Foreign exchange loss		(14,399)	40,511
Total operating expenses		**83,94,406**	**63,91,430**
PROFIT FROM OPERATIONS		34,96,256	33,83,065
OTHER EXPENSES			
Interest		(7,716)	(2,066)
Total other expenses		**(7,716)**	**(2,066)**
PROFIT BEFORE INCOME TAXES		34,88,540	33,80,999
INCOME TAX		(5,84,774)	(9,27,853)
TAX RELATED TO EARLIER YEARS		30,357	-
DEFERRED INCOME TAX	[H]	(2,96,234)	34,819
NET PROFIT		**26,37,889**	**24,87,965**
OTHER COMPREHENSIVE INCOME		-	(1,16,192)
COMPREHENSIVE PROFIT		**26,37,889**	**23,71,772**

For Manohar Chowdhary & Associates
Chartered Accountants
F.R. No.: 001997S

M. V. Naveen

M V Naveen
Partner
Membership No. 235029
UDIN: 26235029VEVRSU3713
Place: Gurugram
Date: 06-05-2026

Manohar Chowdhary & Associates * Chartered Accountant *

For and on behalf of Board of Directors
COSMO FILMS INC

Neeraj Jain

Neeraj Jain
Director

COSMO FILMS, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
For the years ended March 31, 2026 and March 31, 2025

STOCKHOLDER'S EQUITY	Common Stock (In numbers)	Common stock	Additional paid-in capital	Accumulated deficit	MTM in OCI	Total
		$	$	$		$
Balance as at March 31, 2024	2,750	58	2,94,99,903	(12,96,016)	1,16,192	2,83,20,136
Add:						
Additional paid in capital contributed during the year	-			-	-	
Profit for the year	-	-	-	24,87,965	(1,16,192)	23,71,773
Balance as at March 31, 2025	2,750	58	2,94,99,903	11,91,948	(1)	3,06,91,906
Add:						
Additional paid in capital contributed during the year				-		-
Profit for the year	-	-	-	26,37,889	-	26,37,889
Balance as at March 31, 2026	2,750	58	2,94,99,903	38,29,836	(2)	3,33,29,794

Manohar Chowdhry & Associates * Chartered Accountant *

COSMO FILMS, INC.
STATEMENTS OF CASH FLOWS

	For the year ended March 31, 2026 $	For the year ended March 31, 2025 $
Cash flows from operating activities		
Net Profit for the year	26,37,889	23,71,772
Adjustments to reconcile net profit to net cash provided by/ (used in) operating activities:		
Depreciation and amortization	64,215	20,802
Profit on sale of assets	(45,276)	-
Provision for doubtful accounts	6,794	7,736
Provision for inventory obsolescence	3,09,356	(7,518)
Income Tax expenses (benefit)	2,96,234	(34,819)
Decrease/ (increase) in assets		
Accounts receivable	(2,99,742)	(10,40,753)
Inventories	(48,73,801)	(43,03,530)
Prepaid expenses and other assets	49,46,213	14,61,448
Increase/ (decrease) in liabilities		
Accounts payable and accrued expenses	3,32,253	(2,76,671)
Dues to affiliates	-	-
Net cash used in operating activities	**33,74,135**	**(18,01,532)**
Cash flows from investing activities		
Proceeds from sale of equipment	50,763	-
Purchase of Machinery	(15,69,152)	(25,715)
Purchase of Investments	(19,47,029)	
Sale of Investments		15,15,945
Net cash used in investing activities	**(34,65,418)**	**14,90,230**
Cash flows from financing activities		
Repayment of notes payable	-	-
Additional paid-in capital	-	-
(Repayment)/Proceeds from short term bank loan	-	-
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(91,283)	(3,11,302)
Cash and cash equivalents at the beginning of the year	5,00,252	8,11,554
Cash and cash equivalents at the end of the year	**4,08,969**	**5,00,252**
Supplemental disclosure of cash flow information		
Interest paid	(7,716)	(2,066)

Manohar Chowdhry & Associates * Chartered Accountant *

NOTE A – Nature of Operations and Summary of Significant Accounting Policies

i) **General infomation and nature of operations**

Cosmo Films, Inc. (the "Company") is a Delaware corporation formed in December 2007, as a wholly-owned subsidiary of Cosmo First Limited, a company organized and existing under the laws of the India ("Cosmo First Limited"). Cosmo First Limited manufactures oriented polypropylene film utilized in making packaging, labeling and thermal lamination films. Cosmo First Limited and its affiliates in turn sell thermal lamination film to the Company, which then re-slits and/or distributes the film to its customers.

ii) **Reclassifications**

Certain reclassifications have been made to the financial information of the comparative period to conform to the classification and presentation of the current period. These reclassifications had no effect on reported earnings.

iii) **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for allowance for uncollectible Accounts receivable, Inventory reserves, useful life of fixed assets and the realization of deferred tax assets represent certain of these particularly sensitive estimates.

