



(Please scan this QR code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS

Dated September 27, 2025

Please read section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer



kusumgar
Unusual is usual

KUSUMGAR LIMITED

(Formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited)

CORPORATE IDENTITY NUMBER: U65990MH1990PLC056871

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India	Devanand Parshottam Mojidra (Company Secretary and Compliance Officer)	Email: cs@kusumgar.com Telephone: + 91 22 6112 5100	https://www.kusumgar.com/

OUR PROMOTERS: YOGESH KANTILAL KUSUMGAR, SIDDHARTH YOGESH KUSUMGAR, SAPNA SIDDHARTH KUSUMGAR AND SIDDHARTH YOGESH KUSUMGAR HUF

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs, RIBs AND EMPLOYEES
Offer for Sale	Not applicable	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 6,500 million	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 6,500 million	This Offer is being made in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 370. For details of share reservation among Qualified Institutional Buyers (“QIBs”), Non-Institutional Bidders (“NIBs”), Retail Individual Bidders (“RIBs”) and Eligible Employees, see “Offer Structure” on page 393.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE ⁽¹⁾ (IN ₹)
Siddharth Yogesh Kusumgar	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 4,200 million	Nil
Sapna Siddharth Kusumgar	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 2,000 million	Nil
Siddharth Yogesh Kusumgar HUF	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 300 million	Nil

⁽¹⁾As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the equity shares of our Company is ₹1 each. The Offer Price, Floor Price and Cap Price (as determined by our Company in consultation with the BRLMs) on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, as stated under the section titled “Basis for the Offer Price” on page 114, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section titled “Risk Factors” on page 32.

THE COMPANY’S AND THE PROMOTER SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and

intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made or confirmed by them in this Draft Red Herring Prospectus solely in relation to themselves and/or Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, the Promoter Selling Shareholders, assume no responsibility for any other statement including the statements made by or relating to our Company or our Company's business or any other Promoter Selling Shareholder or any other person in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC (*as defined hereinafter*) in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of Red Herring Prospectus up to the Bid/Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 458.

BOOK RUNNING LEAD MANAGERS			
LOGO OF THE BRLM	NAME	CONTACT PERSON	TELEPHONE AND EMAIL
	Axis Capital Limited	Sagar Jatakiya / Mayuri Arya	Telephone: +91 22 4325 2183 E-mail: kusumgar.ipo@axiscap.in
	IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	Dhruv Bhavsar / Pawan Kumar Jain	Telephone: +91 22 4646 4728 E-mail: kusumgar.ipo@iiflcap.com
	Motilal Oswal Investment Advisors Limited	Sukant Goel/Vaibhav Shah	Telephone: +91 22 7193 4380 E-mail: Kusumgar.ipo@motilaloswal.com

REGISTRAR TO THE OFFER					
NAME		CONTACT PERSON		TELEPHONE AND EMAIL	
Bigshare Services Private Limited		Jibu John		Telephone: +91 22 6263 8200 E-mail: ipo@bigshareonline.com	
ANCHOR INVESTOR BIDDING DATE*	[●]	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON	[●]**#

*Our Company in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

**Our Company in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.



KUSUMGAR LIMITED

(Formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited)

Our Company was originally incorporated as “Kusumgar Finstocks Private Limited” as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 15, 1990, issued by the Registrar of Companies, Maharashtra at Mumbai (“RoC”). The name of our Company was changed to “Kusumgar Corporates Private Limited” on account of takeover of proprietary concern of Kusumgar Corporates, pursuant to a resolution passed by our Board on August 5, 2008 and a special resolution passed by our Shareholders on September 12, 2008, and a fresh certificate of incorporation, consequent upon change of name was issued to our Company by the RoC on November 21, 2008. Further, the name of our Company was changed to “Kusumgar Private Limited” on account of expansion of business, pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders on February 8, 2024, and a fresh certificate of incorporation was issued to our Company by the Registrar of Companies, Central Processing Centre, Manesar on March 28, 2024 pursuant to change of name. Thereafter, our Company was converted into a public limited company pursuant to a special resolution dated December 27, 2024, passed in the extraordinary general meeting of our Shareholders, and consequently the name of our Company was changed to its present name i.e., “Kusumgar Limited” and a fresh certificate of incorporation dated January 28, 2025 was issued by the Registrar of Companies, Central Processing Centre, Manesar upon conversion to public company. For further details of the change in the name and the address of the registered office of our Company, see “History and Certain Corporate Matters” on page 214.

Registered and Corporate Office: 101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India;
Contact Person: Devanand Parshottam Mojdra, Company Secretary and Compliance Officer; **Telephone:** + 91 22 6112 5100;
E-mail: cs@kusumgar.com; **Website:** https://www.kusumgar.com/; **Corporate Identity Number:** U65990MH1990PLC056871

OUR PROMOTERS: YOGESH KANTILAL KUSUMGAR, SIDDHARTH YOGESH KUSUMGAR, SAPNA SIDDHARTH KUSUMGAR AND SIDDHARTH YOGESH KUSUMGAR HUF			
INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH (“EQUITY SHARES”) OF KUSUMGAR LIMITED (FORMERLY KNOWN AS KUSUMGAR PRIVATE LIMITED AND KUSUMGAR CORPORATES PRIVATE LIMITED) (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹ 6,500 MILLION (“OFFER”) COMPRISING A AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹ 4,200 MILLION BY SIDDHARTH YOGESH KUSUMGAR, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,000 MILLION BY SAPNA SIDDHARTH KUSUMGAR AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹300 MILLION BY SIDDHARTH YOGESH KUSUMGAR HUF (THE “PROMOTER SELLING SHAREHOLDERS”, AND SUCH OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS, THE “OFFER FOR SALE”).			
THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●] % (EQUIVALENT OF ₹ [●] PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.			
THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”), TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).			
In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.			
The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs” and such portion, “QIB Portion”), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) (“Net QIB Portion”). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 0.20 million and up to ₹ 1.00 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1.00 million) and (b) not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders (“RIBs”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (defined hereinafter), which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or the Sponsor Bank(s), as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see the section titled “Offer Procedure” on page 398.			
RISKS IN RELATION TO THE FIRST OFFER			
This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹1 each. The Offer Price, Floor Price and Cap Price as determined by our Company in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under section titled “Basis for the Offer Price” on page 114, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.			
GENERAL RISK			
Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section titled “Risk Factors” on page 32.			
COMPANY'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made or confirmed by it in this Draft Red Herring Prospectus solely in relation to themselves and/or Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, the Promoter Selling Shareholders, assume no responsibility for any other statement including the statements made by or relating to our Company or our Company's business or any other Promoter Selling Shareholder or any other person in this Draft Red Herring Prospectus.			
LISTING			
The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the signed Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai (“RoC”) in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see the section titled “Material Contracts and Documents for Inspection” on page 458.			
BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	
Axis Capital Limited Axis House, 1st Floor Pandurang Budhkar Marg Worli, Mumbai – 400 025 Maharashtra, India Telephone: +91 22 4325 2183 Email: kusumgar.ipo@axiscap.in Investor grievance email: complaints@axiscap.in Website: https://www.axiscapital.co.in/ Contact person: Sagar Jatakyi / Mayuri Arya SEBI registration number: INM000012029	IIFL Capital Services Limited (formerly known as IIFL Securities Limited) 24 th Floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India Telephone: +91 22 4646 4728 Email: kusumgar.ipo@iiflcap.com Investor grievance email: ig_ib@iiflcap.com Website: https://www.iiflcap.com/ Contact person: Dhruv Bhavsar / Pawan Kumar Jain SEBI registration number: INM000010940	Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel, ST Depot, Prabhadevi Mumbai – 400 025, Maharashtra, India Tel.: +91 22 7193 4380 E-mail: Kusumgar.ipo@motilaloswal.com Investor Grievance ID: moipadredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Sukant Goel/Vaibhav Shah SEBI Registration Number: INM000011005	Bigshare Services Private Limited S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India Telephone: +91 22 6263 8200 E-mail: ipo@bigshareonline.com Investor grievance E-mail: investor@bigshare.com Website: https://www.bigshareonline.com Contact Person: Jibu John SEBI Registration No.: INR000001385
BID/OFFER PROGRAMME			
ANCHOR INVESTOR BIDDING DATE *			[●]
BID/OFFER OPENS ON*			[●]
BID/OFFER CLOSES ON**			[●]

*Our Company in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

**Our Company in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document in case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, the terms used in “Objects of the Offer”, “Basis for the Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “History and Certain Corporate Matters”, “Restated Financial Information”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments” “Other Regulatory and Statutory Disclosures”, and “Description of Equity Shares and Terms of Articles of Association” on pages 111, 114, 125, 132, 205, 214, 254, 317, 359, 370 and 420 shall have the meanings ascribed to such terms in these respective sections.

General terms

Term	Description
Our Company/the Company/the Issuer	Kusumgar Limited (Formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited), a company incorporated under the Companies Act, 2013 and having its Registered and Corporate Office at 101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India
We/us/our/the Group/our Group	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries on a consolidated basis

Company related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, as described in “Our Management-Committees of our Board” on page 234
Audited Consolidated Financial Statements	Audited consolidated financial statements of the Group as at and for the year ended March 31, 2025, prepared by our Company in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India
Audited Special Purpose Combined Financial Statements	The audited special purpose combined financial statements of the Group as at and for the year ended March 31, 2024 and March 31, 2023 prepared in accordance with the basis of preparation, as set out in 2(a) to the Restated Financial Information
Auditors/ Statutory Auditors/ Current Statutory Auditors	The statutory auditors of our Company, being MSKA & Associates, Chartered Accountants (FRN: 105047W)
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
CCPS	Compulsorily convertible preference shares of face value ₹ 5 each
Chairman and Managing Director	The chairman and managing director of our Company, being Siddharth Yogesh Kusumgar. For further information, see “Our Management- Brief profiles of our Directors” on page 228
Chief Executive Officer/CEO/ Executive Director and Chief Executive Officer	The executive director and chief executive officer of our Company, being Ankur Kothari. For further information, see “Our Management- Brief profiles of our Key Managerial Personnel” on page 244

Term	Description
Chief Financial Officer/CFO	The chief financial officer of our Company, being Kinnar Dhansukhlal Mehta. For further information, see “ <i>Our Management- Brief profiles of our Key Managerial Personnel</i> ” on page 244
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Devanand Parshottam Mojidra. For further information, see “ <i>Our Management- Brief profiles of our Key Managerial Personnel</i> ” on page 244
Committee(s)	The duly constituted committees(s) of our Board.
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in “ <i>Our Management - Committees of our Board</i> ” on page 234
Director(s)	The director(s) on our Board, as described in “ <i>Our Management – Board of Directors</i> ” on page 226
Dividend Policy	The dividend distribution policy approved and adopted by our Board on September 4, 2025
ECFPL	Engineered Coated Fabric Private Limited
ECFPL SPA	Share purchase/ transfer agreement dated December 5, 2024 amongst our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Engineered Coated Fabrics Private Limited.
Equity Shares	The equity shares of our Company of face value of ₹ 1 each
ESOP Scheme	Kusumgar Employee Stock Option Plan 2024, as amended. For further details, see “ <i>Capital structure- Employee stock option scheme</i> ” on page 96
Executive Director(s)	The executive Directors on our Board, described in the section titled “ <i>Our Management</i> ” on page 226
Group Company	Group company of our Company, in accordance with the SEBI ICDR Regulations and the Materiality Policy. For further information see “ <i>Our Group Company</i> ” on page 368
Independent Chartered Accountant / ICA	The independent chartered accountant of our Company, being, M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W).
Independent Chartered Engineer / ICE	The independent chartered engineer of our Company, being Dr. M. K. Talukdar (FRN: F-011273-5)
Independent Directors	The non-executive and independent director(s) on our Board. For details of the Independent Directors, see “ <i>Our Management- Board of Directors</i> ” on page 226
Individual Promoters	Collectively, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar
ILattice Report	The report titled “ <i>Engineered Fabrics industry report</i> ” dated September 2025 issued by Lattice Technologies Private Limited (Lattice), which has been exclusively commissioned and paid for by our Company specifically in connection with the Offer, pursuant to an engagement letter dated February 3, 2025
Lattice	Lattice Technologies Private Limited
IPO Committee	The IPO committee of our Board constituted in accordance with Board resolution dated April 9, 2025
Joint Managing Director	Sapna Siddharth Kusumgar, the joint managing director of our Company. For further details, see “ <i>Our Management- Brief profiles of our Directors</i> ” on page 228
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in “ <i>Our Management-Key Managerial Personnel and Senior Management</i> ” on page 244
Letter Agreement	Letter agreement dated 22 September 2025 amongst Kusumgar Limited, WhiteOak Capital India Opportunities Fund, WhiteOak Capital Equity Fund, Ashoka India Equity Investment Trust Plc, Ashoka Whiteoak Emerging Markets Trust Plc, Ara Investments, Tibrewala Electronics Limited, Motilal Oswal Finvest Limited, Frangipani Capital Advisors LLP, Edelweiss Discovery Fund - Series I, Spark Midas Investment Fund I, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar HUF, Sia Kusumgar, Sanay Kusumgar, Concord Weaving Preparatory Private Limited, and Kusumgar Holdings LLP, read with the Waiver cum Amendment Agreement
Materiality Policy	The policy adopted by our Board on September 24, 2025, for identification of: (a) outstanding material litigation; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management - Committees of our Board</i> ” on page 234
Non-Executive Director(s)/ Non-Independent Director(s)	The non-executive non-independent Directors on our Board, described in the section titled “ <i>Our Management- Brief profiles of our Directors</i> ” on page 228

Term	Description
Predecessor Auditor / Previous Auditor	Chaturvedi Sohan & Co., the erstwhile statutory auditors of our Company (FRN: 118424W)
Promoters	Collectively, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar HUF, the promoters of our Company in terms of Regulation 2(1)(oo) of the SEBI ICDR Regulations. For details, see the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 247
Promoter Group	The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 247
Promoter Selling Shareholders / Selling Shareholders	Collectively, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar HUF
Registered and Corporate Office	101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India
Registrar of Companies/RoC	The Registrar of Companies, Maharashtra at Mumbai
Restated Financial Information	The restated financial information of our Company and our Subsidiaries as at and for the Fiscals ended March 31, 2025, March 31, 2024 and March 31, 2023, which comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, Restated Consolidated Statement of Profits and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March, 2025 along with Restated Combined Statement of Assets and Liabilities as at March 31, 2024 and March 31, 2023, Restated Combined Statement of Profits and Loss (including Other Comprehensive Income), Restated Combined Statement of Changes in Equity, Restated Combined Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March 31, 2024 and March 31, 2023; prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI, as amended from time to time. The Restated Financial Information has been prepared basis the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2025 and Audited Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2024 and March 31, 2023 For further details, see “<i>Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation</i>”, “<i>Restated Financial Information - Note 51 – Business Combination Under Common Control</i>” and “<i>Management’s Discussion and Analysis of Financial Condition and Results of Operations</i>” on pages 17, 311 and 320, respectively.
Risk Management Committee	The risk management committee of our Board, as described in “ <i>Our Management - Committees of our Board</i> ” on page 234
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as further described in “ <i>Our Management-Key Managerial Personnel and Senior Management</i> ” on page 244
Shareholders	The holders of the Equity Shares or CCPS of our Company from time to time.
Stakeholders Relationship Committee/ SR Committee	The stakeholders’ relationship committee of our Board as described in “ <i>Our Management - Committees of our Board</i> ” on page 234
Subsidiary / our Subsidiary / Subsidiaries	The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, as described in “ <i>History and Certain Corporate Matters – Our Subsidiaries</i> ” on page 216
Ara-Tibrewala SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ara Investments and Tibrewala Electronics Limited
Ashoka India SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ashoka India Equity Investment Trust PLC
Ashoka Whiteoak SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ashoka Whiteoak Emerging Markets Trust PLC
Edelweiss SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Edelweiss Discovery Fund – Series I

Term	Description
Frangipani SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Frangipani Capital Advisors LLP
Nuvama SPA	Share purchase agreement dated September 22, 2025, between Siddharth Yogesh Kusumgar HUF and Nuvama Custodial Services Limited
WO Equity SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and WhiteOak Capital Equity Fund
Spark SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Spark Midas Investment Fund I
MO Finvest SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Motilal Oswal Finvest Limited
WhiteOak SPA	Share purchase agreement dated September 25, 2025, between Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, PAM Family Trust, Shradha Family Trust, M/s. Elcid Investments Limited, Hanuman Freight and Carriers Private Limited, Nayan Kantilal Gudka, Ajaykiran Kantilal Gudka
WO India SSPA	Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and WhiteOak Capital India Opportunities Fund
Waiver cum Amendment Agreement	Waiver cum amendment agreement dated September 24, 2025 amongst our Company, our Promoters, Sia Kusumgar, Sanay Kusumgar, Concord Weaving Preparatory Private Limited, WhiteOak Capital India Opportunities Fund, WhiteOak Capital Equity Fund, Ashoka India Equity Investment Trust Plc, Ashoka Whiteoak Emerging Markets Trust Plc, Ara Investments, Tibrewala Electronics Limited, Motilal Oswal Finvest Limited, Frangipani Capital Advisors LLP, Edelweiss Discovery Fund - Series I and Spark Midas Investment Fund I to the Letter Agreement

Offer related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the transfer of Offered Shares pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs

Term	Description
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis Capital	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in section titled “Offer Procedure” on page 398
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 0.20 million (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹ 1 each and in multiples of [●] Equity Shares thereafter
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid/ Offer Period	Except in relation to Bids by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in

Term	Description
	accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In cases of <i>force majeure</i>, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) Our Company, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and will also be notified on the websites of the BRLMs and at the terminals of the Members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank(s) and shall also be notified in an advertisement in the same newspapers in which the advertisement for Bid / Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, Axis Capital Limited, IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>) and Motilal Oswal Investment Advisors Limited
Broker Centres	Broker centres of the Registered Brokers as notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band i.e., ₹ [●] per Equity Share, subject to any revisions thereof, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into among our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members and Banker(s) to the Offer in accordance with the UPI Circulars, for, among other things, the appointment of the Escrow and Sponsor Bank(s), the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account

Term	Description
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
Confirmation of Allocation Note/ CAN	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs, NIBs Bidding with an application size of up to ₹ 0.50 million (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, Registered Brokers, CDPs SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and NIBs with an application size of more than ₹ 0.50 million (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs and CRTAs
Designated RTA Locations	Such locations of the CRTAs where ASBA Bidders can submit the ASBA Forms to CRTAs The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated September 27, 2025 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company or our Subsidiaries, working in India or outside India, (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red

Term	Description
	Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Subsidiaries, until the submission of the ASBA Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the ASBA Form, but not including Directors who either themselves or through their relatives or through anybody corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be available for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 0.20 million subject to the total Allotment to an Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount)
Eligible FPI(s)	FPIs, from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe or purchase the Equity Shares offered thereby
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase the Equity Shares offered thereby
Employee Discount	A discount of up to [●]% to the Offer Price (equivalent of ₹ [●] per Equity Share) as may be offered by our Company, in consultation with the BRLMs, to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, of face value of ₹ 1 each, aggregating to ₹ [●] million, which shall not exceed [●]% of the post Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band i.e., ₹ [●] per Equity Share, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
IIFL	IIFL Capital Services Limited (<i>formerly known as IIFL Securities Limited</i>)
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, issued by SEBI.
Motilal Oswal	Motilal Oswal Investment Advisors Limited

Term	Description
Mutual Fund	Mutual funds registered with SEBI under the SEBI Mutual Funds Regulations
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders/ NIBs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or RIBs and who have Bid for Equity Shares for an amount more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to NIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which i) one third shall be reserved for Bidders with Bids exceeding ₹ 0.20 million up to ₹ 1.00 million; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of NIBs subject to valid Bids being received at or above the Offer Price
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ 6,500 million by our Company comprising an Offer for Sale. The Offer comprises the Net Offer and Employee Reservation Portion.
Offer Agreement	The agreement dated September 27, 2025 among our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale by the Promoter Selling Shareholders comprising of an aggregate of up to [●] Equity Shares at the Offer Price aggregating up to ₹ 6,500 million
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus. A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount (if any) will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offered Shares	The number of Equity Shares being offered by the Promoter Selling Shareholders in the Offer for Sale comprising of an aggregate of up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 6,500 million
Pension Funds	Pension Funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. A discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount (if any) will be decided by our Company, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. The Price Band, Employee Discount, if any and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a

Term	Description
	widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account Bank(s)	The banks which are a clearing member registered with SEBI under the SEBI BTI Regulations, and with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Offer Account(s)	The 'no-lien' and 'non-interest bearing' Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares of face value ₹ 1 each aggregating to ₹ [●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus dated [●] to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date shall be at least three Working Days after the filing of the Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated September 25, 2025, 2025 entered into among our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and in terms of the UPI Circulars
Registrar to the Offer/ Registrar	Bigshare Services Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/ RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.

Term	Description
	QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self-Certified Syndicate Bank(s)/SCSB(s)	The banks registered with SEBI, offering services: (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Form from the Members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Form from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs Mobile Apps A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, issued by SEBI.
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into between the Promoter Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Offered Shares by the Promoter Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	Agreement to be entered into among our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Form by Syndicate
Syndicate Member(s)	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate/Members of the Syndicate	Together, the BRLMs and the Syndicate Member(s)
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]

Term	Description
Underwriting Agreement	Underwriting agreement to be entered into among the Underwriters, our Company, the Promoter Selling Shareholders and the Registrar to the Offer on or after the Pricing Date but prior to filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable. For further details, see “General Information – Underwriting Agreement” on page 88
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees in Employee Reservation Portion (subject to the Bid Amount being up to ₹ 0.50 million (net of Employee Discount, if any)), and (iii) Individuals applying as Non-Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents Pursuant to SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million are required to use UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a Member of the Syndicate, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the notice issued by BSE having reference no. 20220803-40 dated August 3, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular, to the extent applicable), SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to the Bid Amount, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, in respect of (a) announcement of Price Band; (b) Bid/Offer Period, the expression “Working Day” shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business; and (c) in respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, in terms of the circulars issued by SEBI including UPI Circulars

Conventional and general terms and abbreviations

Term	Description
AGM	Annual general meeting
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AIF	Alternate investment fund
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31

Term	Description
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository or Depositories	NSDL and CDSL
DIN	Director identification number
DP ID	Depository participant's identification number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FI	Financial institutions
Financial Year / financial year / Fiscal / fiscal year / Fiscal Year / FY	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross domestic product
GoI / Central Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
I.T. Act	The Income-tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
ICMAI	The Institute of Cost Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International financial reporting standards
Ind AS	The Indian Accounting Standards, being the accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 33	The Indian Accounting Standard 33– “Earnings per share” notified under Section 133 of the Companies Act 2013, Ind AS Rules and other relevant provisions of the Companies Act 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offer
IT	Information technology
IT Act	The Information Technology Act, 2000
KPIs	Key Performance Indicators
KPI Circular	The circular issued by SEBI with reference no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated February 28, 2025
MCA	Ministry of Corporate Affairs, Government of India
N.A.	Not applicable
NACH	National automated clearing house
“NAV” or “Net Asset Value”	Net asset value
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA

Term	Description
NPCI	National Payments Corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit for the year
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on net worth
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SME	Small and medium enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	Government of a state of India
Trade Marks Act	Trade Marks Act, 1999
U.S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars

Term	Description
VAT	Value added tax
VCF(s)	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WACA	Weighted average cost of acquisition
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Technical and Industry Related Terms

Term	Description
2D	Two dimensional
3D	Three dimensional
C	Celsius
CBRN	Chemical, biological, radiological, and nuclear
CAGR	Compounded annual growth rate
CPI	Consumer Price Index
CSIR	Council of Scientific and Industrial Research
CSR	Corporate social responsibility
D	Denier, a unit that measures the thickness of the yarn
E	Estimated
ECWCS	Extreme cold weather clothing system
EU	European Union
EV	Electric Vehicle
DISCOM	Distribution companies
DoCP	Date of commercial production
DRDO	Defence Research and Development Organisation
eFCI	Eligible fixed capital investment
ERP	Enterprise Resource Planning
EV	Electric vehicle
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSM	Grams per square metre
GVA	Gross Value Added
ICAR	Indian Council of Agricultural Research
ICE	Internal combustion engine
IIP	Index of Industrial Production
IIT	Indian Institute of Technology
IT	Information technology
Kg	Kilogram
LAMEA	Latin America, Middle East and Africa
MMF	Man-made fibres
MRG	Mechanical rubber goods
MRO	Maintenance, repair and overhaul
NATO	The North Atlantic Treaty Organisation
NIP	National Infrastructure Pipeline
NTTM	National Technical Textiles Mission
OEM	Original equipment manufacturer
PLI	Production Linked Incentive
PU	Polyurethanes
PVC	Polyvinyl chloride
RoDTEP / RODTEP	Remission of Duties and Taxes on Exported Products
R&D	Research and development
SKU	Stock keeping unit
UHMWPE	Ultra-high molecular weight polyethylene
UV	Ultraviolet
WEF	World Economic Forum
YTD	Year to date

Key Performance Indicators (“KPIs”), as disclosed in “Basis for the Offer Price” on page 114

Term	Description
Revenue from operations	Revenue from operations means the revenue from operations for the year as appearing in the Restated Financial Information
EBITDA	EBITDA is calculated as profit before tax, plus depreciation and amortization expense, plus finance costs, less other income
EBITDA Margin (%)	EBITDA Margin (%) is calculated as EBITDA divided by revenue from operations
Profit After Tax / PAT	Profit for the year as appearing in the Restated Financial Information
PAT Margin (%)	PAT Margin (%) is calculated as profit for the year expressed as a percentage of total income
Net Debt	Net Debt is calculated as the sum of current borrowings plus non-current borrowings, less (i) cash and cash equivalents and (ii) bank balances other than cash and cash equivalents as at the end of the Fiscal Year
Net Debt to EBITDA Ratio	Net Debt to EBITDA Ratio is calculated as Net Debt divided by EBITDA
Return on Equity (“RoE”) (%)	Return on Equity (ROE) is calculated as profit for the year divided by Average Total Equity, expressed as a percentage. Average Total Equity is calculated as the sum of (i) total equity as at beginning of the Fiscal Year and (ii) total equity as at end of the Fiscal Year, divided by two
Return on Capital Employed (“RoCE”) (%)	Return on Capital Equity (RoCE) is calculated as EBIT divided by Capital Employed as at the end of the Fiscal Year, expressed as a percentage. EBIT is calculated as profit before tax plus finance costs. Capital Employed is calculated as total assets less current liabilities as at the end of the Fiscal Year,
Working capital cycle (days)	Working Capital Cycle (Days) is calculated by dividing the number of days in the applicable Fiscal Year by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital. Net working capital is calculated as total current assets less total current liabilities (“ Net Working Capital ”). Average Net Working Capital is calculated as (Net Working Capital as at the beginning of the Fiscal Year plus Net Working Capital as at the end of the Fiscal Year) divided by two.
Fixed Assets Turnover Ratio (in times)	Fixed Asset Turnover Ratio is calculated as revenue from operations divided by Average Fixed Assets. Fixed Assets is property, plant and equipment (“ Fixed Assets ”). Average Fixed Assets is calculated as (Fixed Assets as at beginning of the Fiscal Year plus Fixed Assets as at end of the Fiscal Year) divided by two (“ Average Fixed Assets ”).
Capacity utilisation at processing, dyeing, finishing, printing and coating factories	Capacity utilisation is the aggregate capacity utilisation across all processing, dyeing, finishing, printing and coating factories as at the end of and for the relevant year ended March 31, based on the capacity utilisation for each manufacturing unit as certified by Dr. M. K. Talukdar, Chartered Engineer, pursuant to the certificate dated September 27, 2025.
Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers (%)	Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers (%).
Revenue from Aerospace and Defence Fabrics	Revenue from Aerospace and Defence Fabrics is the revenue from contracts with customers from the Aerospace and Defence Fabrics market segment for the Fiscal Year
Revenue from Aerospace and Defence Solutions	Revenue from Aerospace and Defence Solutions is the revenue from contracts with customers from the Aerospace and Defence Solutions market segment for the Fiscal Year
Revenue from Automotive and Industrial Fabrics	Revenue from Automotive and Industrial Fabrics is the revenue from contracts with customers from the Automotive and Industrial Fabrics market segment for the Fiscal Year
Revenue from Outdoor and Lifestyle Fabrics	Revenue from Outdoor and Lifestyle Fabrics is the revenue from contracts with customers from the Outdoor and Lifestyle Fabrics market segment for the Fiscal Year

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references to the “U.S.”, “US” or the “United States” are to the United States of America, its territories and possessions.

All references to “Dubai” are to the Federation of the United Arab Emirates and its territories and possessions.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial data

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year or fiscal or fiscal year (including capitalised references) are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a financial year or fiscal or fiscal year (including capitalised references) are to the year ended on March 31, of that calendar year.

Unless indicated otherwise or the context requires otherwise, the financial information, financial ratios and any percentage amounts in this Draft Red Herring Prospectus have been derived from our Restated Financial Information or non-GAAP measures as described below

The Restated Financial Information of our Company and our Subsidiaries for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, which comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, Restated Consolidated Statement of Profits and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March, 2025 along with Restated Combined Statement of Assets and Liabilities as at March 31, 2024 and March 31, 2023, Restated Combined Statement of Profits and Loss (including Other Comprehensive Income), Restated Combined Statement of Changes in Equity, Restated Combined Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March 31, 2024 and March 31, 2023; prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI, as amended from time to time, are included in “*Restated Financial Information*” on page 254. The Restated Financial Information has been prepared basis the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2025 and Audited Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2024 and March 31, 2023. For further information, see “*Restated Financial Information*” on page 254.

Our Company did not have subsidiaries or other consolidated entities during Fiscals 2024 and 2023. However, for the purpose of preparing the Audited Special Purpose Combined Financial Statements, our Company adopted a transition date of April 1, 2022. Further, the acquisition of our Subsidiary, Engineered Coated Fabric Private Limited, constituted a common control transaction in accordance with Appendix C to Ind AS 103 “*Business Combinations*”. Accordingly, the financial information of our Subsidiary, Engineered Coated Fabric Private Limited, has been consolidated in accordance with Ind AS 110 for the years ended March 31, 2025, March 31, 2024, and March 31, 2023. For more details on the acquisition of Engineered Coated Fabric Private Limited, see “*Restated Financial Information – Note 51 – Business Combination Under Common Control*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 311 and 320, respectively.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Non-Generally Accepted Accounting Principles

Certain measures included in this Draft Red Herring Prospectus, for instance EBIDTA, EBIDTA Margin, PAT Margin, Net Debt, Net Debt to EBITDA Ratio, Return on Equity among others (the “**Non-GAAP financial measures**”), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS or any other generally accepted accounting principles. Furthermore, these non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS or any other generally accepted accounting principles and should not be considered as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or any other generally accepted accounting principles. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's business and financial performance. For further information, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Certain Non-GAAP Measures*” and “*Risk Factors – 52. We have included certain non-GAAP financial measures and certain operational metrics related to our business, financial condition, results of operations and cash flows in this Draft Red Herring Prospectus. These non-GAAP financial measures and operational metrics could vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with non-GAAP financial measures or operational metrics of similar nomenclature computed and presented by other companies*” on pages 325 and 64, respectively.

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled “*Engineered Fabrics industry report*” dated September 26, 2025 prepared by Lattice Technologies Private Limited (“**Lattice**”) (“**ILattice Report**”) and publicly available information as well as other industry publications and sources. The ILattice Report has been commissioned and paid for by our Company and has been prepared for the purpose of the Offer and is available at <https://www.kusumgar.com/investor-relations/home/>. Lattice is an independent agency and is not a related party of our Company, our Promoters, our Directors or Key Managerial Personnel or Senior Management or the Book Running Lead Managers. Lattice was appointed by our Company pursuant to an engagement letter dated February 3, 2025.

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. There are no parts, data or information which may be relevant for the proposed Offer, that have

been left out or changed in any manner. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors – 54. Statistical and industry data in this Draft Red Herring Prospectus are derived from the ILattice Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the ILattice Report for making an investment decision in the Offer is subject to inherent risks."* on page 65. Accordingly, no investment decision should be solely made on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations, the section titled *"Basis for Offer Price"* on page 114 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified therein. Accordingly, no investment decision should be solely made on the basis of such information.

Currency and units of presentation

All references to:

- "Rupees" or "INR" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India;
- "U.S.", "\$", "U.S. Dollar", "USD" are to United States Dollars, the official currency of the United States of America;
- "AED" is to Dirham, the official currency of the United Arab Emirates.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated otherwise. One billion represents 1,000 million or 1,000,000,000, one million represents '10 lakhs' or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third-party industry sources may be rounded off to other than two decimal points in the respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations or rounded-off to such number of decimal points as provided in their respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The following table sets forth, for the years indicated, information with respect to the exchange rates between the Indian Rupee and the respective foreign currency:

Currency	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
1 USD	85.58	83.37	82.22
1 AED	23.26	22.70	22.40

Source: Foreign exchange reference rates as available on www.fbil.org.in and www.xe.com

Notes:

- Exchange rate is rounded off to two decimal point
- In the event that any of the aforementioned date is a public holiday, the previous calendar day not being a public holiday has been considered.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “project”, “propose”, “will continue”, “seek to”, “shall”, “should”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue, and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Any decline in demand for aerospace and defence fabrics and aerospace and defence solutions;
- Any decrease in sales to our top customers or the loss of our top customers;
- If any of our top 10 suppliers ceased selling us the materials we require in the quantities we need and we were unable to find a supplier to replace it;
- Any shortfall in the supply of materials or significant increases in material prices; and
- Any inability to respond to changing customer preferences in a timely and effective manner.

For a further discussion of factors that could cause our actual results to differ, see sections titled “*Risk Factors*”, “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 32, 179, 132 and 320, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, our Promoters, our Directors, the Promoter Selling Shareholders, BRLMs, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by our Company and, by the Promoter Selling Shareholders, severally and not jointly, in relation to themselves as a Promoter Selling Shareholder and its Offered Shares in this Draft Red Herring Prospectus from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

In this regard, the Promoter Selling Shareholders shall ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by it

in relation to themselves as a Promoter Selling Shareholder and its Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview” “Our Business”, “Our Promoters and Promoter Group”, “Financial Information”, “History and Certain Corporate Matters” and “Outstanding Litigation and Material Developments” on pages 32, 73, 89, 111, 132, 179, 247, 254, 214 and 359 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We manufacture engineered fabrics, being woven, coated and laminated synthetic fabrics. We offer engineered fabrics and solutions focusing on polyamides, polyester filaments and polyurethane chemistry to serve customers’ high-performance requirements. Our products are manufactured primarily for four market segments: (i) Aerospace and Defence Fabrics, (ii) Aerospace and Defence Solutions, (iii) Industrial and Automotive Fabrics; and (iv) Outdoor and Lifestyle Fabrics. Our manufacturing operations are vertically integrated, including preparatory, weaving, dyeing, printing, finishing, coating, lamination, and fabrication. Our manufacturing operations are supported by modern infrastructure, advanced technology and R&D capabilities, with six manufacturing facilities in Gujarat, India and one fabrication unit in Uttar Pradesh, India.

Summary of industry

The global engineered fabrics industry grew from US\$41.6 billion in 2019 to US\$62.5 billion in 2024, and is projected to reach US\$103.4 billion in 2029 (*source: I Lattice Report*). In 2024, the industrial and automobile, outdoor and lifestyle, and defence and aerospace segments accounted for 48.0%, 32.0% and 8.0% of industry value, respectively. By 2029, the share of the industrial and automobile segment is projected to decrease to 43.6%, that for the outdoor and lifestyle segment is projected to reach 34.8%, and that for the defence and aerospace segment is projected to remain about the same at 7.8% (*source: I Lattice Report*).

Our Promoters

As on the date of this Draft Red Herring Prospectus, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar HUF are our Promoters. For further details, see the section titled “Our Promoters and Promoter Group” on page 247.

The Offer

The following table summarizes the details of the Offer:

Offer ^{1 & 2}	Up to [●] Equity Shares of face value of ₹ 1 each for cash at price of ₹ [●] per Equity Share (including premium of [●] per Equity Share), aggregating up to ₹ 6,500 million
comprising	
Offer for Sale ^{1 & 2}	Up to [●] Equity Shares of face value of ₹ 1 each by the Promoter Selling Shareholders aggregating up to ₹ 6,500 million
Which consists of:	
Employee Reservation Portion ³	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million

¹ The Offer has been authorised by a resolution of our Board dated September 24, 2025. Further, our Board has taken on record the consents of the Promoter Selling Shareholders in its meeting held on September 24, 2025.

² The Equity Shares being offered by each of the Promoter Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorisations of the Promoter Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” and “The Offer” on pages 370 and 73, respectively.

³ The Employee Reservation Portion shall not exceed 5% of our post-Offer equity share capital. The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 0.50 million), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple bids subject to

applicable limits. Our Company in consultation with the BRLMs, may offer a discount on the Offer Price (equivalent to ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced at least two Working Days prior to the Bid/Offer Opening Date. For further details, see “Offer Structure” on page 393.

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post Offer paid up Equity Share capital of our Company, respectively. For further details, see the sections titled “The Offer” and “Offer Structure” on pages 73 and 393, respectively.

Objects of the Offer

Our Company will not receive any proceeds from the Offer. The Promoter Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting its portion of the Offer expenses and relevant taxes thereon. The objects of the Offer are to (i) carry out the sale and transfer of up to [●] Equity Shares by the Promoter Selling Shareholders aggregating up to ₹6,500 million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For further details, see the section titled “Objects of the Offer” on page 111.

Aggregate pre-Offer shareholding of our Promoters (including the Promoter Selling Shareholders) and members of our Promoter Group

The aggregate pre-Offer shareholding of our Promoters (including the Promoter Selling Shareholders) and members of the Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S. No.	Name of the Shareholder	Number of Equity Shares of face value ₹ 1 each held	Percentage of total pre-Offer paid up Equity Share capital on a fully diluted basis* (%)
Promoters (including the Promoter Selling Shareholders)			
1.	Siddharth Yogesh Kusumgar [^]	61,884,021	58.94%
2.	Sapna Siddharth Kusumgar [^]	29,561,148	28.16%
3.	Siddharth Yogesh Kusumgar HUF [^]	3,485,000	3.32%
4.	Yogesh Kantilal Kusumgar	51,000	0.05%
	Total (A)	94,981,169	90.47%
Promoter Group (other than the Promoters)			
1.	Concord Weaving Preparatory Private Limited	2,550	Negligible
2.	Sia Siddharth Kusumgar	2,550	Negligible
3.	Sanay Siddharth Kusumgar	2,550	Negligible
4.	Kusumgar Holdings LLP	2,550	Negligible
	Total (B)	10,200	Negligible
	Total (A+B)	94,991,369	90.48%

* The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

[^] Also a Promoter Selling Shareholder.

Aggregate pre-Offer and post-Offer shareholding of our Promoters (including the Promoter Selling Shareholders), members of our Promoter Group and the additional top 10 Shareholders

The aggregate pre-Offer and post-Offer shareholding of our Promoters (including the Promoter Selling Shareholders), members of the Promoter Group and the additional top 10 Shareholders is set out below:

S. No.	Name of Shareholder	Pre-Offer shareholding as on the date of this Draft Red Herring Prospectus		Post-Offer shareholding as at Allotment**^				
		Number of Equity Shares of face value ₹1 each	Percentage of total pre-Offer paid up Equity Share capital (%)**	At the Floor Price (₹ ●)		At the Cap Price (₹ ●)		
				Number of Equity Shares of face value ₹ 1 each held	Percentage of total post-Offer paid up Equity Share capital (%)	Number of Equity Shares of face value ₹ 1 each held	Percentage of total post-Offer paid up Equity Share capital (%)	
Promoters (including the Promoter Selling Shareholders)								
1.	Siddharth Yogesh Kusumgar	61,884,021	58.94%	[●]	[●]	[●]	[●]	
2.	Sapna Siddharth Kusumgar	29,561,148	28.16%	[●]	[●]	[●]	[●]	
3.	Siddharth Yogesh Kusumgar HUF	3,485,000	3.32%	[●]	[●]	[●]	[●]	
4.	Yogesh Kantilal Kusumgar	51,000	0.05%	[●]	[●]	[●]	[●]	
Promoter Group (other than the Promoters)								
5.	Concord Weaving Preparatory Private Limited	2,550	Negligible	[●]	[●]	[●]	[●]	
6.	Sia Siddharth Kusumgar	2,550	Negligible	[●]	[●]	[●]	[●]	
7.	Sanay Siddharth Kusumgar	2,550	Negligible	[●]	[●]	[●]	[●]	
8.	Kusumgar Holdings LLP	2,550	Negligible	[●]	[●]	[●]	[●]	
Additional top 10 Shareholders								
1.	Motilal Oswal Finvest Limited	1,643,836	1.57%	[●]	[●]	[●]	[●]	
2.	Edelweiss Discovery Fund – Series I	1,369,863	1.30%	[●]	[●]	[●]	[●]	
3.	Spark Midas Investment Fund I	1,095,890	1.04%	[●]	[●]	[●]	[●]	
4.	WhiteOak Capital India Opportunities Fund	575,342	0.55%	[●]	[●]	[●]	[●]	
5.	Ashoka India Equity Investment Trust PLC	575,342	0.55%	[●]	[●]	[●]	[●]	
6.	Frangipani Capital Advisors LLP	410,959	0.39%	[●]	[●]	[●]	[●]	
7.	Ms Nuvama Custodial Services Limited	410,959	0.39%	[●]	[●]	[●]	[●]	
8.	ARA Investments	82,192	0.08%	[●]	[●]	[●]	[●]	
9.	Elcid Investments Limited	82,192	0.08%	[●]	[●]	[●]	[●]	
10.	PAM Family Trust	54,795	0.05%	[●]	[●]	[●]	[●]	

^{*}To be updated in the Prospectus prior to filing with the RoC.