iv) **Accounts receivable**

Management estimates an allowance for doubtful accounts of $61,305 and $54,511 at March 31, 2026 and March 31, 2025, respectively, based upon a review of outstanding receivables, historical information and existing economic conditions. Delinquent receivables are charged off based on credit evaluation and specific circumstances of the customer. Company's policy is to reserve 1% (previous year 1%) for all receivables outstanding for less than 180 days upto the limit of insurance coverage & 5% beyond the coverage and reserve 100% of all receivables outstanding for more than 180 days.

v) **Revenue recognition**

i) **Sale of goods/ equipments:** Revenues are recognized when goods are shipped to the customer from the warehouse, plant, or in the case of direct shipments, when the goods are dispatched from the port of embarkation.

ii) **Others:** A byproduct of Company's manufacturing process creates non-usable material that has a residual value. Company records revenue from the sale of the non-usable material when such material is delivered to the recycling organization.

iii) **Claims and benefits:** Claims receivable are accounted on accrual basis to the extent considered recoverable and likely to be available.

Manohar Chowdhry & Associates * Chartered Accountant *

NOTE A – Nature of Operations and Summary of Significant Accounting Policies - continued

vi) **Cash and cash equivalents**
The Company considers all highly liquid investments and deposits with an original maturity of ninety-one days or less to be cash equivalents. Cash comprises cash on hand and balance with banks.

vii) **Inventories**
The Company values inventory at the lower of cost or market, with cost determined on weighted average basis. Cost of inventory includes direct materials, labor, and applicable manufacturing overhead costs. The value of inventories are reduced for excess and obsolescence based on management's review of on-hand inventories compared to historical and estimated future sales and usage. A provision for obsolete and slow-moving inventory of $801,469 and $492,114 at March 31, 2026 and March 31, 2025, respectively, has been made based on management's estimates.

viii) **Property, plant and equipment**
Plant, property and equipment are stated at historic cost less accumulated depreciation and amortization. Expenditure for maintenance and repairs are expensed off as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortization is eliminated from the financial records. Any gain or loss on disposition is credited or charged to income.

Depreciation is provided over the estimated useful lives of the assets on straight-line and accelerated methods. The estimated useful lives of the various classes of assets are:

	Range in Years
Buildings and improvements	39
Machinery and equipment	5-20
Furniture, fixtures and software	5-7

ix) **Impairment of long lived assets**
The Company evaluates the recoverability of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of these assets may be impaired. In the event an evaluation of recoverability is required, the estimated future undiscounted net cash flows of the asset would be compared to the carrying amount of the assets to determine if a write-down is required. Where this assessment indicates a deficit, the assets are written down to market value. For assets, which do not have a readily determinable market value, the assets are written down to their estimated market value, calculated by reference to the estimated future discounted cash flows. Assets to be disposed are reported at the lower of the written down value or the fair value, less the cost to sell. Management believes that there is no impairment loss on any of the long lived assets as of March 31, 2026. In case of long-term receivables, carrying value approximates to fair value of the asset.

x) **Leases**
Leasing transactions are classified according to the lease agreements which specifiy the rewards and risk associated with leased property. Lease transactions where the Company is lessee are classified into capital leases and operating leases. Leases, where lessor effectively retains substantially all the risks and benefits of ownerships of the leased term are classified as operating lease. Payments made under operating lease are recorded as an expense in the consolidated statement of comprehensive income as per ASC 840 "Leases".

Manohar Chowdhry & Associates * Chartered Accountants *

NOTE A – Nature of Operations and Summary of Significant Accounting Policies - continued

xi) **Income taxes**

The Company provides for federal and state deferred income taxes. Deferred income taxes result from the effects of temporary differences between the amounts of assets and liabilities used for financial reporting purposes and the amounts used for income tax purposes. The deferred tax assets and liabilities present the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

xii) **Foreign currency transactions**

The Company sells to various Canadian customers and, accordingly, is subject to the inherent risks associated with foreign exchange rate movements.Transactions in foreign currencies are translated into United States Dollar ('USD') at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the USD at the rates of exchange prevailing at the Balance sheet date. Realized gains and losses on foreign exchange transactions are reported in the Statement of operations.

NOTE – Short Term Loan

On March 31, 2026 and March 31, 2025 the Company had the following bank loan outstanding:

	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Loan payable to FT Bank	-	-

NOTE B- Investments

S. No	Particulars	As at March 31, 2026 $	As at March 31, 2025 $
1	SPDR GOLD TR GOLD SHS (GLD)	16,89,130	-
2	ISHARES SILVER SHARES (SLV)	1,00,090	-
		17,89,220	-
	MTM	1,57,809	-
	Accrued Interest	-	-
	Total	**19,47,029**	-

- continued -

NOTE C- Accounts receivable (net)

Accounts receivable comprises of the following:

	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Trade receivables	51,99,019	48,99,277
Less: Allowance for doubtful receivables	61,305	54,511
	51,37,715	**48,44,766**

NOTE D - Inventories (net)