^{**} The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

[^] Subject to finalisation of Basis of Allotment.

For further details, see “Capital Structure” on page 89.

Summary of selected financial information derived from the Restated Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the Fiscals ended 2025, 2024 and 2023 as derived from our Restated Financial Information are set forth below:

(₹ in million, except per share data)

Particulars	As at and for the Fiscals ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Equity share capital	101.49	19.90	19.90
Net worth ⁽¹⁾	2,577.52	1,403.59	556.14
Revenue from operations	7,789.97	4,679.08	3,016.48
Profit for the year	1,119.88	843.96	372.17
Earnings per Equity Share (in ₹)			
- Basic ⁽²⁾ *	11.03	8.32	3.67
- Diluted ⁽³⁾ *	10.81	8.32	3.67
Net Asset Value per Equity Share ⁽⁴⁾ (in ₹)	25.40*	7,053.22	2,794.64
Total borrowings	2,465.01	765.33	475.04

Notes:

⁽¹⁾ Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

⁽²⁾ Basic earnings per Equity Share (₹) = Profit for the year attributable to Shareholders of our Company divided by the weighted average number of Equity Shares outstanding during the year computed in accordance with Ind AS 33. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year

⁽³⁾ Diluted earnings per Equity Share (₹) = Profit for the year attributed to Shareholders of our Company divided by weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares computed in accordance with Ind AS 33. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year

⁽⁴⁾ Net Asset Value per Equity Share means the net worth as per the Restated Financial Information divided by the number of Equity Shares outstanding as at the end of the year.

* Pursuant to a special resolution of our shareholders dated October 1, 2024 each equity share of our Company of face value of ₹ 100 was sub-divided into Equity Shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up Equity Share capital of our Company was sub-divided from 199,000 equity shares of face value of ₹100 each into 19,900,000 Equity Shares of face value of ₹ 1 each. The earnings per Equity Share (basic and diluted) and Net Asset Value per Equity Shares has been calculated after giving effect to such sub-division.

For further details, see the section titled “Restated Financial Information” on page 254.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Information

Our Statutory Auditors have not made any qualifications that have not been given effect to in the Restated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management and Group Company in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name	Criminal proceedings	Tax proceedings	Actions taken by statutory or regulatory authorities	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material litigation [#]	Aggregate* amount involved (₹ in million)
Company						
By our Company	1	Nil	Nil	N.A.	Nil	1.00

Name	Criminal proceedings	Tax proceedings	Actions taken by statutory or regulatory authorities	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material litigation [#]	Aggregate* amount involved (₹ in million)
Against our Company	Nil	2	Nil	N.A.	1	N.A.
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	N.A.
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Directors	Nil	1 [^]	Nil	N.A.	Nil	N.A.
Promoters						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Promoters	Nil	1	Nil	Nil	Nil	N.A.
Key Managerial Personnel or Senior Management						
By our KMP or Senior Management	Nil	N.A.	Nil	N.A.	N.A.	N.A.
Against our KMP or Senior Management	Nil	N.A.	Nil	N.A.	N.A.	N.A.

*Amount to the extent quantifiable

[#]Determined in accordance with the Materiality Policy

[^] Includes one outstanding tax litigation involving our Individual Promoter, Sapna Siddharth Kusumgar, who is also the Joint Managing Director of our Company, and as appearing under “– Tax Proceedings – Against our Promoters”

As on the date of this Draft Red Herring Prospectus, there are no litigation involving our Group Company which may have a material impact on our Company.

For further details, see the section titled “*Outstanding Litigation and Material Developments*” on page 359.

Risk factors

Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. Set forth below are the top 10 risk factors applicable to our Company:

Sr. No.	Risk Factors
1.	We derived 48.06% and 28.81% of our revenue from contracts with customers for Fiscal 2025 from our Aerospace and Defence Fabrics and Aerospace and Defence Solutions market segments, respectively. If there is any decline in demand for aerospace and defence fabrics and aerospace and defence solutions, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.
2.	Our top customer and our top 10 customers contributed 28.90% and 84.69%, respectively, of our revenue from contracts with customers for Fiscal 2025. Any decrease in sales to such customers or the loss of such customers could have an adverse effect on our business, results of operations, financial condition and cash flows
3.	In order to get better pricing by buying in larger volumes, we generally buy the primary materials we need from a few suppliers. For Fiscal 2025, our cost of materials consumed purchased from our top 10 suppliers represented 35.72% of our cost of materials consumed. We have not entered into long-term agreements with these suppliers and if any of our top 10 suppliers ceased selling us the materials we require in the quantities we need, and we were unable to find a supplier to replace it, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.
4.	Any shortfall in the supply of materials or significant increases in material prices could have an adverse effect on our business, results of operations, financial condition and cash flows.
5.	If we are unable to respond to changing customer preferences in a timely and effective manner, it could have an adverse effect on our business, results of operations and financial condition.
6.	Failure to keep our technical knowledge confidential could erode our competitive advantage and have a material adverse effect on our business, financial condition, results of operations and cash flows.
7.	All six of our manufacturing facilities are in the state of Gujarat. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat could have an adverse effect on our business, results of operations, financial condition and cash flows.
8.	Our exports accounted for 23.22% of revenue from contracts with customers for Fiscal 2025. Any changes in government regulations or policies affecting international trade may have an adverse effect on our business, results of operations and financial condition.
9.	We operate in a competitive business environment. Failure to compete effectively against our competitors

	would have a material adverse effect on our business, financial condition, results of operations and cash flows.
10.	We are required to obtain and maintain a number of statutory and regulatory approvals for carrying out our business. A failure to obtain, keep and renew such licences, registrations, permits and approvals could have a material adverse effect on our business, financial condition, results of operation and cash flows.

For further details, see “*Risk Factors*” on page 32.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2025 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, derived from the Restated Financial Information:

(₹ in million)

Particulars	As at March 31, 2025
Letter of credit	53.11
Total	53.11

For further details, see “*Restated Financial Information – Notes to Restated Financial Information – Notes 40 and 41- Contingent liabilities and capital commitments*” on page 296 and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 320.

Summary of Related Party Transactions

A summary of related party transactions for the Fiscals 2025, 2024 and 2023, entered into by us with related parties as per Ind AS 24, read with the SEBI ICDR Regulations, derived from the Restated Financial Information is set forth below:

Name of related party	Nature of relationship	Nature of transaction	For the Fiscals ended					
			March 31, 2025		March 31, 2024		March 31, 2023	
			Amount (₹ in million)	% revenue from operations	Amount (₹ in million)	% revenue from operations	Amount (₹ in million)	% revenue from operations
Specialty fabrics Private Limited	Transactions with Subsidiaries and Enterprises over which Key Managerial Personnel have significant influence	Job work-sales	3.33	0.04%	4.89	0.10%	4.25	0.14%
Paraborne Systems LLP		Fabric sales	-	-	0.88	0.02%	6.56	0.22%
		Stores and Spares sale	-	-	2.76	0.06%	-	-
		Stores and Spares purchase	-	-	19.40	0.41%	-	-
Specialty fabrics Private Limited		Yarn purchase	4.28	0.05%	0.17	0.00%	-	-
4S Holdings		Rent paid	11.73	0.15%	9.66	0.21%	8.78	0.29%
Specialty fabrics Private Limited			6.00	0.08%	6.00	0.13%	-	-
Amita Soni			1.43	0.02%	1.39	0.03%	1.35	0.04%
Babita Kusumgar			1.43	0.02%	1.39	0.03%	1.35	0.04%
Sushmi Doshi			1.43	0.02%	1.39	0.03%	1.35	0.04%
Paraborne Systems LLP		Interest received	-	-	0.08	0.00%	0.44	0.01%
Kinnar Dhansukhlal Mehta		Fees paid to consultant	3.60	0.05%	-	-	-	-
Kiran Nagindas Shah			6.25	0.08%	-	-	-	-
Siddharth Kusumgar		Loan taken	194.09	2.49%	-	-	-	-
Sapna Kusumgar			90.08	1.16%	-	-	-	-
Siddharth Kusumgar		Interest paid	2.19	0.03%	-	-	-	-
Sapna Kusumgar			0.07	0.00%	-	-	-	-

Name of related party	Nature of relationship	Nature of transaction	For the Fiscals ended					
			March 31, 2025		March 31, 2024		March 31, 2023	
			Amount (₹ in million)	% revenue from operations	Amount (₹ in million)	% revenue from operations	Amount (₹ in million)	% revenue from operations
Siddharth Kusumgar		Loan repaid	194.09	2.49%	-	-	-	-
Sapna Kusumgar			90.08	1.16%	-	-	-	-
4S Holdings		Deposit given	0.10	0.00%	-	-	-	-
Amita Soni			0.10	0.00%	-	-	-	-
Babita Kusumgar			0.10	0.00%	-	-	-	-
Sushmi Doshi			0.10	0.00%	-	-	-	-
4S Holdings		Deposit received	17.50	0.22%	-	-	-	-

For details of the related party transactions and transactions eliminated on consolidation, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ and as reported in the Restated Financial Information see “Restated Financial Information- Note-43 - Related party disclosures” on page 299.

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters (including Promoter Selling Shareholders) in the last one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which specified securities were acquired by our Promoters (including Promoter Selling Shareholders), in the last one year preceding the date of this Draft Red Herring Prospectus is set forth below:

Name of Promoter/ Promoter Selling Shareholder	Number of Equity Shares acquired in the preceding one year	Weighted average price of Equity Shares acquired in the preceding one year*(₹)
Siddharth Yogesh Kusumgar [^]	65,694,630	Nil
Sapna Siddharth Kusumgar [^]	31,399,170	Nil
Siddharth Yogesh Kusumgar HUF [^]	4,335,000	Nil
Yogesh Kantilal Kusumgar	51,000	Nil

*As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

[^] Also a Promoter Selling Shareholder.

Notes:

- As on the date of this Draft Red Herring Prospectus, our Promoters do not hold any CCPS.
- Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each.
- Further, the Board of Directors has passed a resolution on January 29, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on February 20, 2025 in the ratio of 3 Equity Shares of ₹ 1 each for every 1 Equity Shares of ₹ 1 each.
- Further, the Board of Directors has passed a resolution on March 17, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on March 25, 2025 in the ratio of 11 Equity Shares of ₹ 1 each for every 40 Equity Shares of ₹ 1 each.

Weighted average cost of acquisition of all shares transacted in last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition for all Equity Shares acquired in one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus is mentioned below:

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition**	Range of acquisition price per Equity Share (Lowest price – Highest price) (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	217.72	[●]	0 – 365
Last 18 months preceding the date of this Draft Red Herring Prospectus	217.72	[●]	0 – 365
Last three years preceding the date of this Draft Red Herring Prospectus	217.72	[●]	0 – 365

*As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

**To be updated upon finalization of the Price Band

Notes:

1. The Board of Directors has passed a resolution on January 29, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on February 20, 2025 in the ratio of 3 Equity Shares of ₹ 1 each for every 1 Equity Shares of ₹ 1 each.
2. The Board of Directors has passed a resolution on March 17, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on March 25, 2025 in the ratio of 11 Equity Shares of ₹ 1 each for every 40 Equity Shares of ₹ 1 each.

Average cost of acquisition of Equity Shares by our Promoters (including Promoter Selling Shareholders)

The average cost of acquisition of Equity Shares of face value of ₹ 1 each by Promoters (including Promoter Selling Shareholders) as at the date of this Draft Red Herring Prospectus, is set forth below:

Name	Number of Equity Shares of ₹ 1 each held	Average cost of acquisition per Equity Share of face value of ₹ 1 each (₹)*
Promoters		
Siddharth Yogesh Kusumgar [^]	61,884,021	Nil
Sapna Siddharth Kusumgar [^]	29,561,148	Nil
Siddharth Yogesh Kusumgar HUF [^]	3,485,000	Nil
Yogesh Kantilal Kusumgar	51,000	219.61

*As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

[^]Also a Promoter Selling Shareholder.

Notes:

1. The Board of Directors has passed a resolution on January 29, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on February 20, 2025 in the ratio of 3 Equity Shares of ₹ 1 each for every 1 Equity Shares of ₹ 1 each.
2. The Board of Directors has passed a resolution on March 17, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on March 25, 2025 in the ratio of 11 Equity Shares of ₹ 1 each for every 40 Equity Shares of ₹ 1 each.

Details of the price at which specified securities were acquired in the last three years immediately preceding the date of this Draft Red Herring Prospectus by our Promoters (including Promoter Selling Shareholders), members of our Promoter Group and Shareholders entitled with right to nominate directors or any other rights in the last three years preceding the date of this Draft Red Herring Prospectus

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoters (including Promoter Selling Shareholders) and members of the Promoter Group.

Equity Shares

Name of the acquirer	Date of allotment of Equity Shares	Number of Equity Shares acquired	Face value per Equity Shares (in ₹)	Acquisition price per Equity Shares (in ₹)
Promoters (including Promoter Selling Shareholders)				
Siddharth Yogesh Kusumgar [^]	October 1, 2024	12,881,300	-	Nil [#]
	February 20, 2025	38,643,900	1	Nil*
	March 25, 2025	14,169,430	1	Nil*
Sapna Siddharth Kusumgar [^]	October 1, 2024	6,156,700	-	Nil [#]
	February 20, 2025	18,470,100	1	Nil*
	March 25, 2025	6,772,370	1	Nil*
Siddharth Yogesh Kusumgar	October 1, 2024	850,000	-	Nil [#]

Name of the acquirer	Date of allotment of Equity Shares	Number of Equity Shares acquired	Face value per Equity Shares (in ₹)	Acquisition price per Equity Shares (in ₹)
HUF [^]	February 20, 2025	2,550,000	1	Nil*
	March 25, 2025	935,000	1	Nil*
Yogesh Kantilal Kusumgar	October 1, 2024	10,000	-	Nil [#]
	February 20, 2025	30,000	1	Nil*
	March 25, 2025	11,000	1	Nil*
Members of the Promoter Group (other than Promoters)				
Concord Weaving Preparatory Private Limited	October 1, 2024	500	-	Nil [#]
	February 20, 2025	1,500	1	Nil*
	March 25, 2025	550	1	Nil*
Sia Siddharth Kusumgar	October 1, 2024	500	-	Nil [#]
	February 20, 2025	1,500	1	Nil*
	March 25, 2025	550	1	Nil*
Sanay Siddharth Kusumgar	October 1, 2024	500	-	Nil [#]
	February 20, 2025	1,500	1	Nil*
	March 25, 2025	550	1	Nil*
Kusumgar Holdings LLP	October 1, 2024	500	-	Nil [#]
	February 20, 2025	1,500	1	Nil*
	March 25, 2025	550	1	Nil*
Shareholders entitled with right to nominate directors or any other rights				
Motilal Oswal Finvest Limited	September 24, 2025	1,643,836	1	365
Edelweiss Discovery Fund Series I	September 24, 2025	1,369,863	1	365
Spark Midas investment Fund I	September 24, 2025	1,095,890	1	365
WhiteOak Capital India Opportunities Fund	September 24, 2025	575,342	1	365
Asoka India Equity Investment Trust PLC	September 24, 2025	575,342	1	365
Frangipani Capital Advisors LLP	September 24, 2025	410,959	1	365
Ara Investments	September 24, 2025	82,192	1	365
Ashoka WhiteOak Emerging Markets Trust PLC	September 24, 2025	49,315	1	365
WhiteOak Capital Equity Fund	September 24, 2025	32,877	1	365
Tibrewala Electronics Limited	September 24, 2025	32,877	1	365

[^]Also a Promoter Selling Shareholder.

[#]Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each.

Notes:

- As on the date of this Draft Red Herring Prospectus, our Promoters do not hold any CCPS.
- Further, the Board of Directors has passed a resolution on January 29, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on February 20, 2025 in the ratio of 3 Equity Shares of ₹ 1 each for every 1 Equity Shares of ₹ 1 each.
- Further, the Board of Directors has passed a resolution on March 17, 2025 and approved the issue of bonus Equity Shares in its meeting which was further approved by shareholders in the meeting held on March 25, 2025 in the ratio of 11 Equity Shares of ₹ 1 each for every 40 Equity Shares of ₹ 1 each.

CCPS

Name of the acquirer	Date of allotment of CCPS	Number of CCPS acquired	Face value per CCPS (in ₹)	Acquisition price per CCPS (in ₹)
Promoters (including Promoter Selling Shareholders)				
Nil				
Members of the Promoter Group (other than Promoters)				
Nil				
Shareholders entitled with right to nominate directors or any other rights				

Name of the acquirer	Date of allotment of CCPS	Number of CCPS acquired	Face value per CCPS (in ₹)	Acquisition price per CCPS (in ₹)
Motilal Oswal Finvest Limited	September 24, 2025	1,095,890	5	365
Edelweiss Discovery Fund Series I	September 24, 2025	684,932	5	365
Spark Midas investment Fund I	September 24, 2025	547,945	5	365
Frangipani Capital Advisors LLP	September 24, 2025	273,973	5	365
WhiteOak Capital India Opportunities Fund	September 24, 2025	383,562	5	365
Asoka India Equity Investment Trust PLC	September 24, 2025	383,562	5	365
Ara Investments	September 24, 2025	54,795	5	365
Ashoka WhiteOak Emerging Markets Trust PLC	September 24, 2025	32,877	5	365
WhiteOak Capital Equity Fund	September 24, 2025	21,918	5	365
Tibrewala Electronics Limited	September 24, 2025	21,918	5	365

Note: As on the date of this Draft Red Herring Prospectus, our Promoters do not hold any CCPS.

Details of pre-IPO placement

Our Company does not contemplate any issuance or placement of Equity Shares by way of a pre-IPO placement till the listing of the Equity Shares.

Issue of equity shares of our Company for consideration other than cash in the last one year (excluding bonus issuance)

Our Company has not issued any Equity Shares for consideration other than cash (excluding bonus issuances) during a period of one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of equity shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the last one year preceding the date of this Draft Red Herring Prospectus:

Date of shareholders resolution	Particulars
October 1, 2024	Each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Consequently, the authorised share capital of our Company was sub-divided from 300,000 equity shares of face value of ₹100 each into 30,000,000 Equity Shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up Equity Share capital of our Company was sub-divided from 199,000 equity shares of face value of ₹100 each into 19,900,000 Equity Shares of face value of ₹ 1 each.

For details, see “Capital Structure – Notes to the Capital Structure-Equity share capital history of our Company” on page 90.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares pursuant to the Offer.

This section should be read in conjunction with “Industry Overview”, “Our Business”, “Restated Financial Information”, “Key Regulations and Policies in India”, “Outstanding Litigation and Material Developments” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 132, 179, 254, 205, 359 and 320, respectively, before making an investment decision in relation to our Equity Shares.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us or the Equity Shares or the industry in which we operate. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial could also have an adverse effect on our business, financial condition, results of operations and cash flows. If any of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, financial condition, results of operations and cash flows could be adversely affected, and the trading price of the Equity Shares could decline and you could lose all or part of your investment.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors.

This section contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements. For details, see “Forward-Looking Statements” on page 20.

All references in this section to a particular fiscal year or Fiscal are to the 12-month period ended on March 31 of that particular calendar year.

*Unless otherwise indicated, industry and market data used in this section has been obtained and derived from the report titled Engineered Fabrics Industry Report dated September 26, 2025 (the “**1Lattice Report**”), which was prepared by Lattice Technologies Private Limited (“**Lattice**”). We have exclusively commissioned and paid Lattice to prepare the 1Lattice Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated February 3, 2025. The industry related information included herein includes excerpts from the 1Lattice Report and such excerpts may have been re-ordered by us for the purposes of presentation; however, there are no parts, data or information in the 1Lattice Report that may be relevant for the Offer that have been left out or changed in any manner. For more details on the 1Lattice Report, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data”, “– 54. Statistical and industry data in this Draft Red Herring Prospectus are derived from the 1Lattice Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the 1Lattice Report for making an investment decision in the Offer is subject to inherent risks” and “Industry Overview” beginning on pages 18, 65 and 132, respectively. The 1Lattice Report forms part of the material documents for inspection and will be accessible on our Company’s website at <https://www.kusumgar.com/investor-relations/home/> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.*

INTERNAL RISKS

- 1. We derived 48.06% and 28.81% of our revenue from contracts with customers for Fiscal 2025 from our Aerospace and Defence Fabrics and Aerospace and Defence Solutions market segments, respectively. If there is any decline in demand for aerospace and defence fabrics and aerospace and defence solutions, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We manufacture products primarily for four market segments: (i) Aerospace and Defence Fabrics; (ii) Aerospace and Defence Solutions; (iii) Industrial and Automotive Fabrics; and (iv) Outdoor and Lifestyle Fabrics. For more details, see “Our Business - Overview” on page 179.

The table below sets forth our revenue for each of our four market segments, as well as other sales, and such revenue from contracts with customers as percentage of revenue from contracts with customers for the periods indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Fabrics	3,700.92	48.06%	3,134.88	68.79%	1,440.52	48.77%
Aerospace and Defence Solutions	2,219.02	28.81%	8.64	0.19%	46.93	1.59%
Industrial and Automotive Fabrics	1,126.34	14.63%	1,113.86	24.44%	1,131.12	38.30%
Outdoor and Lifestyle Fabrics	569.00	7.39%	291.65	6.40%	311.61	10.55%
Other sales	85.67	1.11%	7.92	0.17%	23.33	0.79%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Although we have a comprehensive suite of products, as shown in the above table, our business is currently highly dependent on Aerospace and Defence Fabrics and Aerospace and Defence Solutions.

The aerospace and defence industry experiences significant growth, driven by rising geopolitical tensions and a surge in defence spending globally (*source: ILattice Report*). The ILattice Report notes that global defence spending is projected to grow at a CAGR of approximately 5.1% from 2024-2030, to reach approximately US\$3.4 trillion in 2030 (*source: ILattice Report*). Furthermore, geopolitical tensions are accelerating investments in resilient, cutting-edge solutions and creating a steady demand for specialised materials (*source: ILattice Report*). Additionally, government policies supporting indigenous production are strengthening indigenous capabilities and ensuring long-term sustainability (*source: ILattice Report*).

Our high dependence on Aerospace and Defence Fabrics and Aerospace and Defence Solutions exposes us to risks related to fluctuations in demand, pricing pressures, and competitive dynamics within products for Aerospace and Defence Fabrics and Aerospace and Defence Solutions. If there is any decline in demand for Aerospace and Defence Fabrics products it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

- Our top customer and our top 10 customers contributed 28.90% and 84.69%, respectively, of our revenue from contracts with customers for Fiscal 2025. Any decrease in sales to such customers or the loss of such customers could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We have derived and expect to continue to derive a significant portion of our revenue from our top 10 customers, which exposes us to customer concentration risks. The table below sets forth details of our revenues from our top 10 customers in each of the periods indicated:

Particulars ⁽¹⁾	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers
Top customer	2,225.88	28.90%	2,153.40	47.26%	295.03	9.99%
Top 5 customers	5,715.48	74.22%	3,120.61	68.48%	1,106.79	37.47%
Top 10 customers	6,522.00	84.69%	3,653.67	80.18%	1,523.76	51.59%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Notes:

(1) These customers represent the top 10 customers for each of the respective years and may not necessarily be the same customers across the years. For Fiscals 2025, 2024 and 2023, our top 10 customers included nine companies who did not consent to disclose their name. We have received consent from Decathlon Sports India Private Limited (“Decathlon”), a wholly-owned subsidiary of Decathlon S.A., a French sportswear and athletic equipment retailer, to name Decathlon as a customer in this Draft Red Herring Prospectus. We do not contract directly with Decathlon S.A. We contract with fabricators to Decathlon who supply finished products to Decathlon S.A. These fabricators, in aggregate, were one of our top 5 customers in Fiscals 2025, 2024 and 2023.

We generally do not maintain long-term agreements with our customers, and we did not have long-term agreements with any of our top 10 customers for Fiscal 2025. As a result, our top customer generally varies from year to year, leading to volatility in our top customer contribution. For details, see “- 20. We generally do not have long-term agreements for the sale of our products. If our customers choose not to source their requirements from us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows” on page 46. The maintenance of customer relationships could be affected by a variety of factors including our customer service, the quality of our products and our ability to meet customer specifications, pricing, competition, the effects of general economic conditions, customer spending ability and force majeure. The loss of any of our top 5 customers for Fiscal 2025 or a loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

3. ***In order to get better pricing by buying in larger volumes, we generally buy the primary materials we need from a few suppliers. For Fiscal 2025, our cost of materials consumed purchased from our top 10 suppliers represented 35.72% of our cost of materials consumed. We have not entered into long-term agreements with these suppliers and if any of our top 10 suppliers ceased selling us the materials we require in the quantities we need, and we were unable to find a supplier to replace it, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business depends on the availability of reasonably priced, high quality materials in the quantities we require. We use a wide range of materials in our manufacturing process. Our primary materials comprise synthetic yarn of various types and chemicals such as polyurethane resin and fabric lamination films. We do not enter into long-term contracts with material suppliers; we purchase our materials on a purchase order basis. In order to get better pricing by buying in larger volumes, we generally buy the primary materials we need from a limited number of suppliers, which, as shown in the table below, has resulted in a concentration in our suppliers.

The table below sets forth details of our cost of material consumed from our top 10 suppliers in each of the fiscal years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Cost (₹ in million)	% of cost of material consumed	Cost (₹ in million)	% of Cost of material consumed	Cost (₹ in million)	% of Cost of material consumed
Top supplier	419.53	11.30%	550.66	27.49%	274.03	17.84%
Top 5 suppliers	1,167.42	31.44%	1,119.86	55.91%	774.31	50.41%
Top 10 suppliers ⁽¹⁾	1,326.40	35.72%	1,325.03	66.16%	977.25	63.62%
Cost of material consumed	3,713.71	100.00%	2,002.86	100.00%	1,535.96	100.00%

Notes:

(1) These suppliers represent the top 10 suppliers for each of the respective fiscal years and may not necessarily be the same suppliers across the fiscal years. None of our top 10 suppliers for the fiscal years indicated have consented to be named in this Draft Red Herring Prospectus.

We generally have alternate suppliers for our materials, and there have been no instances since April 1, 2022 where we have not been able to purchase the materials we need for our business. None of our top 10 suppliers in Fiscals 2024 and 2023 ceased to be our supplier in Fiscal 2025. However, there can be no assurance that this will always be the case and if any of our top suppliers ceases to sell us the materials that we require in the quantities we need and we are unable to find one or more suppliers to replace the same, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

4. ***Any shortfall in the supply of materials or significant increases in material prices could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We do not enter into long-term contracts with material suppliers; we purchase our materials on a purchase order basis. We strive to have more than one supplier for each of our unique fabric configurations (known as stock keeping units, or SKU). The absence of long-term contracts with our suppliers exposes us to the risk of being

unable to obtain the materials in the quantities required by us and at the price points required by us. This may lead to unforeseen increases in material prices. We generally have alternate suppliers for our materials, and there have been no instances since April 1, 2022 where we have not been able to purchase the materials we need for our business. For details on the risk in relation to supply, see “- 3. In order to get better pricing by buying in larger volumes, we generally buy the primary materials we need from a few suppliers. For Fiscal 2025, our cost of materials consumed purchased from our top 10 suppliers represented 35.72% of our cost of materials consumed, respectively. We have not entered into long-term agreements with these suppliers and if any of our top 10 suppliers ceased selling us the materials we require in the quantities we need, and we were unable to find a supplier to replace it, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.” on page 34.

The cost of materials consumed plus changes in inventories of finished goods and semi-finished goods together represents a significant percentage of our total expenses and revenue from operations. The table below set forth our cost of materials consumed plus changes in inventories of finished goods and semi-finished goods and such expenses as a percentage of revenue from operations for the periods indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
Cost of materials consumed [A] (₹ in million)	3,713.71	2,002.86	1,535.96
Changes in inventories of finished goods and semi-finished goods [B] (₹ in million)	(111.76)	(232.62)	(145.98)
Cost of materials consumed and changes in inventories of finished goods and semi-finished goods [C = A + B] (₹ in million)	3,601.95	1,770.24	1,389.98
Cost of materials consumed and changes in inventories of finished goods and semi-finished goods as a percentage of total expenses [D = C/G] (%)	56.33%	49.24%	54.63%
Cost of materials consumed and changes in inventories of finished goods and semi-finished goods as a percentage of revenue from contracts with customers [E = C/F] (%)	46.24%	37.83%	47.06%
Revenue from contracts with customers [F] (₹ in million)	7,789.97	4,679.08	2,953.52
Total expenses [G] (₹ in million)	6,394.29	3,594.80	2,544.38

For more details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant factors - Cost of Materials Consumed and Changes in Inventories of Finished Goods and Semi-Finished Goods” on page 323.

The availability and the prices of the materials that we need are affected by numerous factors beyond our control, including, among others, international trade policies, production capacity and transportation costs. For example, heavy reliance on petrochemical-based inputs (polyester, polypropylene, nylon) exposes the industry to crude oil price fluctuations, international trade policies (such as US tariff implications), changes in global demand, which impact availability and cost stability (source: *ILattice Report*).

Furthermore, we import materials, such as synthetic yarn of various types, chemicals, such as polyurethane resin and fabric lamination films, from certain jurisdictions and countries, in particular Taiwan. The table below sets out our cost of imported materials consumed as a percentage of the total cost of materials consumed for the periods indicated:

Particulars	Year ended March 31,					
	2025		2024		2023	
	Cost (₹ in million)	As a percentage of cost of materials consumed (%)	Cost (₹ in million)	As a percentage of cost of materials consumed (%)	Cost (₹ in million)	As a percentage of cost of materials consumed (%)
Cost of imported material consumed	1,037.01	27.92%	1,064.50	53.15%	714.30	46.51%
Of which:						
Taiwan	806.84	21.73%	802.01	40.04%	431.63	28.10%
Others ⁽¹⁾	230.17	6.20%	262.49	13.11%	282.67	18.40%
Cost of materials consumed	3,713.71	100.00%	2,002.86	100.00%	1,535.96	100.00%

Note:

(1) Other refers to countries which supply less than 10.00% of total cost of materials.

Countries impose, modify, and remove tariffs and other trade restrictions in response to factors, such as global and national economic and political conditions. This results in sustained uncertainty about, or worsening of, current global economic and political conditions and escalations of trade tensions could result in a global economic slowdown and long-term changes to global trade, including retaliatory trade restrictions. The Indian Government may take administrative, legislative or regulatory action that could interfere with our ability to purchase supplies from such countries, such as trade restrictions, including tariffs, changes to de minimis thresholds, quotas, embargoes, safeguards, and customs restrictions, could increase the cost or reduce the supply of our imported materials, could increase shipping times, or may require us to modify our supply chain organization or other current business practices, any of which could adversely affect our business, results of operations and financial condition. As a result, we may be required to seek domestic suppliers instead of our current foreign suppliers, and there is no assurance that we will be able to find alternative suppliers that meet our requirements. Any disruptions to the supply of imported materials could cause delays in our manufacturing and delivery times, thereby, have an adverse effect on our business, results of operations and financial condition. Further, any alterations to our business strategy or operations made in order to adapt to or comply with any such changes would be time-consuming and expensive.

If the prices of the materials that we need rapidly increase, we may be unable to increase our product prices in sufficient time to fully offset increasing material prices. Our ability to transfer increases in material costs to our customers is dependent on, among other factors, market conditions as well as pricing of similar products by our competitors. In the past, we have been successful in transferring increases in material costs to customers through increased product prices, although there has typically been a time lag. However, to the extent that we are not able to transfer increases in costs to our customers, or if there is a significant lag in transferring increases in costs to our customers, our business, results of operations, financial condition and cash flows could be adversely affected.

5. *If we are unable to respond to changing customer preferences in a timely and effective manner, it could have an adverse effect on our business, results of operations and financial condition.*

Our focus on product innovation based on customer requirements has been critical to our success and has helped us to develop an extensive range of engineered fabrics and related end-products. We consider factors such as functionality, safety and user comfort, which allows us to develop new and differentiated products and respond to evolving industry trends and our customers' preferences. We intend to further diversify our product portfolio by investing in technology, equipment and people with the aim of delivering high-quality, innovative and technology-driven products in response to customer requirements, thereby strengthening our relationships with our customers across a range of product categories.

As at March 31, 2025, our R&D team comprised 27 employees. Our R&D expenses primarily comprise employees' salaries, testing charges paid to external providers and product development costs, including the cost of machinery and materials such as chemicals and yarn. The table below sets out our R&D team salaries and testing charges (research and development) and such expenses as a percentage of our revenue from contracts with customers for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million, except percentages		
R&D team salaries [A]	17.47	12.16	8.65
Testing charges (research and development) [B]	12.31	4.32	6.74
Total ⁽¹⁾ [C = A+B]	29.78	16.48	15.39
Total as a percentage of revenue from contracts with customers [D = C/E] (%)	0.39%	0.36%	0.52%
Revenue from contracts with customers [E]	7,700.95	4,556.94	2,953.52

Note:

(1) We do not separately track internal testing costs and product development costs, including the cost of machinery and materials such as chemicals and yarn.

Though we strive to align our products with the requirements of our customers, there can be no assurance that we will be able to secure the necessary knowledge or knowhow through our own in-house product development that will allow us to continue to develop our products in accordance with the requirements of our customers. As a result, there is a risk that our investments in R&D may not necessarily translate into increased customer orders and increased revenue from operations.

Furthermore, certain of our products, particularly those developed for the defence sector, require long

development cycles and significant resource allocation. There is a risk that such products may become redundant due to evolving customer requirements, technological changes, or delays in approval or procurement processes. This could result in non-recoverable development costs and impact our financial performance.

Our growth may depend in part on our ability to respond to technological advancement and emerging standards and practices on a cost-effective and timely basis. If we are unable to continuously develop new products that cater to customers' demands and requirements, or if we are unable to optimise our processes, our business, financial condition, results of operation and cash flows could be adversely affected.

6. *Failure to keep our technical knowledge confidential or to protect our intellectual property could erode our competitive advantage and have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We possess technical knowledge and know-how about our products, manufacturing processes and materials expertise and automation capabilities that we have built up through our own research and development capabilities. While we rely on a combination of confidentiality procedures and contractual provisions to protect our intellectual property, we cannot be certain that the steps we have taken will be sufficient to prevent unauthorised use of our intellectual property. As a result, we cannot be certain that our technical knowledge will remain confidential.

Certain proprietary knowledge could be leaked, either inadvertently or wilfully, by our employees. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees could leave us and join our various competitors. Although we seek to enforce non-disclosure agreements with our key employees to protect our proprietary technical knowledge and other confidential information, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with some of our customers, but such agreements may not be successful in protecting our technical knowledge and know-how.

Furthermore, our business primarily focuses on the manufacturing of high-quality engineered fabrics and related end-products, which relies on customer-specific product designs. When a customer selects a design, we may use it exclusively for that customer without acquiring any proprietary design rights. This dependency means that if our proprietary designs or technical knowledge are leaked, our ability to produce unique products that differentiate us in the market could be compromised. Furthermore, as we are primarily a business-to-business seller, many of our customers own the intellectual property related to the product we manufacture for them and those customers prefer to maintain the flexibility of having multiple suppliers. This lack of exclusive intellectual property rights limits our ability to build a proprietary product portfolio and capitalize on successful designs across multiple customers, making us vulnerable to competitors who can offer similar products. In the event that the confidential technical information in respect of our products becomes available to third parties, any competitive advantage we may have over other companies in the technical textiles industry could be compromised.

If a competitor is able to reproduce or otherwise capitalise on our technology, it could be difficult, expensive or impossible for us to obtain necessary legal protection. Moreover, we may not be able to detect any unauthorised use or to take appropriate and timely actions to protect our confidential technical information.

Since April 1, 2022, nothing has come to our attention to cause us to believe that our confidential technical information has been leaked. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, financial condition, results of operations and cash flows.

As at the date of this Draft Red Herring Prospectus, our Company does not own any registered trademarks. However, our Company has filed an application for change in the name of the proprietor to reflect the name of our Company in respect of certain trademarks, including the mark "KUSUMGAR", together with the associated copyrights in the artistic works subsisting therein, which have been assigned to our Company pursuant to a deed of assignment dated September 13, 2025. There can be no assurance that such application will be approved. Since April 1, 2022, nothing has come to our attention to cause us to believe that our "Kusumgar" brand has been imitated.

7. *All six of our manufacturing facilities are in the state of Gujarat. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat could have an adverse effect on our business, results of operations, financial condition and cash flows.*

All six of our manufacturing facilities are in Gujarat. Due to the geographic concentration of our manufacturing

facilities, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political changes and other unforeseen events and circumstances. Further, any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet production schedules, which could adversely affect our business, results of operations, financial condition and cash flows. Since April 1, 2022, our manufacturing facilities have not been affected by any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Gujarat.

8. Our exports accounted for 23.22% of revenue from contracts with customers for Fiscal 2025. Any changes in government regulations or policies affecting international trade may have an adverse effect on our business, results of operations and financial condition.

Our exports to international markets accounted for 23.22%, 25.62% and 38.81% of revenue from contracts with customers for Fiscal 2025, 2024, and 2023, respectively. The tables below set out our revenue from exports by region and country and revenue from exports by country as a percentage of the revenue from contracts with customers for the Fiscals indicated:

Location of customer	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers
Within India	5,912.88	76.78%	3,389.51	74.38%	1,807.25	61.19%
Outside India	1,788.07	23.22%	1,167.43	25.62%	1,146.27	38.81%
Of which:						
United States	678.94	8.82%	465.58	10.22%	520.46	17.62%
European Union	611.75	7.94%	348.95	7.66%	129.14	4.37%
Of which:						
Germany	403.52	5.24%	276.60	6.07%	129.14	4.37%
Others ⁽¹⁾	497.37	6.46%	352.89	7.74%	496.67	16.82%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Note:

(1) Other refers to countries which supply less than 10.00% of total cost of materials.

For Indian exporters, higher tariffs could dampen business sentiment and reduce international demand for manufactured products (*source: ILattice Report*). Countries impose, modify, and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it impossible for us to predict future developments regarding tariffs and other trade restrictions. The scope, duration and frequency of these tariffs, along with potentially retaliatory trade restriction measures and the adverse effects of such tariffs remain uncertain and could be severe. Government regulations or policies, deterioration in economic conditions or escalation of trade tensions may affect demands for our products, leading to a corresponding decline in demand for our products which may result in an adverse effect on our business, results of operations and financial condition. Trade restrictions, including tariffs, changes to de minimis thresholds, quotas, embargoes, safeguards, and customs restrictions, could increase the cost of our products and/or increase shipping times, any of which could adversely affect our business, results of operations and financial condition.

On July 31, 2025, the United States announced tariffs of approximately 25% on most Indian goods, including engineered fabrics. Effective August 27, 2025, this new tariff brings the total additional duty on Indian products to 50% (*source: ILattice Report*). Our two biggest customers in the United States in Fiscal 2025, with combined revenue of ₹492.92 million, which represented 73.47% of our revenue from customers in the United States for Fiscal 2025, have instructed us to supply our products to manufacturing facilities outside the United States.

9. We operate in a competitive business environment. Failure to compete effectively against our competitors would have a material adverse effect on our business, financial condition, results of operations and cash flows.

The markets in which we sell our products are competitive and we face competition from organized and unorganized engineered fabric manufacturers in India and overseas. For details on our competitors, see “Our

Business - Competition” and *“Industry Overview – Company overview and financial benchmarking”* on pages 201 and 174, respectively.

For details on operational benchmarking for us and our competitors in India, see *“Industry Overview- Operational benchmarking”* on page 177. For details on financial benchmarking for us and our competitors in India, see *“Industry Overview- Financial benchmarking”* on page 175. In addition, for details in relation to a comparison of the KPIs and certain Ind AS financial measures of our Company with our peer group, see *“Basis for Offer Price - Comparison of KPIs with our listed peers in India”* on page 120.