Inventories comprises of the following:

	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Raw materials	-	-
Semi finished goods	69,94,263	20,45,492
Finished goods	90,49,031	89,72,431
Equipment and parts	-	-
Inventory in transit	38,72,886	40,24,456
Inventory reserve	(8,01,469)	(4,92,114)
	1,91,14,711	**1,45,50,266**

NOTE E - Other current assets

Other assets comprises of the following:

	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Vendor deposits	3,38,041	4,17,153
Adance to vendor	65,63,066	1,12,23,787
Others	6,17,658	11,06,275
	75,18,765	**1,27,47,216**
Other current assets	9,55,699	15,23,429
Other non-current assets	-	-

NOTE F - Property, plant and equipment (net)

Property, plant and equipment comprises of the following:

Particulars	Buildings ($)	Machinery, equipment, furniture and fixtures ($)	Total ($)
Cost			
Balance as at 1 April 2024	-	11,14,601	11,14,601
Acquisitions during the year	-	25,715	25,715
Disposal during the year		-	-
Balance as at 31 March 2025	-	**11,40,316**	**11,40,316**
Acquisitions during the year	-	15,69,152	15,69,152
Disposal during the year		(2,62,175)	(2,62,175)
Balance as at 31 March 2026	-	**24,47,292**	**24,47,292**
Accumulated depreciation			
Balance as at 1 April 2024	0	10,40,295	10,40,296
Depreciation Charge		20,800	20,800
Adjustment on Disposal		-	-
Balance as at 31 March 2025	**0**	**10,61,096**	**10,61,096**
Depreciation Charge	-	64,215	64,215
Adjustment on Disposal	-	(2,56,688)	(2,56,688)
Balance as at 31 March 2026	**0**	**8,68,623**	**8,68,623**
Carrying value			
At 31 March 2025	**(0)**	**79,220**	**79,220**
At 31 March 2026	**(0)**	**15,78,669**	**15,78,669**

Manohar Chowdhry & Associates * Chartered Accountants *

- continued -

NOTE G - Accounts payables

	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Accounts payable	15,41,660	10,53,810
	15,41,660	**10,53,810**

NOTE H – Deferred Income tax

The company has recognized Deffered Tax Assets of $19,551 on accouunt of accumulated losses and other items of timing difference for the period ended March 31, 2026 and $315,786 for March 31, 2025.

NOTE I- Related party transactions

The Company purchases a significant portion of the film it sells and distributes from Cosmo Films Limited and its affiliates. The transfer pricing between the Company and the Parent(including affiliates) is adjusted periodically and approximates the cost of such goods if purchased from an independent third party. Significant related party transactions, other than those disclosed elsewhere in the financial statements, are as follows:

Transactions with related parties	For the year ended March 31,2026 ($)	For the year ended March 31,2025 ($)
Cosmo First Limited		
Purchase of films	(2,56,19,742)	(3,13,36,230)
Cosmo Films-Japan		
Sale of parts and equipment	15,145	586

Outstanding balances	As at March 31, 2026 ($)	As at March 31, 2025 ($)
Amounts due to Company from affiliate*		
i) Cosmo First Limited	65,63,066	1,12,23,787
	65,63,066	**1,12,23,787**
*Advance against future purchases		
Amounts due from Company to affiliates		
i) Cosmo First Limited	-	-
	-	-

Manohar Chowdhry & Associates * Chartered Accountants *

COSMO FILMS, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended March 31, 2026 and March 31, 2025

NOTE J- Financial instruments

The estimated fair value of Company's Financial instruments is summarised as follows:

	March 31, 2026		March 31, 2025	
	Carrying Val	Fair Value	Carrying Value	Fair Value
Financial Assets				
Current Investments	19,47,029	-	-	-
Cash and Cash Equivalent	4,08,969	4,08,969	5,00,250	5,00,250
Accounts Receivables	51,37,715	51,37,715	48,44,766	48,44,766
Other Assets	6,17,658	6,17,658	11,06,275	11,06,275
Financial Liabilities				
Accounts Payable	15,41,660	15,41,660	10,53,810	10,53,810
Accrued Expenses	11,66,458	11,66,458	13,22,052	13,22,052

NOTE K - Concentration of credit risk

The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Accounts receivables (primarily denominated in US$) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. Revenues from 10 major customers amounted to $30,038,378 or 61% and $23,961,588 or 56% of total revenue for the year end March 31, 2026 and March 31, 2025, respectively. Total accounts receivable from these customers are $2,697,899 or 52% and $2,449,639 or 50% of total receivables, respectively.

NOTE L - Going concern

As at March 31, 2026, the Company has earned a net profit of USD 2,211,626 and USD 2,487,965 during FY 24-25, therefore the financial statements have been prepared on going concern basis which assumes that Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

NOTE M - Subsequent events

The Company evaluated subsequent events through May 06, 2026, the date the financial statements were availabe to be issued. In managment view, there is no subsequest event which require recognition or disclosure in the audited financial statements.