We compete on the basis of technology, technical qualifications, price, and our ability to fulfil our contractual obligations, including the quality of products and the timely delivery of the products. Our competitors may have substantially greater financial, management, research and marketing resources than we have as a result of which they may be able to utilise their resources and economies of scale to develop improved products and divert sales away from us.

Furthermore, our competitors’ actions, including expanding manufacturing capacity or the entry of new competitors into our market, could cause us to lower prices in an effort to maintain our sales volume. In addition, customers could decide to compete with us as by backward integrating their operations.

If we fail to compete effectively, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

10. *We are required to obtain and maintain a number of statutory and regulatory approvals for carrying out our business. A failure to obtain, keep and renew such licences, registrations, permits and approvals could have a material adverse effect on our business, financial condition, results of operation and cash flows.*

We are required to obtain and maintain a number of statutory and regulatory licences, permits and approvals in India, generally for carrying out our business and for each of our manufacturing facilities. For further details on regulatory licences, permits and approvals in India, including in relation to their validity, as applicable, see *“Government and Other Approvals”* on page 364.

A majority of these approvals, including the consent to operate, are granted for a limited duration and they require renewal from time to time. While we will plan to apply for renewal of these approvals as and when they are due to expire, we cannot assure you that such renewals will be issued or granted to us in a timely manner, or at all. For details, see *“Government and Other Approvals – Pending Material Approvals”* on page 366. If we do not receive such approvals or are not able to renew the approvals in a timely manner, we may be subject to penalties and/or suspension of our operations at a facility that does not have the requisite licenses or approvals, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Since April 1, 2022, there have been no instances where we failed to obtain an approval, licence, registration, consent or permit necessary for us to conduct our business.

Further, the approvals, licences, registrations, and permits issued by relevant central and state authorities under various rules and regulations are subject to various conditions. Any failure by us to continuously meet such conditions could lead to cancellation, revocation or suspension of such approvals, licenses, registrations, and permits. Failure by us to comply with the applicable regulations or amendments to the regulations governing our business could cause us to incur increased compliance costs, be subject to penalties, have our licences, approvals and permits revoked or suffer a disruption in our operations, any of which could have a material adverse effect on our business and results of operations. Since April 1, 2022, none of our approvals, licences, registrations, consents and permits have been suspended or revoked for non-compliance with any terms or conditions thereof or pursuant to any regulatory action.

11. *Our Company, Directors and Promoters are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.*

There are outstanding legal and regulatory proceedings involving our Company and certain of our Directors and Promoters that are pending at different levels of adjudication before various courts, tribunals and other authorities. The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name	Criminal proceedings (number)	Tax proceedings (number)	Actions taken by statutory or regulatory authorities	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material litigation# (number)	Aggregate* amount involved (₹ in million)
Company						
By our Company	1	Nil	Nil	N.A.	Nil	1.00
Against our Company	Nil	2	Nil	N.A.	1	N.A.
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Subsidiaries	Nil	Nil	Nil	N.A.	Nil	N.A.
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Directors	Nil	1^	Nil	N.A.	Nil	N.A.
Promoters						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	N.A.
Against our Promoters	Nil	1	Nil	Nil	Nil	N.A.
Key Managerial Personnel or Senior Management						
By our KMP or Senior Management	Nil	N.A.	Nil	N.A.	N.A.	N.A.
Against our KMP or Senior Management	Nil	N.A.	Nil	N.A.	N.A.	N.A.

Notes:

* To the extent quantifiable.

Determined in accordance with the Materiality Policy.

^ Includes one outstanding tax litigation involving Sapna Siddharth Kusumgar, one of our Individual Promoters and the Joint Managing Director of our Company, and as appearing under “– Tax Proceedings – Against our Promoters”.

Further, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company.

Further, our Company filed an adjudication application dated September 20, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC in relation to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issues of Equity Shares by our Company on February 20, 2025 and March 25, 2025. For further information, see “*Outstanding Litigation and Material Developments*” on page 359. Such proceedings could divert the management’s time, efforts and attention and consume financial resources in their defence or prosecution. We cannot assure you that any of the outstanding matters will be settled in favour of our Company, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, financial condition, results of operations, cash flows and reputation.

12. Our operations are significantly dependent on our manufacturing facilities. Any breakdown or shutdown of any of our manufacturing facilities could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our manufacturing operations are currently undertaken at our six manufacturing facilities. The following table summarizes the market segments primarily served by products manufactured at these facilities:

Sr. No.	Facility	Address	Market Segments
1	Vapi	Plot No. 1809, Chhiri Village, Vapi Taluka, Valsad District, Gujarat, India	• Aerospace and Defence Fabrics • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics
		Plot No 1808, Chhiri Village, Vapi, Valsad, Gujarat-396195	
2	Karanj	Block No. 172, Old Block No. 157, Village: Kothwa, Taluka	• Aerospace and Defence Fabrics

Sr. No.	Facility	Address	Market Segments
		Mangrol, Dist. Surat-394110	• Aerospace and Defence Solutions • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics
3	Kothwa weaving unit	Block No. 183,184 and 112, Plot no 6 & 7, Shahlon Textile Park Pvt Ltd, Village Kothwa Taluka	• Aerospace and Defence Fabrics • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics
4	Kosamba 1	Plot No.10 & 11 Fairdeal Textile Park, Village Mahuvej, Taluka: Managrol, Dist: Surat, Gujarat	• Aerospace and Defence Fabrics • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics
5	Kosamba 2	New Block 602, Old block No. 692/A, Fairdeal textile park, Plot No Composite Unit-2, Mangrol, Mahuvaj, Surat-394125	• Aerospace and Defence Fabrics • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics
6	ECFPL	New Khata No. 692, New survey no 1000 (Old survey no 153 +154+170/1/P1), Pardi, Paria Road, Village: Khadki, Tal: Pardi, Dist: Valsad, Gujarat	• Aerospace and Defence Fabrics • Industrial and Automotive Fabrics • Outdoor and Lifestyle Fabrics

For further details, see “*Our Business – Properties*” on page 202.

Our manufacturing facilities are subject to operating risks that could significantly affect our ability to manufacture and deliver our products. These risks include the breakdown or failure of equipment, which can halt production and require costly repairs, a shortage or unavailability of electricity or water, which can disrupt operations, and industrial accidents, which can lead to safety concerns and operational delays. Additionally, labour disputes could result in work stoppages, while political instability might affect our supply chain and operational stability. Natural disasters, such as floods or earthquakes, pose a threat to our infrastructure, and epidemics or pandemics, like the COVID-19 pandemic, can lead to workforce shortages and supply chain disruptions. Furthermore, significant social, political or economic disruptions in the locations where our manufacturing facilities are located can adversely affect our operations, potentially leading to increased costs or delays. Moreover, the need to comply with directives from relevant government authorities may require us to adapt our operations, potentially impacting our production schedules and costs. The risks associated with potential shutdowns are even more significant, given that certain of our products are manufactured in a limited number of locations because of the specialized machinery necessary to produce engineered fabrics. For more details, see “- 46. *A shortage or unavailability of electricity or water could affect our manufacturing operations and have an adverse effect on our business, financial condition, results of operations and cash flows.*” on page 61, “- 39. *Our operations involve activities and materials that are hazardous in nature. Serious mishaps could result in a suspension of operations, injury to our or their personnel and/or the imposition of civil or criminal liabilities, any of which could adversely affect our business, results of operations, cash flows and financial condition.*” on page 57, “- 34. *We could be subject to industrial unrest, which could adversely affect our business, financial condition, results of operations and cash flows.*” on page 54 and “- 55. *The occurrence of natural disasters and man-made disasters could adversely affect our business, financial condition, results of operations and cash flows.*” on page 65. Since April 1, 2022, we have not experienced any material disruptions at our manufacturing facilities, and we have neither paid damages to our customers nor had any orders cancelled due to delays in delivery or failure to deliver our products.

We have insurance covering us for costs incurred in the event that one of our manufacturing facilities suffers a breakdown or shutdown due to events outside of our control, such as natural disasters. However, this insurance policy does cover us in the event of war, or for loss of profits.

If in the future we may experience any breakdown or shutdown of any our manufacturing facilities, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

13. *We operate a working capital intensive business. Any failure to secure funds to meet our working capital requirements could have a material adverse effect on our business, results of operations, financial condition and cash flows.*

Our business requires a significant amount of working capital, as there is a considerable time lag between the purchase of materials and the payment from our customers, with an average working capital cycle of 90 to 180 days. We are, therefore, required to maintain a sufficient stock of materials at all times in order to meet manufacturing requirements, and have sufficient capital for our operations until we are able to recover costs upon delivery of products, which in turn affects our working capital requirements. We have primarily funded our

working capital requirements through borrowings and internal accruals. Consequently, there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may be required to incur additional indebtedness or utilize internal accruals to satisfy our working capital requirements.

While our Net Working Capital was negative in Fiscal Years 2023 and 2024, our business remains working capital intensive due to the nature of our operations and inventory requirements. Notably, our Trade Receivables Days have shown a declining trend, indicating improved receivables management.

The table below sets forth our Net Working Capital, trade receivables, trade payables and inventories as at the dates indicated and our Working Capital Cycle (in days), Trade Receivables Days, Trade Payables Days and Inventories Days for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
Net Working Capital ^{(1)(*)} (₹ in million)	645.69	(51.18)	(214.47)
Working Capital Cycle ⁽²⁾ (in days)	14	(10)	(44)
Trade receivables (₹ in million)	561.10	422.39	553.42
Trade Receivables Days ⁽³⁾ (number of days)	26	33	67
Trade payables (₹ in million)	472.07	522.72	190.56
Trade Payables Days ⁽⁴⁾ (number of days)	49	76	43
Inventories (₹ in million)	1,369.02	1,437.11	677.63
Inventories Days ⁽⁵⁾ (number of days)	64	112	82

Notes:

- (1) Net Working Capital is calculated as the aggregate of total current assets less total current liabilities (“**Net Working Capital**”).
 - (2) Working Capital Cycle (in days) is calculated by dividing the number of days in the applicable Fiscal Year by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital. Average Net Working Capital is calculated as (Net Working Capital as at beginning of the Fiscal Year plus Net Working Capital as at the end of the Fiscal Year) divided by two (“**Average Net Working Capital**”).
 - (3) Trade Receivables Days is calculated by dividing trade receivables as at the end of the Fiscal Year by revenue from operations and multiplying it by 365 days (“**Trade Receivables Days**”).
 - (4) Trade Payables Days is calculated by dividing trade payables as at the end of the Fiscal Year by purchases and multiplying it by 365 days (“**Trade Payables Days**”).
 - (5) Inventories Days is calculated by dividing inventories as at the end of the Fiscal Year by revenue from operations and multiplying it by 365 days (“**Inventories Days**”).
- (*) Non-GAAP financial measure.

Our working capital requirements could increase further if we are required to pay higher prices for materials or increase advances for the procurement of materials. Some of these factors could result in an increase in our current borrowings. An increase in the incurrence of debt will result in an increase in our interest and debt repayment obligations. Continued increases in our working capital requirements could have a material adverse effect on our results of operations and financial condition. We could also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions.

14. We incurred negative cash flows from operating activities in Fiscal 2025 and may continue to incur negative cash flows in the future. Continued negative cash flows from operating activities could adversely affect our business, results of operations, and financial condition.

We incurred negative cash flows from operating activities in Fiscal 2025. The following table sets forth certain information relating to our cash flows in the Fiscals indicated:

Particulars	Year ended March 31,		
	2025	2024	2023
	(₹ in million)		
Net cash flows generated from/(used in) operating activities	(1,549.77)	2,009.64	175.84
Net cash flows generated from/(used in) investing activities	20.62	(1,995.80)	(175.69)
Net cash flows generated from/(used in) financing activities	1,507.49	211.84	21.82
Cash and cash equivalents at the end of the year	304.94	326.80	101.12

For information in relation to our cash flows used in operating activities in Fiscal 2025, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows – Operating Activities – Fiscal 2025*” on page 353. We cannot assure you that we will be able to generate positive cash flows from

operating activities in the future. Continued negative cash flows from operating activities could adversely affect our business, financial condition, results of operations and cash flows.

15. *We are exposed to counterparty credit risk of our customers and any significant delay in receiving payments or non-receipt of payments could have a material adverse effect on our financial condition, results of operations and cash flows.*

We are exposed to counterparty credit risk of our customers and any significant delay in receiving payments or non-receipt of payments could have a material adverse effect on our results of operations, financial condition and cash flows. There is no assurance that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a credit crisis in the global financial system or global economic uncertainty, or a pandemic, such as the COVID-19 pandemic, could lead to deterioration in our customers' financial condition and results of operations, which could limit their access to the credit markets, thereby increasing their risk of insolvency or bankruptcy. Further, payments from government entities may be subject to delays, due to regulatory scrutiny and procedural formalities. Such conditions could cause our customers to delay in payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. We typically offer a credit period of up to 60 days to our customers (both domestic and foreign).

For details on the ageing of trade receivables, see “*Restated Financial Information – Note 15 – Trade Receivables*” on page 285.

In the last three Fiscals, there have been instances where we have been unable to recover dues from certain clients, which we have written-off, and instances where we have recovered previously written-off trade dues. The table below sets forth our trade receivables as at the dates indicated and Trade Receivables Days, write-off of trade receivables and recovery of written off trade receivables for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
Trade receivables (₹ in million)	561.10	422.39	553.42
Trade Receivables Days ⁽¹⁾ (in days)	26	33	67
Write-off of trade receivables [A] (₹ in million)	3.67	-	-
Recovery of written-off trade receivables [B] (₹ in million)	-	-	-
Write-off of trade receivables less recovery of written-off trade receivables [C = A - B] (₹ in million)	3.67	-	-
Write-off of trade receivables less recovery of written-off trade receivables as a percentage of revenue from operations [D = C/E] (%)	0.04	-	-
Revenue from operations [E] (₹ in million)	7,789.97	4,679.08	3,016.48

Notes:

(1) Trade Receivables Days is calculated by dividing trade receivables as at the end of the Fiscal Year by revenue from operations and multiplying it by 365 days (“**Trade Receivables Days**”).

If we experience delays in the collection of, or unable to collect, our trade receivables, it could have a material adverse effect on our financial condition, results of operations and cash flows.

16. *Our financing agreements contain covenants that limit our flexibility in operating our business. Any future failure to meet the conditions under our financing arrangements or obtain any consents thereunder could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We have entered into financing arrangements with various lenders for short-term and long-term facilities for purposes including funding our working capital requirements and purchasing capital goods. As at August 15, 2025, our aggregate outstanding total borrowing were ₹3,218.53 million. For details, see “*Financial Indebtedness*” on page 317.

The facility agreements typically contain certain restrictive and other covenants, including but not limited to, restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, obtaining prior consent and waiver from existing lenders and maintenance of financial ratios, including debt to tangible net worth, debt-service coverage ratio and fixed assets coverage ratio. Further, most of our loan documents contain restrictive covenants that require us to obtain the prior written approval from the appropriate lender for various corporate actions, including effecting any change in the composition or management or the shareholding or capital structure of our Company, any merger, amalgamation, acquisition, compromise or other restructuring. In addition, our terms loans and working capital facilities are

secured by, among others, a charge over material, stock in process, current assets and moveable assets, fixed deposits, demand promissory notes and personal guarantees from certain of our Promoters. As of the date of this Draft Red Herring Prospectus, we have received all consents required from our lenders in connection with the Offer.

Since April 1, 2022, we have not breached any covenants under our loan agreements, except one in Fiscal 2025. In Fiscal 2025, our Company breached a financial covenant in a loan agreement with principle amount of ₹1 billion when our Company's current ratio (calculated on a standalone basis) was below the required 1.33. The lender has waived the said breach. Since this breach, we have revised our treasury protocols to align our tenure of funds and their use and to ensure capital investments are financed through long-term funding, thereby helping to ensure we comply with this financial covenant in the future.

Our failure to comply with restrictive covenants or to obtain our lenders' consent to take such actions in a timely manner or at all could also result in an event of default, which could accelerate repayment of the relevant loans or increase applicable interest rates or even trigger cross-defaults under our other financing agreements or other agreements or instruments containing cross-default provisions. Further, a breach of our facility agreements could also trigger a right of the lenders to enforce the security provided. An event of default could also affect our ability to raise new funds or renew maturing borrowings that could be needed to conduct our operations and pursue our growth initiatives. In addition, our ability to obtain further financing on terms and conditions acceptable to us could be severely and negatively impacted as a result of these restrictions and breaches, and we cannot guarantee that we will be able to repay our loans in full, or at all, upon receiving a recall or acceleration notice, or otherwise. A failure to comply with repayment schedules and other conditions prescribed under financing arrangements could have an adverse effect on our debt ratings, and any loan agreement termination and subsequent action taken by our lenders could individually or in aggregate have an adverse effect on our business, results of operations, cash flows and financial condition.

17. Certain observations have been included in the Statutory Auditor's report on our audited standalone financial statements for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 as required under the Companies (Auditor's Report) Order, 2020.

Certain observations have been included in the Statutory Auditor's report on our audited financial statements for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, as required under the Companies (Auditor's Report) Order, 2020 ("CARO 2020 Order"), in respect of our Company in the manner set forth hereunder:

Sr No	Period	Nature of Adverse Observation	Details of Adverse Observation	Company's Response to Adverse Observation	Impact on the Financial Statements and Financial Position of the Company
1	Fiscal 2025	CARO Negative Reporting (Clause ii (b))	Difference between the value of stock as per the company's books and the stock value reported in the quarterly stock statement submitted to the bank (Detailed table is shown as under)	The quarterly returns or statements filed by the Company for working capital limits with such banks generally in agreement with the books of accounts of the Company. However, for the quarterly specified is difference between the value of stock as per the Company's books and the stock statement submitted to the bank are primarily due to the change in the valuation of closing inventories.	NIL
2	Fiscal 2025	CARO Negative Reporting (Clause vii (a))	Slight delay in depositing few undisputed statutory dues	The delay was primarily due to procedural and administrative reasons and was neither intentional nor recurring in nature. As a remedial measure, all outstanding statutory dues have since been duly paid along with the applicable interest. The Company remains fully committed to complying with all applicable laws and regulations. To prevent such delays in the future, the Company has taken concrete steps to strengthen internal controls and enhance the	All interest cost of ₹165,747/- has been paid along with statutory dues.

Sr No	Period	Nature of Adverse Observation	Details of Adverse Observation	Company's Response to Adverse Observation	Impact on the Financial Statements and Financial Position of the Company
				monitoring mechanisms for timely payment of statutory obligations.	
3	Fiscal 2025	CARO Negative Reporting (Clause ix (d))	Funds raised on short – term basis, used for long-term purpose (₹657.27 million)	Temporary mismatch of funds arose due to ongoing large sales orders, urgent capital expenditure requirements, and certain delays in obtaining government approvals, which also resulted in delayed creation of mortgage in the Bank owing to blockage of bank fixed deposits. As a remedial measure, the Promoter has infused immediate funds into the Company. Further, a strategic plan for equity infusion and improved working capital management has been put in place to avoid recurrence of such situations in future.	Nil
4	Fiscal 2024	CARO Negative Reporting (Clause vii (a))	Slight delay in depositing few undisputed statutory dues	The delay was primarily due to procedural and administrative reasons and was neither intentional nor recurring in nature. As a remedial measure, all outstanding statutory dues have since been duly paid along with the applicable interest. The Company remains fully committed to complying with all applicable laws and regulations.	All interest cost of ₹304,194/- has been paid along with statutory dues.
5	Fiscal 2023	CARO Negative Reporting (Clause ii (b))	Minor difference between the value of stock as per the company's books and the stock value reported in the quarterly stock statement submitted to the bank	The quarterly returns or statements filed by the Company for working capital limits with such banks generally in agreement with the books of accounts of the Company. However, for the quarterly specified is difference between the value of stock as per the Company's books and the stock statement submitted to the bank are primarily due to the change in the valuation of closing inventories	NIL
6	Fiscal 2023	CARO Negative Reporting (Clause vii (a))	Slight delay in depositing few undisputed statutory dues	The delay was primarily due to procedural and administrative reasons and was neither intentional nor recurring in nature. As a remedial measure, all outstanding statutory dues have since been duly paid along with the applicable interest. The Company remains fully committed to complying with all applicable laws and regulations.	All interest cost of ₹2,099/- has been paid along with statutory dues

18. *Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may adversely affect their ability to effectively service their obligations and thereby adversely affect our business and operations.*

Our Promoters Yogesh Kantilal Kusumgar and Siddharth Yogesh Kusumgar, have provided personal guarantees towards loan facilities taken by our Company, the total amount of which outstanding was ₹2,942.45 million as at August 15, 2025. For further information, see “History and Certain Corporate Matters – Details of guarantees given to third parties by the Promoters participating in the Offer for Sale” on page 224. Other than as disclosed in “History and Certain Corporate Matters” on page 214 and “Material Contracts and Documents for Inspection” on page 459, none of the members of the Promoter Group, Subsidiaries, Directors, Senior Management and Key Managerial Personnel or their directors or any other related entity or person are party to such borrowings.

Any default or failure by our Company to repay the loans in a timely manner, or at all, could trigger repayment

obligations of our individual Promoters in respect of such loans, which in turn, could have an adverse effect on their ability to effectively service their obligations, thereby having an effect on our business, results of operations and financial condition. Furthermore, in the event that our Promoters withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. Accordingly, our business, results of operations, financial condition and cash flows could be adversely affected by the revocation of the personal guarantees provided by our Promoters.

19. *We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus.*

Certain of our Company's corporate records are not traceable as the relevant information was not available in the records maintained by our Company or in the electronic records of the Ministry of Corporate Affairs ("MCA Portal") or in the physical records available at the RoC. This was despite conducting internal searches and engaging an independent practicing company secretary to conduct an online and physical search of our records at the RoC and prepare a report on such search. Further, we have also intimated the RoC with respect to the untraceable records by way of our letter dated September 26, 2025. Such records include, documents and their particulars set out in the below: (a) Form-2 and its corresponding challan for allotments of equity shares on June 15, 1990, April 14, 1995, December 6, 2002; and (b) transfer forms in relation to secondary transfers of equity shares by Siddharth Yogesh Kusumgar on March 23, 2016, January 4, 2017, January 12, 2018 and by Yogesh Kantilal Kusumgar on January 12, 2018.

While certain information in relation to these missing documents has been disclosed in the section "Capital Structure" on page 89 in this Draft Red Herring Prospectus, based on the corporate records of our Company and search report dated September 26, 2025, prepared by Amit Samani & Co, practicing company secretary and certified by their certificate dated September 26, 2025, we may not be able to furnish any further information other than as already disclosed in "Capital Structure" on page 89 or confirm that the records mentioned above will be available in the future. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

Further, our Company has filed an adjudication application dated September 20, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC in relation to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issues of Equity Shares by our Company on February 20, 2025 and March 25, 2025, wherein our Company inadvertently issued fully paid Equity Shares pursuant to the bonus issues while the securities held by the certain of the Promoters, Directors, and Key Managerial Personnel were not fully dematerialised, due to delays in obtaining a fresh ISIN following a change in the face value of equity shares from ₹100 to ₹1 pursuant to a sub-division of equity shares. For further details, see "Outstanding Litigation and Material Developments – Litigation involving our Company – (c) Adjudication application filed by our Company" on page 360.

We cannot assure you that, in future, we will not be subjected to any liability on account of such non-compliance. Although no legal proceeding or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have a material adverse effect on our financial condition, results of operations, cash flows and reputation.

20. *We generally do not have long-term agreements for the sale of our products. If our customers choose not to source their requirements from us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We generally do not have long-term agreements for the sale of our products and instead we rely on purchase orders issued by our customers from time to time that set out the commercial terms and delivery conditions for the products to be procured from us. Furthermore, certain of our sales agreements set forth the terms of sales but do not bind the customers to any purchase volumes. Under these agreements there is no commitment on the part of the customer to continue to place orders with us, and the customers can unilaterally terminate the agreements with limited advance notice and without compensation. For actual supply, we rely on schedules given to us periodically by our customers. Customers may amend or cancel these schedules prior to delivery, and in such cases we may be unable to seek compensation for any surplus products that we manufacture that are unpurchased. As a result, we bear the risk of holding inventory without guaranteed future sales. This exposes us to potential

overstocking, obsolescence, or markdowns, particularly in periods of fluctuating demand or changes in customer preferences. There have been no instances of material orders being cancelled or substantially modified in Fiscals 2025, 2024 and 2023.

The table below sets forth our inventories as at the dates indicated and Inventory Days and revenue from operations for the periods indicated:

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
Inventories (₹ in million) [A]	1,369.02	1,437.11	677.63
Inventories Days ^{(1)(*)} (days) [B = A/C]	64	112	82
Revenue from operations (₹ in million) [C]	7,789.97	4,679.08	3,016.48

Notes:

(1) Inventories Days is calculated by dividing inventories as at the end of the year by revenue from operations and multiplying it by number of days in the year.

(*) Non-GAAP financial measure.

Our customers have high standards for product quality and delivery schedules. Any failure to meet customers' expectations could result in the cancellation or non-renewal of our sales agreements with them. Additionally, under our contracts with certain customers, we are liable for damages resulting from our failure to deliver or delayed deliveries of our products that are not due to an event of force majeure (i.e., an event or circumstance outside our control that prevents us from fulfilling contractual obligations, such as pandemics or natural disasters). Since April 1, 2022, we have not paid damages to our customers nor had any orders cancelled due to delays in delivery or failure to deliver our products. Since April 1, 2022, we have from time to time agreed to send an order by air freight or paid late delivery charges because of quality issues or other production priorities that caused delays in delivery; these amounts were not material. In addition, customers may change their outsourcing strategy by undertaking more work in-house or replace their existing products with alternative products, any of which could have a material adverse effect on our business, financial conditions, results of operations and cash flows.

21. Increases in interest rates would increase the interest payable on our floating rate borrowings and would adversely affect our financial condition, results of operations and cash flows.

Certain of our borrowings are subject to floating rates of interest, which change based on changes in the marginal cost of funds-based lending rate or prime lending rate of the respective lenders. Increases in these rates would increase the interest rates payable on our borrowings subject to floating rates of interest, which would adversely affect our financial condition, results of operations and cash flows.

The table below sets out our Total Borrowings (non-current borrowings plus current borrowings) that are subject to floating rates of interest and such borrowings as a percentage of our Total Borrowings as at the dates indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total Borrowings subject to floating rates of interest (₹ in million) [A]	2,431.52	747.54	446.75
Total Borrowings subject to floating rates of interest as a percentage of Total Borrowings [B=A/C] (%)	98.64%	97.68%	94.04%
Total Borrowings [C] (₹ in million)	2,465.01	765.33	475.04

For additional quantitative disclosures on interest risks, see “Restated Financial Information – Note 48 – Financial risk management objectives and policies – (a)(i) Interest rate risk” on page 306.

22. Our ability to obtain financing on commercially acceptable terms depends on our credit ratings. A downgrade in our credit ratings could increase the cost of future borrowings and could restrict our access to borrowings on commercially acceptable terms and thereby adversely affect our business, financial conditions, results of operations and cash flows.

The cost and availability of borrowings is dependent, among other factors, on our credit ratings received in respect of our borrowing facilities availed from lenders. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. The table below sets forth details of our credit ratings since April 1, 2022.

Rating Agency	Instrument	Credit Rating	Rating Date
Care edge ratings	Long-term bank facilities	CARE A; Stable	April 2, 2025

Rating Agency	Instrument	Credit Rating	Rating Date
Care edge ratings	Short-term bank facilities	CARE AI	April 2, 2025
Care edge ratings	Long-term bank facilities	CARE A-; Positive	April 2, 2024
Care edge ratings	Short-term bank facilities	CARE A2+	April 2, 2024
Care edge ratings	Long-term bank facilities	CARE A; Stable	April 3, 2023
Care edge ratings	Short-term bank facilities	CARE A2+	April 3, 2023
Care edge ratings	Long-term bank facilities	CARE A-; Stable	March 31, 2022
Care edge ratings	Short-term bank facilities	CARE A-; Stable; Care A2+	March 31, 2022

As shown in above table, there has been one instance where our ratings for long-term bank facilities had been downgraded since April 1, 2022.

Any deterioration in our financial condition, results of operations or cash flows from operating activities or a general downturn in our industry could result in a downgrade of our credit ratings in the future, which could in turn could restrict our access to borrowings on commercially acceptable terms, which could adversely affect our business. In addition, any downgrade of our credit ratings could result in a default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements.

23. *The audit trail functionality of our accounting software for Fiscals 2025 and 2024 was not in compliance with Rule 11(g) of the Companies (Audit and Auditors) Rules.*

We used an accounting software for maintaining our books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout Fiscal 2024.

We use accounting software for maintaining books of account, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature at the application level was enabled (i) January 11, 2025 for the Purchase module, (ii) from February 12, 2025 for the Customer module, and (iii) from June 25, 2024 for the Sales module. It was not enabled at the database level to log any direct data changes for the entire Fiscal 2025, as is explained in Note 52 to the Restated Financial Information. Further, where enabled, the audit trail feature has operated throughout the period for all relevant transactions recorded in the accounting software. During the relevant audit, our statutory auditors did not come across any instance of the audit trail feature being tampered with in respect of such accounting software. The audit trail of the prior year has not been preserved by the Company as it was not enabled in the prior year as per statutory requirements for record retention. In the opinion of our statutory auditor, proper books of account as required by law have been kept by the Company so far as it appears from their review of those books except for matters stated in the paragraph 2(g)(vi) on reporting under Rule 11(g). In the absence of sufficient appropriate audit evidence our statutory auditor is unable to comment whether back-up of the books of account and other books and papers maintained in electronic mode is taken on a daily basis.

On July 29, 2025 we enabled the feature of recording audit trail (edit log) facility in our accounting software for maintaining books of account.

24. *The success of our business depends substantially on our Promoters, Key Managerial Personnel and Senior Management. The loss of such persons, particularly our Promoters, could adversely affect our business, financial condition, results of operations and cash flows.*

Our business and results of operations depends substantially on the efforts and abilities of our Promoters, Key Managerial Personnel and Senior Management. Each of our Individual Promoters has over 20 years of experience in the engineered fabric industry and has been instrumental to the growth of our business. They have played a pivotal role in shaping our Company's brand, vision, values, and long-term objectives. Their leadership has not only guided our strategic decisions but has also fostered a culture of innovation within our organization. For details in relation to their experience, see "*Our Management*" on page 226. While we are committed to ensuring a smooth transition in leadership roles, succession planning poses a significant challenge, given the extensive experience of our Promoters. Any delays or inadequacies in succession planning could expose us to operational disruptions and strategic misalignment. Any sudden departure or reduced involvement of any of our Promoters in our business prior than planned could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We believe that the inputs and experience of our Key Managerial Personnel and Senior Management are valuable for the growth and development of our business. Our Key Managerial Personnel and Senior Management have deep industry knowledge and play a major role in developing and building our relations with our key stakeholders, including suppliers and customers. For details in relation to their experience, see “*Our Management*” on page 226. From time to time, there have been changes in in our Key Management Personnel and Senior Management. The table below sets forth the attrition and the attrition rate of our Key Management Personnel and Senior Management during the Fiscals indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
Attrition of Key Managerial Personnel for the year [A]	1	1	1
Attrition rate of Key Managerial Personnel for the year [B = A/D] (%)	14.30	16.70	16.70
Total Key Managerial Personnel at the end of the year [C]	6	5	5
Total Key Managerial Personnel at the end of the year plus Key Managerial Personnel who left during the year [D = A + C]	7	6	6
Attrition of Senior Management for the year [E]	1	1	0
Attrition rate of Senior Management for the year [F = E/H] (%)	16.70	16.70	0.00
Total Senior Management at the end of the year [G]	5	5	5
Total Senior Management at the end of the year plus Senior Management who left during the year [H = E + G]	6	6	5

We cannot assure you that, despite our best efforts, we can or will be able to continue to retain any or all of the Key Management Personnel and Senior Management. Further, we cannot assure you that if one or more Key Management Personnel and Senior Management are unable or unwilling to continue in their present positions, we would be able to replace such member(s) in a timely and cost-effective manner or at all. Any loss of members of our Key Managerial Personnel or Senior Management or could delay or prevent the achievement of our business objectives, affect our succession planning and adversely affect our business and thereby adversely affect our financial condition, results of operations and cash flows.

25. *We have entered into, and will continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties.*

We have entered into transactions with several related parties, including Directors and Promoters, such as purchases of yarn, purchases of store spares, purchases of fabrics, sales, rent payments, loans, and loan interest. The table below sets forth the details of our related party transactions for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
Total related party transactions [A] (₹ in million)	627.98	48.01	24.08
Total related party transactions as a percentage of revenue from operations [B = A/C] (%)	8.06%	1.03%	0.80%
Revenue from operations (₹ in million) [C]	7,789.97	4,679.08	3,016.48

For further details, see “*Offer Document Summary - Summary of related party transactions*” and “*Restated Financial Information – Note 43 – Related Party Disclosures*” on pages 27 and 299, respectively.

Other than as disclosed at “*Business – Properties*” on page 202, we have not leased, purchased or sold any properties from/to our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management or Group Companies or their directors or any other related entity or person during the last five years preceding the date of this Draft Red Herring Prospectus. The table below sets forth the rent payable by us related parties for the fiscal years indicated as well as such amounts as a percentage of our revenue from operations.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from operations	₹ in million	% of revenue from operations	₹ in million	% of revenue from operations
Rent paid by us to related parties	22.03	0.28%	19.84	0.42%	12.84	0.43%
Revenue from operations	7,789.97	100.00%	4,679.08	100.00%	3,016.48	100.00%

All of the related party transactions in Fiscal 2025, Fiscal 2024 or Fiscal 2023 have been carried out on arm's length basis.

While all related party transactions that we may enter into post-listing will be subject to approval of the Audit Committee and such related party transactions may also be subject to the approval of the Shareholders, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such future transactions had not been entered into with related parties. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that our Directors and Promoters will be able to address such conflicts of interests or others in the future.

26. Pricing pressure from our customers could adversely affect our margins, which could in turn have a material adverse effect on our results of operations, cash flows and financial condition.

We have in the past experienced and could continue to experience pressure from our customers to reduce the prices for our products. This is often driven by the competitive landscape, where manufacturers and suppliers compete for market share. In addition, price reductions may be a result of negotiations or factors that could be beyond our control. As our business is capital intensive, requiring us to maintain a large fixed cost base, our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discounts in price as the volume of their orders increases. If we are unable to counterbalance customer-driven price reductions with improved operating efficiencies and other cost-reduction initiatives, it could have an adverse effect on our EBITDA Margin (as defined in the following table) and our results of operations, cash flows and financial condition could be materially adversely affected. The table below sets forth our revenue from operations, EBITDA, EBITDA Margin, profit for the year, and PAT Margin for the periods indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million, except as noted	₹ in million, except as noted	₹ in million, except as noted
Revenue from operations	7,789.97	4,679.08	3,016.48
EBITDA ^{(1)(*)}	1,883.89	1,318.47	678.61
EBITDA Margin ^{(2)(*)} (%)	24.18%	28.18%	22.50%
Profit for the year	1,119.88	843.96	372.17
PAT Margin ^{(3)(*)} (%)	14.17%	17.78%	12.25%

Notes:

(1) EBITDA is calculated as profit before tax, plus depreciation and amortization expense, plus finance costs, less other income ("EBITDA").

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations ("EBITDA Margin").

(3) PAT Margin is calculated as profit for the year expressed as a percentage of total income ("PAT Margin").

(*) Non-GAAP financial measure. For a table reconciling this Non-GAAP financial measure to an Ind AS financial measure, see "Management's Discussions and Analysis of Financial Condition and Results of Operations - Reconciliation of Non-GAAP Financial Measures" on page 326.

While our profit for the year increased for Fiscal 2025 from Fiscal 2024, our EBITDA Margin decreased to 24.18% for Fiscal 2025 from 28.18% for Fiscal 2024 and our PAT Margin decreased to 14.17% for Fiscal 2025 from 17.78% for Fiscal 2024, which was primarily due to a change in the product mix, which had varying profit margins.

27. *The success of our business depends on our ability to effectively manage our business and implement our strategies. We may not be successful in implementing our growth strategies, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. There can also be no assurance that our growth strategies, if completed or implemented, will result in the anticipated growth in our revenues or improvement in our results of operations. In pursuing our growth strategies, we will require significant capital investments, which could have a material adverse effect on our financial condition, results of operations and cash flows.*

The success of our business depends greatly on our ability to effectively manage our business and implement our growth strategies. As part of our growth strategies, we plan to, among other things, (i) continue to follow a “build, retain, extend” framework with respect to our aerospace and defence business; (ii) continue to work closely with global brands to grow our Outdoor and Lifestyle Fabrics business; (iii) steadily grow our Industrial and Automotive Fabrics business by increasing wallet share and providing customized solutions; (iv) continue to focus on manufacturing products and solutions with high gross margins and high entry barriers to continue to drive profitable growth; and (v) continue to invest in our capabilities and people to support growth, research and development, and efficiency improvement. For further details, see “Our Business – Strategies” on page 186.

There can be no assurance that our growth strategies will be successfully implemented or completed or even if implemented as planned, that they will result in the anticipated growth in our revenues or improvement in our results of operations. We also cannot assure you that we will be able to continue to expand further, or at the same rate. Further, we expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations. If we fail to manage growth effectively, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

In pursuing our growth strategies, we will require significant capital investments. However, we cannot assure you that we will have sufficient capital resources for our current operations and to implement our expansion plans. If our internally generated capital resources and the available credit facilities are insufficient to finance our capital expenditure and growth plans, we could, in the future, have to avail additional financing from banks and financial institutions, which would increase our finance costs and thereby adversely affect our results of operations and cash flows. Our ability to arrange financing and the finance costs on such financing are dependent on numerous factors, including general and macro-economic and capital market conditions, credit availability from banks, investor confidence, and the continued success of our business. In addition, if we decide to meet our capital requirements through availing debt facilities, we could be subject to additional restrictive covenants.

28. *We currently avail benefits under certain export promotion schemes, subject to our export of goods of a defined amount. Any failure by us to meet the scheme requirements could adversely affect our financial condition, results of operations and cash flows.*

During Fiscals 2025, 2024 and 2023, we availed benefits under the Government’s Remission of Duties and Taxes on Exported Products (“RoDTEP”) scheme, which allowed us duty free import of certain inputs used for manufacturing and availing duty drawbacks. We also took the benefit from export incentives under other export promotion schemes, such as Duty Drawback. The table below sets forth details of the benefits we received for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Refund of Duties and Taxes on Exported Products (RoDTEP) scheme [A] (₹ in million)	21.03	24.55	24.05
Refund of Duties and Taxes on Exported Products (RoDTEP) scheme as a percentage of revenue from operations [B=A/E] (%)	0.27%	0.52%	0.80%
Export incentives under other export promotion schemes, such as Duty Drawback [C] (₹ in million)	29.33	27.20	16.63
Export incentives under other export promotion schemes, such as Duty Drawback, as a percentage of revenue from operations [D = C/E] (%)	0.38%	0.58%	0.55%
Revenue from operations [E] (₹ in million)	7,789.97	4,679.08	3,016.48

The RoDTEP scheme was discontinued for exports from certain categories of exporters including us effective February 6, 2025, but restored for these categories starting June 1, 2025, under DGFT Notification No. 11/2025-26 with updated provisions. Our revenue from operations will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our revenue from operations could be further affected in

the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits.

29. *We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards could lead to the cancellation of orders, product recalls and the payment of damages, which could negatively affect our reputation, business, financial condition, results of operations and cash flows. Further, given some of our products find use in a range of high-risk situations (including involving armed forces), any defect in quality standards of our products could have significantly adverse outcomes, including injury and/or the death of the end-user, and we could be liable for damages in relation thereto, which could have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.*

Our customers typically have high standards for the quality of our products that they purchase. Defects in products manufactured by us or a failure by us to comply with the specifications of our customers may lead to cancellation of purchase orders or non-renewal of agreements by our customers and at certain instances may impose additional costs in the form of product liability and/or product recall. Further, given some of our products find use in a range of high-risk situations (including involving armed forces), any defect in quality standards of our products could have significantly adverse outcomes, including injury and/or the death of the end-user.

We have put in place quality control procedures and processes to help ensure that our products will be able to satisfy our customers' quality standards. However, our procedures and processes may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications in our products. Our products could suffer from quality issues resulting from manufacturing mistakes, design defects, or quality issues regarding the materials used in manufacturing the product.

Prior to awarding us orders, certain of our customers undertake a detailed review process, which involves inspection of our manufacturing facilities, review of our manufacturing processes, materials, technical review of the designs and specification of the proposed product, inspection and review of prototypes of the product. This extensive review process is generally periodic in nature and firm orders are placed only after the review process. The finished product delivered by us is further subject to validation by our customers upon delivery. As a part of acceptance process, our products may undergo testing and if rejected, we may have to replace the entire batch or a large portion of such batch of products.

We typically provide a warranty period ranging from 30 days to 24 months for our products.

The following table presents the refunds made to customers, damages and claims recovered by customers and damages payable to third parties (non-customers) for product liability claims for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
Refunds to customers (due to goods rejection, flag allowances, extra consumption, return of excess dispatched quantity) [A] (₹ in million)	281.43	32.71	92.40
Claims recovered by customers (goods airing charges) [B] (₹ in million)	7.17	2.91	1.69
Total refunds and damages and claims recovered by customers [C = A + B] (₹ in million)	288.60	35.62	94.09
Total refunds and damages and claims recovered by customers as a percentage of revenue from contracts with customers [D = C/F] (%)	3.75%	0.78%	3.19%
Damages payable to third parties (non-customers) for product liability claims [E] (₹ in million)	-	-	-
Revenue from contracts with customers (₹ in million) [F]	7,700.95	4,556.94	2,953.52

Note:

(1) Refunds due to goods rejected, flag allowances, extra consumption, return of excess dispatched quantity and late delivery charges.

As shown in the table above, we have not experienced material instances of refunds to customers, damages and claims recovered by customers or damages payable to third parties (non-customers) for product liability claims in the last three Fiscals. However, we cannot assure you that such instances will not arise in the future and any such incidents could adversely affect our reputation, business, results of operations, financial condition and cash flows.

30. Our Promoters may be engaged in ventures that could lead to conflicts of interest with our Company. While we have adequate measures in place to prevent such conflicts of interest, in the event our Promoters conduct any business in those ventures, it may adversely affect our business, financial condition, results of operations and cash flows.

Our Promoters have an interest in Specialty Fabrics Private Limited and Paraborne Systems LLP, which are engaged in the business similar to ours. Our Company has entered into a non-compete agreement dated June 1, 2025 with our Promoters, namely, Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar, pursuant to which they have agreed to cease to undertake business in Specialty Fabrics Private Limited and Paraborne Systems LLP, members of our Promoter Group, in their current form. However, our Directors and Promoters may become involved in other ventures that compete with us. While we will adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner. We cannot assure you that our Directors and Promoters will not favour the interests of such entities over our interests or that we will be able to suitably resolve any such conflicts without an adverse effect on our business including, among other things, a loss of business opportunities.

31. We and the Book Running Lead Managers have relied on declarations and affidavits furnished by some of our Directors and Promoters for details of their educational qualifications included in this Draft Red Herring Prospectus.

Yogesh Kantilal Kusumgar, one of our Promoters, Siddharth Yogesh Kusumgar, our Chairman and Managing Director, and Nihar Ajay Parikh, our Independent Director, have been unable to locate copies of certain documents pertaining to their educational qualifications. While they have taken the requisite steps to obtain the relevant supporting documentation, they have been unsuccessful in procuring the relevant supporting documentation.

Accordingly, our Company and the Book Running Lead Managers have relied on declarations, undertakings and affidavits furnished by them to disclose the details of their educational qualifications in this Draft Red Herring Prospectus, and we have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to their educational qualification included in “Our Management” on page 226 is complete, true and accurate.

32. Our Company did not meet the required minimum expenditure on CSR activities for Fiscals 2025, 2024 and 2023, as is required under the Companies Act, 2013 and there was a delay in transferring such unspent amounts to a special account within a period of 30 days from the end of the respective fiscal year as mandated under the Companies Act, 2013. The unspent amounts have been transferred to the unspent CSR account and are required to be used for the purposes of CSR activities within three Fiscals from the date of transfer. Any failure to do so may result in penalties and have an adverse effect on our reputation, financial condition and results of operations.

The Companies Act, 2013 stipulates the requirement of formulation of a corporate social responsibility policy and mandates our Board of Directors to ensure that our Company spends, in each Fiscal, at least two percent of the average net profits of our Company during the three immediately preceding Fiscals, in accordance with its CSR policy. We have adopted a CSR policy in compliance with requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as amended. The details with respect to our required minimum expenditure on CSR activities and our actual expenditure towards CSR activities for Fiscals 2025, 2024 and 2023 are set forth below:

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million		
a) Gross amount required to be spent by the Group during the year	12.46	6.92	4.1
b) Previous year's unspent amount	8.24	3.49	3.54
c) Amount required to be spent during the Fiscal, including deficit of the previous Fiscal, as per Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 [C= A+B]	20.70	10.41	7.64
d) Amount of expenditure incurred			
i) Acquisition of any asset	0.00	0.00	0.00

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million		
ii) Others	0.30	2.17	4.15
iii) Provision made for the CSR Expenditure	0.00	0.00	3.48
e) Paid (including transferred to CSR Fund)	0.00	0.00	4.10
f) Shortfall/(Excess)	20.40	8.24	3.49
g) Unspent amount pursuant to ongoing project	0.00	0.00	0.00
h) Subsequently transferred to Escrow Account	20.40	8.24	3.49

As shown in the table above, we did not meet the required minimum expenditure on CSR activities for Fiscals 2025, 2024 and 2023. Our Company was required to transfer such unspent amounts to a special account within a period of 30 days from the end of the respective fiscal year, which our Company failed to do. Subsequently, our Company transferred the required amount to the CSR unspent account. The amount transferred to the CSR unspent account is required to be spent by our Company on CSR activities within a period of three Fiscals from the date of such transfer of amount to the unspent CSR account. Failure to do so may require us to transfer any unspent amounts into a separate statutory fund or lead to the imposition of penalties or notices under the Companies Act, 2013 from the Ministry of Corporate Affairs, Government of India for any default or non-compliance with the CSR expenditure, which could adversely affect our reputation, financial conditions, results of operations and cash flows.

33. *If we are unable to maintain the existing level of capacity utilisation rate at our manufacturing facilities, our margins and profitability could be adversely affected.*

As a manufacturer of engineered fabrics, our business relies significantly on the efficient utilisation of our manufacturing facilities to maintain and enhance our margins and profitability. For a table setting forth the installed capacity, production output and capacity utilisation at our six current manufacturing facilities, see “Our Business – Manufacturing Capabilities” on page 192.

Our production capabilities are fungible and consequently, our production output may vary significantly based on the specific nature of the products being manufactured. Further, actual production levels and capacity utilisation rates may vary significantly from the annual installed capacity of our facilities. Undue reliance should therefore not be placed on our capacity information or historical capacity utilisation information for our existing facilities included in this Draft Red Herring Prospectus.

Maintaining high levels of capacity utilisation is critical for our operational efficiency and cost management. We do not have annual maintenance contracts for any of our machinery. We have our own engineering team to perform preventive maintenance and repair. We keep critical spares in stock. However, if we fail to sustain or improve our current levels of capacity utilization, it could lead to underutilisation of our resources, thereby increasing our per-unit production costs and adversely affecting our profit margins.

Several factors could impact our ability to maintain the existing level of capacity utilisation. Any significant decrease in demand for our technical textile products could result in lower production volumes, leading to underutilization of our manufacturing facilities. Further, challenges such as equipment breakdowns, shutdowns, supply chain disruptions, or labour shortages could hinder our ability to operate at optimal capacity. Additionally, compliance with new or existing regulations may require operational adjustments that could impact our production capabilities, and adverse economic conditions, both globally and domestically, could negatively affect consumer spending and demand for our products, impacting our production levels.

In the event we are unable to maintain our current capacity utilisation rates, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

34. *We could be subject to industrial unrest, which could adversely affect our business, financial condition, results of operations and cash flows.*

Our operations are subject to labour legislations in place that protect the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers.

As at March 31, 2025, none of our employees were members of labour unions. Labour unrest, work stoppages or other slowdown mechanisms at any of our manufacturing facilities could result in significant disruptions to our

operations. Since April 1, 2022, there have been no labour disruptions, strikes or disputes. While we believe that we have a strong working relationship with our employees, we may or may not continue to have such a relationship in the future, and we cannot guarantee that there will not be strikes by or disputes with our employees that could adversely affect our operations and thereby have an adverse effect on our business, financial condition, results of operations and cash flows.

In addition, if our work force becomes unionised in the future it could limit our ability to adjust workforce headcounts and restructure our business in response to difficult economic conditions. This reduced flexibility could have an adverse effect on our business, financial condition, results of operations and cash flows.

35. *Material increases in employee benefits expense as a percentage of our revenue from operations could have an adverse effect on our business, financial condition, results of operations and cash flows.*

Employee benefits expense was our third largest expense in Fiscals 2025, 2024 and 2023. The table below sets forth our employee benefits expenses and such amounts as a percentage of our revenue from operations for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million, except percentages		
Employee benefits expense [A]	655.73	414.85	315.12
Employee benefits expense as a percentage of revenue from operations [C = A/E] (%)	8.42%	8.87%	10.45%
Revenue from operations [E]	7,789.97	4,679.08	3,016.48

Our employee benefits expense could increase as a result of, among other things, our efforts to retain members of our workforce amidst increased competition for employees, higher employee attrition rates, inflationary pressures on employee wages and salaries or other employee benefits costs, changes in government laws and regulations governing the salaries, wages and other benefits of our employees, agreed increases in the salaries, wages and other benefits of our employees subject to collective bargaining agreements or the entering into of new collective bargaining agreements with higher agreed salaries, wages and other benefits.

As at March 31, 2025, none of our employees were members of unions or subject to collective bargaining agreements. If our work force became unionised in the future, our labour costs could increase as we could enter into wage settlement agreements, including, but not limited, to revised wage structures, payment of gratuity, ex gratia payments, attendance bonuses and the provision or enhancement of insurance policies with unions or work councils under which we incur certain obligations or agree to certain limitations or conditions for a period of time with respect to certain personnel, workplaces, departments or product lines. Increases in labour costs could have an adverse effect on our business, financial condition, results of operations and cash flows unless we are able to increase our efficiency and productivity proportionately or we can pass on such costs in the prices that we charge our customers. However, there can be no assurance we would be able to do any of the foregoing and, as such, any significant increase in our labour costs could have an adverse effect on our business, financial condition, results of operations and cash flows.

The table below sets forth the attrition and the attrition rate of all of our employees for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
Attrition of employees for the year [A]	220	127	130
Attrition rate of employees for the year [B = A/D] (%)	16.90	12.64	15.97
Total employees at the end of the year [C]	1,082	878	684
Total employees at the end of the year plus employees who left during the year [D = A + C]	1,302	1,005	814

We may be unable to increase prices in order to pass future increased employee benefits expenses, in which case our margins and results of operations would be negatively affected. The risk of increasing our prices to cover increased employee benefits expenses could adversely affect sales volumes and/or customer retention, and thereby adversely affect our business, financial condition, results of operations and cash flows.

In addition to our employees, our workforce also includes third-party sourced personnel. For more details, “Our Business-Workforce” and “– 36. If we cannot secure skilled and unskilled contract labour at reasonable rates, it will adversely affect our business and results of operations. In addition, if independent contractors default on wage payments, we could be required to fund the wages of the engaged workers, which could have an adverse effect on our cash flows until such amount is recovered from the contractor and on our results of operations and financial condition in the event we are unable to recover such amount from the independent contractor” on pages 202 and 56, respectively.

36. If we cannot secure skilled and unskilled contract labour at reasonable rates, it will adversely affect our business and results of operations. In addition, if independent contractors default on wage payments, we could be required to fund the wages of the engaged workers, which could have an adverse effect on our cash flows until such amount is recovered from the contractor and on our results of operations and financial condition in the event we are unable to recover such amount from the independent contractor.

Our workforce comprises contract workers and permanent employees. In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract workers for performance of certain of our operations, including material handling on the shop floor, loading and unloading, housekeeping, maintenance, and security services.

Set forth in the table below are details of the number of the contract workers engaged for our operations and our employees as at the dates indicated.

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Number of permanent employees [A]	1,082	878	684
Number of contract workers [B]	630	390	312
Total Workforce [C = A+B]	1,712	1,268	996

If we are unable to obtain the services of skilled and unskilled contract workers at reasonable rates or at all, it will have an adverse effect on our business and results of operations. Set forth below are the details of our contractual services expenses and our employee benefits expense, the total of such expenses and the total of such expenses as a percentage of our revenue from operations for the years indicated.

Particulars	Fiscal 2025 (₹ in million)	Fiscal 2024 (₹ in million)	Fiscal 2023 (₹ in million)
Contractual services expenses [A]	172.33	63.67	48.38
Employee benefits expense [B]	655.73	414.85	315.12
Total Workforce Expenses [C = A+B]	828.06	478.52	363.50
Total Workforce Expenses as a percentage of revenue from operations [D = C/E]%	10.63%	10.23%	12.05%
Revenue from operations [E]	7,789.97	4,679.08	3,016.48

Although we do not engage these contract workers directly, we could be held responsible for any wage payments to be made to such workers in the event of default by such independent contractors. While the amount paid in such an event may be recoverable from the independent contractor, there is a risk that we may not be able to recover the full amount. Any requirement to fund the wage requirements of the engaged workers could have an adverse effect on our cash flows until such amount is recovered from the contractor and on our results of operations and financial condition in the event we are unable to recover such amount from the independent contractor. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we could be legally required to absorb a number of such contract workers as permanent employees. We could also be subject to legal proceedings in this regard. Any order from a regulatory body or court would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products and would have an adverse effect on our business and results of operations. Since April 1, 2022, we have not been required to make wage payments for contract workers due to default by independent contractors, nor have we faced any legal proceedings under the Contract Labour (Regulation and Abolition) Act, 1970.

37. *Failure or disruption of our information technology (“IT”) systems or breach of data security could adversely affect our business, financial condition, results of operations and cash flows.*

Our ability to keep our business operating depends on the proper and efficient operations and functioning of various IT systems, which are susceptible to malfunctions and interruptions. Our design and production facilities comprise IT enabled processes. We also have a supplier management system and have implemented various integrated quality management systems to manage key areas of our operations, including production, materials and maintenance and human resource functions.

We could be subject to disruptions of our IT systems arising from events that are wholly or partially beyond our control or the control of our third-party vendors (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from other third parties, such as internet backbone providers). Since April 1, 2022, we have not experienced any disruptions or failures in our IT systems that has had a material adverse effect on our business, financial condition, results of operations or cash flows. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption could affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, manage our creditors and debtors, manage payables and inventory or otherwise conduct our normal business operations, which could increase our costs and have a material adverse effect on our business and results of operations.

Our employees have access to information relevant to their specific department based on their work profile, to the extent necessary for their roles. To that extent, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to unauthorized access to our systems, misappropriation of data and unforeseen disclosure or transfer of data. While we have not experienced any data breaches in the past, any such security breaches could have an adverse effect on our business, financial condition, results of operations and cash flows.

Although we have a disaster recovery and business continuity policy in place to mitigate the risk to vulnerabilities, such measures may not have been effectively implemented or may not be adequate to ensure that its operations are not disrupted.

38. *We are subject to numerous health, safety and environmental laws and regulations in India, which govern, among others, air emissions and waste management. If we fail to comply with environmental laws, regulations and permits, we could be subject to penalties, fines and/or restrictions on our manufacturing operations, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We are subject to applicable laws and regulations with respect to the protection of the environment, including air emissions and waste management, and employee health and safety. For details, see “Key Regulations and Policies in India” on page 205. Since April 1, 2022, we have not received any notices, fines or penalties, been the subject of criminal proceedings or third-party property damage or personal injury claims, or incurred any clean-up and/or other costs in respect of violations of any environmental laws. If we fail to comply with health, safety or environmental laws, regulations and permits, we could be subject to penalties, fines, restrictions on operations or other sanctions, and our operations (including our outsourced production) could be interrupted or suspended. Any of the above actions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

39. *Our operations involve activities and materials that are hazardous in nature. Serious mishaps could result in a suspension of operations, injury to our or their personnel and/or the imposition of civil or criminal liabilities, any of which could adversely affect our business, results of operations, cash flows and financial condition.*

Our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems that could result in serious injuries or death of employees or other persons. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, we have experienced work-related injuries at our manufacturing facilities. We paid for the medical expenses of the persons injured in the above-mentioned accidents and were later reimbursed through our insurance coverage. As such, work-related injuries did not have a material adverse effect on our results of operations for Fiscals 2025, 2024 and 2023. Since

April 1, 2022, we have not been the subject of any claims for civil damages or any criminal liabilities due to work-related injuries suffered at our manufacturing facilities.

There can be no assurance there will not be any fatalities, accidents or other incidents that occur at our facilities in the future and any such occurrence could potentially result in claims for damages against us and/or the imposition of criminal liabilities. Although we have insurance for personal injury claims, any damages that exceed our maximum coverage could have an adverse effect on our financial condition, results of operations and cash flows.

40. *We outsource certain processes, such as weaving, knitting, finishing and fabrication, and any interruptions in our ability to obtain outsourced products on a timely and cost-effective basis, especially if alternative suppliers cannot be immediately obtained, could disrupt our production and have an adverse effect on our business, financial condition, results of operations and cash flows. In addition, we could be liable for breaches of environmental laws by third-party contractors.*

We outsource certain processes, such as weaving, knitting, finishing and fabrication, wherever there is limited differentiation. For more details, see “Our Business – Outsourcing” on page 194.

The table below sets forth our job work and labour charges (outsourcing costs) and such costs as a percentage of our revenue from the sale of products for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	₹ in million, except percentages		
Job work and labour charges [A]	362.57	186.91	92.35
Job work and labour charges as a percentage of sale of products [B = A/C] (%)	4.72%	4.11%	3.16%
Sale of products [C]	7,685.98	4,545.65	2,919.44

Our reliance on third party for certain process enables us to scale output without large capital commitments but it decreases the amount of control that we have over certain elements of our production capacity. Interruptions in our ability to obtain outsourced products on a timely and cost-effective basis, especially if alternative suppliers cannot be immediately obtained, could disrupt our production and have an adverse effect on our business, financial condition, results of operations and cash flows.

In addition, we require our suppliers and independent contractors to comply with all applicable laws and regulations in their operations. We do not control these suppliers and independent contractors, a violation of applicable laws and regulations with respect to the protection of the environment, including air emissions and waste management, and employee health and safety or other laws or regulations by our suppliers or independent contractors could result in restrictions on their operations which could interrupt their supplies to us and disrupt our production, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, we could be liable for breaches of environmental laws by third-party contractors. For instance, the Environment (Protection) Act, 1986, and the Water (Prevention and Control of Pollution) Act, 1974, allow for corporations to be held liable for pollution caused by sub-contractors.

41. *Our insurance coverage may not be adequate to protect us against all losses, which could have an adverse effect on our business, financial condition, results of operations and cash flows.*

We maintain insurance policies for our manufacturing facilities, including inventory, plant and machinery, fixtures and fittings, and for our boilers and pressure plants. We also maintain fire, special perils, and burglary insurance. We are not insured against environmental damages and terrorist acts. For further details, see “Our Business – Insurance” on page 201.

The tables below sets forth the net book value of the assets we have insured, the insured amount for such assets and the percentage of such assets insured as at March 31, 2025.

Particulars	Remarks	Cost of asset ⁽¹⁾ (in ₹ million) (A)	% of total PPE (%) (B)	Insurance Coverage (in ₹ million) ⁽²⁾ (C)	Percentage of insurance coverage (%) (D=C/A)
Insured Assets (property, plants and equipment)	Building	62.04	2.38%	106.82	172.18%
	LeaseHold Improvements	103.89	3.99%	106.19	102.22%
	Electrical Installation	45.22	1.74%	64.27	142.12%
	Plant & Machinery	1,754.74	67.41%	1770.44	100.89%
	Furniture & Fixtures	20.59	0.79%	30.75	149.34%
	Office Equipment & Factory Equipment	26.74	1.03%	24.21	90.54%
	Vehicles	82.95	3.19%	99.82	120.34%
	Computers	9.53	0.37%	16.99	178.30%
Uninsured Assets (property, plants and equipment)	Land	37.08	1.42%	-	-
	Computers Software	8.26	0.32%	-	-
	CWIP	451.94	17.36%	-	-
Total property, plants and equipment ("PPE")		2,602.98	100.00%	2,219.49	85.27%

Notes:

(1) Cost of asset as at March 31, 2025 is derived from the Restated Financial Information.

(2) Insurance coverage is taken from base of insurance policies for Fiscal 2025 of the Company and subsidiaries.

Particulars	Remarks	Amount (in ₹ million) (Cost of asset) ⁽¹⁾ (A)	Insurance Coverage (in ₹ million) ⁽²⁾ (B)	Percentage of insurance coverage (C = B/A) (%)
Inventory	Closing Stock	1,369.02	1,280.00	93.50

Notes:

(1) Cost of asset as at March 31, 2025 is derived from the Restated Financial Information

(2) Insurance coverage is taken from base of insurance policies for Fiscal 2025 of the Company and subsidiaries.

The table below sets forth our insurance claims receivables, insurance claims receivables written off, insurance expense and insurance expense as a percentage of revenue from operations for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
Insurance claims receivables (₹ in million)	-	-	-
Insurance claims receivables written off (₹ in million)	-	-	-
Insurance expense [A] (₹ in million)	10.66	4.16	2.96
Insurance expense as a percentage of revenue from operations [B = A/C] (%)	0.14%	0.09%	0.10%
Revenue from operations [C] (₹ in million)	7,789.97	4,679.08	3,016.48

Since April 1, 2022, we have not incurred any material uninsured loss or a loss that exceeded the limits of our insurance policies.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the standard risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer losses or damages for which we do not have insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and consequently, our results of operations, cash flows and financial condition could be adversely affected.

- 42. *Our Promoters and the Promoter Group together hold 90.48% of the paid-up equity share capital of our Company as on date of this Draft Red Herring Prospectus. Our Promoters will continue to exercise significant influence over our Company after the completion of the Offer, which could prevent a change in control of our Company and could make some transactions more difficult or impossible without the support of our Promoters.***

As at the date of this Draft Red Herring Prospectus, our Promoters and the Promoter Group together hold 90.48% of our issued, subscribed and paid-up Equity Share capital. After the completion of the Offer, our Promoters along with the members of the Promoter Group will continue to hold majority of our post offer Equity Share capital. Accordingly, our Promoters will continue to exercise a significant influence over our business and all matters requiring Shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This fraction of ownership could also delay, defer or even prevent a change in control of our Company and could make some transactions more difficult or impossible to be approved without the support of our Promoters. Further, the Promoters' shareholding could limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling Shareholders, could conflict with our Company's interests or the interests of our other Shareholders. There is no assurance that our Promoters will always act to resolve any conflicts of interest in our other Shareholders' favour.

Also see "- 25. *We have entered into, and will continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties*" on page 49.

- 43. *We have only leasehold rights to the land on which our registered and corporate office and all our manufacturing facilities are located. In the event we lose or are unable to renew such leasehold rights, our business, financial condition, results of operations and cash flows could be adversely affected.***

Our registered and corporate office and all six of our manufacturing facilities are not located on land owned by us, and we have only leasehold rights. For details on the properties that we lease, see "*Our Business - Properties*" on page 202. The lease for our Registered and Corporate Office is for a period of seven years and for our manufacturing facilities the lease periods range from six years to 10 years. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate one or more of our current premises, we would be required to make alternative arrangements, and we cannot assure that the new arrangements will be on commercially acceptable terms and such relocation could cause a disruption in our operations and result in increased costs. If we are unable to renew these leases or relocate on commercially acceptable terms, it could have an adverse effect on our business, financial condition, results of operation and cash flows.

In addition, we lease certain properties from related parties. For details, see "*Our Business - Properties*" on page 202 and "- 25. *We have entered into, and will continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties*" on page 49.

- 44. *If we fail to maintain an effective system of internal controls, we may not be able to prepare reliable financial reports and effectively avoid frauds.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, could deteriorate over time, due to evolving business conditions. To support our operational efficiency and financial accuracy, we have established various levels of internal controls across our operations, governed by internal policies. These policies include the: (1) Finance and Accounts Standard Operating Procedure, which governs budgeting, fund management, accounting processes, audit planning, and monthly/annual financial closing; (2) Procurement Standard Operating Procedure for Capital and Stores Items, which outlines vendor evaluation, purchase order controls, payment authorization, and job work execution; (3) Employee Policy Handbook, which includes service code of conduct, asset management, and confidentiality protocols to ensure accountability and ethical compliance; (4) Information Technology & Cybersecurity Policy, which enforces endpoint security, access control, backup protocols, and incident management to safeguard data integrity and system-level controls; and (5) Travel, Gift, Hospitality Policy, which establishes internal controls for business travel, entertainment, hospitality, and gift-giving, with strict compliance requirements under the Prevention of Corruption Act (PCA) and the U.S.

Foreign Corrupt Practices Act (FCPA), including approval thresholds, documentation standards, and zero-tolerance provisions for interactions with government officials. However, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

Since April 1, 2022, we have not faced any material disruption in our internal controls. However, any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls could adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

45. *We might unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position.*

While we take measures to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights. Since April 1, 2022, we have not infringed upon intellectual property rights of others. We could, therefore, be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we could be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we could decide to settle a claim or action against us, the settlement of which could be costly. We could also be liable for any past infringement. Any of the foregoing could adversely affect our business and results of operations.

In certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers could seek damages and compensation from us. This could have an adverse effect on our business, results of operations and damage our reputation and relationships with our customers. Since April 1, 2022, we have not received any notices alleging that our products or manufacturing processes violate third-party intellectual property rights.

46. *A shortage or unavailability of electricity or water could affect our manufacturing operations and have an adverse effect on our business, financial condition, results of operations and cash flows.*

Our manufacturing operations require continuous supply of electricity and water. Our plants require consistent voltage levels to maintain the standard quality of our manufacturing processes. In the event of a power interruption, restarting the manufacturing process entails significant time and energy loss. This disruption not only leads to inefficiencies but also results in redundant resource utilization as processes need to be duplicated. While we do have backup generators, these are powered by diesel and are only meant to be able to provide power in the short-term. Since April 1, 2022, we have not encountered any material power disruptions or a shortage of water at our manufacturing facilities. For more details, see “- 12. *Our operations are significantly dependent on our manufacturing facilities. Any breakdown or shutdown of any of our manufacturing facilities could have a material adverse effect on our business, results of operations, financial condition and cash flows.*” on page 40. A shortage or unavailability of electricity or water could adversely affect our manufacturing operations and have an adverse effect on our business, results of operations, cash flows and financial condition.

47. *We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing agreements.*

While we have adopted a dividend policy, we have not declared any dividend on the Equity Shares or preference shares in the last three fiscal years and from April 1, 2025, till the date of this Draft Red Herring Prospectus. For details, see “*Dividend Policy*” on page 253.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements and any financing arrangements. In addition, we could retain all future earnings, if any, for use in the operations and expansion of the business and, therefore, we may not declare dividends in the foreseeable future.

If we do not pay dividends, the realization of a gain on the Shareholders' investments in the Equity Shares will depend on the appreciation of the price of our Equity Shares. We cannot assure you that our Equity Shares will appreciate in value.

48. *We may be subject to fraud, theft or such similar incidents, which may have an adverse effect on our financial condition, results of operations and cash flows.*

Our business is exposed to the risk of incidents of theft, fraud, pilferage by employees, misappropriation of funds or inventory and such similar incidents. We have security measures set up at our manufacturing facilities and warehouses such as security cameras, deployment of security guards and processes of period stock checking. Since April 1, 2022, there have been no incidents of material theft, fraud, pilferage by employees, misappropriation of funds or inventory or such similar incidents. While we take steps towards preventing loss of stock, there is no assurance that we will be successful in preventing losses and will not experience any instances of theft, fraud, negligence, or such similar instances in the future, which could adversely affect our financial condition, results of operations and cash flows. An increase in the levels of shrinkage at our manufacturing facilities or warehouses may require us to deploy more security staff and increase surveillance which would increase our operational costs and adversely affect our profitability. For further details, see “- 41. *Our insurance coverage may not be adequate to protect us against all losses, which could have an adverse effect on our business, financial condition, results of operations and cash flows.*” on page 58.

49. *Some of our Promoters and Directors and their relatives could have interest in us other than normal remuneration benefits or reimbursements of expenses incurred.*

In addition to payment of remuneration, we have entered into related party transactions with our Promoters and Directors in relation to the payment of rent. For details, see Note 43 (d) to our Restated Financial Information included in “*Restated Financial Information*”, “- *We have entered into, and will continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties*” and “*Our Promoters and Promoter Group - Interests of our Promoters*” on pages 254, 49 and 249, respectively.

Further, our Promoters are also interested in our Company to the extent of Equity Shares held by them and directors' fees received by them. Additionally, our Promoters have provided personal guarantees towards loan facilities taken by our Company, the total amount of which outstanding was ₹2,942.45 million as at August 15, 2025, and our business, financial condition, results of operations and cash flows may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company's borrowings. For details, see “- 18. *Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations and thereby, impact our business and operations.*” and “*Restated Financial Information - Note 23 - Borrowings*” on pages 45 and 289, respectively.

Further, our Promoters are interested to the extent of unsecured loans provided by them to our Company. For details, see, “*Our Promoters and Promoter Group - Interests of our Promoters*”, “*Financial Indebtedness*” and “*Restated Financial Information – Note 43- Related Party Disclosures*” on pages 249, 317 and 299, respectively.

50. *Our foreign currency exchange risks arise primarily from our foreign currency receivables, which could materially and adversely affect our financial condition, results of operations and cash flows.*

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in US dollars. Our foreign currency exchange risks arise primarily from our foreign currency receivables and foreign currency payables. We have adopted a formal foreign currency hedging policy. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly.

The table below sets forth our net foreign exchange gain/(loss) for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Foreign exchange gains [A] (₹ in million)	46.95	32.40	8.67

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Foreign exchange gains as a percentage of revenue from operations [B = A/C] (%)	0.60%	0.69%	0.29%
Revenue from operations [C] (₹ in million)	7,789.97	4,679.08	3,016.48

For additional quantitative disclosures on foreign currency risks, see “*Restated Financial Information – Note 48 – Financial risk management objectives and policies – (a)(ii) Foreign currency risk*” on page 306.

Any losses on account of foreign exchange fluctuations could adversely affect our financial condition, results of operations and cash flows.

51. Any downturn in the macroeconomic environment or geopolitical risks in India, the United States or the European Union could adversely affect our business, financial condition, results of operations and cash flows.

Our performance and the growth of our business are dependent to some extent on the health of the economies of India, the United States and the European Union. The table below sets forth our revenue from customers within India and outside India, including the United States and the European Union, for the periods indicated.

Location of customer	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers	Revenue (₹ in million)	% of revenue from contracts with customers
Within India	5,912.88	76.78%	3,389.51	74.38%	1,807.25	61.19%
Outside India	1,788.07	23.22%	1,167.43	25.62%	1,146.27	38.81%
Of which:						
United States	678.94	8.82%	465.58	10.22%	520.46	17.62%
European Union	611.75	7.94%	348.95	7.66%	129.14	4.37%
Of which:						
Germany	403.52	5.24%	276.60	6.07%	129.14	4.37%
Others	497.37	6.46%	352.89	7.74%	496.67	16.82%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

The Indian economy could be adversely affected by various factors, such as a new variant of COVID-19, other pandemics or epidemics, political and regulatory changes, increases in tariffs on Indian goods, worldwide financial instability, inflation, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war and natural calamities. On July 31, 2025, the United States announced tariffs of approximately 25% on most Indian goods, including engineered fabrics. Effective August 27, 2025, this new tariff brings the total additional duty on Indian products to 50% (*source: ILattice Report*). In addition, an increase in India’s trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, financial condition, results of operations and cash flows.

Geopolitical tensions, trade policies, and regulatory changes in these countries/regions can lead to increased tariffs, trade barriers, or sanctions, impacting our ability to export our products. The current U.S. administration has recently instituted or proposed changes in trade policies that include the imposition of higher tariffs on imports into the United States. As a result of recent policy changes of the current U.S. administration and recent U.S. government proposals, there may be greater restrictions and economic disincentives on international trade. New tariffs and other changes in U.S. trade policy could trigger retaliatory actions by affected countries, and certain foreign governments have imposed or are considering imposing trade sanctions on certain U.S. goods. Such changes have the potential to adversely affect the U.S. economy or certain sectors thereof, our industry and the global demand for our products and, as a result, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Any downturn in the macroeconomic environment or the occurrence of any of the above-mentioned geopolitical risks in the United States and the European Union could adversely affect our business, financial condition, results of operations and cash flows. Also see “- 8. Our exports accounted for 23.22% of revenue from contracts with customers for Fiscal 2025. Any changes in government regulations or policies affecting international trade may have an adverse effect on our business, results of operations and financial condition” on page 38.

- 52. We have included certain non-GAAP financial measures and certain operational metrics related to our business, financial condition, results of operations and cash flows in this Draft Red Herring Prospectus. These non-GAAP financial measures and operational metrics could vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with non-GAAP financial measures or operational metrics of similar nomenclature computed and presented by other companies**

In evaluating our business, we consider and use certain non-GAAP financial measures and operational metrics, such as EBITDA, EBITDA Margin, PAT Margin, Net Debt, Net Debt to EBITDA Ratio, Return on Equity, Return on Capital Employed, Fixed Assets Turnover Ratio, and Working Capital Cycle, which are not required by, or presented in accordance with, Ind AS or any other generally accepted accounting principles. Further, these non-GAAP financial measures and operational metrics are not a measurement of our financial performance or liquidity under Ind AS or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or any other generally accepted accounting principles. We compute and disclose such non-GAAP financial measures and such operational metrics as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and operational metrics may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, may not be comparable to financial measures and operational metrics of similar nomenclature that may be computed and presented by other companies.

Certain of our non-GAAP financial measures and operational metrics (referred to as KPIs) are disclosed in “Basis for the Offer Price – Key Performance Indicators (KPIs)” on page 116. After the listing of the Equity Shares on the Stock Exchanges, we will continue to disclose the KPIs in accordance with the applicable regulations. However, as the industry in which we operate continues to evolve, the KPIs by which we evaluate our business may change in the future.

We have also included certain non-GAAP financial measures and operational metrics of our competitors listed on the Stock Exchanges in “Basis for the Offer Price – Key Performance Indicators (KPIs)” on page 116, which may not be based on any standard methodology and are subject to various assumptions.

- 53. There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in future could result in the imposition of penalties, which could have an adverse effect on our financial condition, results of operation and cash flows.**

We are required to pay certain statutory dues, including provident fund contributions and employee state insurance contributions under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ State Insurance Act, 1948, respectively, professional taxes, gratuity and tax deducted at source. We are also required to pay additional statutory dues, including applicable goods and services and value added tax. As at the date of this Draft Red Herring Prospectus, our Company and our subsidiaries incorporated in India have paid all statutory dues for Fiscals 2025, 2024 and 2023. However, there have been some delays in the payment of statutory due for those fiscal years. The table below sets out details of the delays in statutory dues payable by our Company and subsidiaries in India for the fiscal years indicated:

Particulars	Fiscal 2025				Fiscal 2024				Fiscal 2023			
	Number of instances of delay	Amount delayed (including interest) (₹ in millions)	Total number of delays (days)	Total average number of delays (days)	Number of instances of delay	Amount delayed (including interest) (₹ in millions)	Total number of delays (days)	Total average number of delays (days)	Number of instances of delay	Amount delayed (including interest) (₹ in millions)	Total number of delays (days)	Total average number of delays (days)
Employees Provident fund	-	-	-	-	-	-	-	-	-	-	-	-
Tax deducted	3	0.11	53	17.67	-	-	-	-	-	-	-	-

at source on salary												
Tax deducted at source (other than salary)	2	0.02	200	100	11	3.48	767	69.73	5	0.04	141	28.2
Professional tax	14	0.51	1,140	81.43	12	0.59	119	9.92	14	0.17	66	4.71
Employee state insurance corporation contribution	1	0.11	1	1	1	0.12	1	1	1	0.12	1	1
GST	19	240.43	129	6.79	1	1.33	1	1	-	-	-	-

The instances of non-payment or delays in the payment of statutory dues by the Company were in part due to delays in registration of our new facility, technical errors experienced when trying to make payment through the relevant online portal, reliance on frequently malfunctioning third-party software, public holidays affecting banking and processing timelines, and missing, incomplete, or incorrect documentation.

While there has been no legal proceedings or regulatory action that has been initiated against our Company in relation to the non-payment or delays in the payment of statutory dues for Fiscals 2025, 2024 and 2023, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will not be imposed by regulatory authorities on our Company in this respect in the future.

54. *Statistical and industry data in this Draft Red Herring Prospectus are derived from the 1Lattice Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the 1Lattice Report for making an investment decision in the Offer is subject to inherent risks.*

This Draft Red Herring Prospectus includes information that is derived from the 1Lattice Report, which was prepared by Lattice and commissioned and paid for by our Company for the purpose of the Offer pursuant to an engagement letter dated February 3, 2025. Lattice is not in any manner related to our Company, Directors, Key Managerial Personnel, Senior Management, our Promoters or the Selling Shareholders. A copy of the 1Lattice Report will be available on our Company's website at <https://www.kusumgar.com/investor-relations/home/>.

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

The 1Lattice Report is subject to various limitations and based upon certain assumptions that are subjective in nature. The 1Lattice Report contains estimates, projections and forecasts as well as forward looking statements that could prove to be incorrect. The 1Lattice Report is not a recommendation to buy or sell securities in any company covered in the 1Lattice Report. Accordingly, prospective investors should not place undue reliance on or base their investment decision solely on information derived from the 1Lattice Report included in this Draft Red Herring Prospectus.

EXTERNAL RISKS

55. *The occurrence of natural disasters and man-made disasters could adversely affect our business, financial condition, results of operations and cash flows.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, in areas of India where our corporate office and manufacturing facilities are located could adversely affect our business, financial condition, results of operations and cash flows. We do not maintain insurance coverage in relation to our manufacturing facilities. The occurrence of natural disasters could therefore adversely affect our results of operations, cash flows, and financial condition.

In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

56. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of tax laws and regulations leading to new compliance requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

The regulatory and policy environment in which we operate are evolving and are subject to change. Our business and financial condition could be materially adversely affected by changes in the laws, rules or regulations applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The governmental and regulatory bodies could notify new regulations and/ or policies, which could require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent could be time-consuming as well as costly for us to resolve and could affect the viability of our current business or restrict our ability to grow our business in the future.

In addition, unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or could require us to apply for additional approvals.

The Government of India announced the union budget for the Financial Year 2025-2026 on February 1, 2025. Following this, the Finance Bill, 2025, was cleared by the parliament of India and has received the President's assent on March 29, 2025, becoming the Finance Act, 2025, with effect from April 1, 2025. The Finance Act, 2025, provides changes to India's taxation framework, including raising the tax exemption threshold to ₹1.20 million annually and recalibrating tax slabs, with the maximum rate of 30% applying to incomes of ₹2.40 million and above. We have not fully determined the effects of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, results of operations and financial condition.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Any future increases or amendments could affect the overall tax efficiency of companies operating in India and could result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

The Government introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations, which could restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees, which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes could, among other things, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that could be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely affecting our results of operations and cash flows.

We could incur increased costs and other burdens relating to compliance with such new requirements, which could also require significant management time and other resources, and any failure to comply could adversely affect our business, results of operations financial condition and cash flows.

57. *Our ability to borrow in foreign currencies is restricted by Indian law.*

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, or at all. Such, and other, limitations on raising foreign capital could adversely affect our business results of operations, financial condition and cash flows.

58. *A third party could be prevented from acquiring control over our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that could delay, deter or prevent a future takeover or change in control of our Company. These provisions could discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions could also discourage a third party from attempting to take control of our Company.

59. *A downgrade in India's sovereign debt rating by international rating agencies could adversely affect our debt ratings and the terms on which we are able to raise additional borrowings or refinance any existing borrowings.*

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside our control. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government policy or fiscal policy. Any adverse changes to India's sovereign debt rating by international rating agencies could adversely affect our debt ratings and the terms on which we are able to raise additional borrowings or refinance any existing borrowings, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

60. *If inflation rises in India, increased costs could result in a decrease in our profits.*

Increasing inflation in India could cause the costs of rent, wages, materials and other expenses to rise. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

Risks Relating to the Equity Shares and the Offer

61. *In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares by way of bonus issues and has issued CCPS at a price (based on a conversion ratio of one CCPS to one Equity Share) that may be lower than the Offer Price.*

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares for by way of bonus issues and has issued CCPS at a price of ₹365 per CCPS. Such CCPS shall be converted into Equity Shares in the ratio of one CCPS to one Equity Share prior to the filing of the Red Herring Prospectus in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For details of the Equity Shares and CCPS issued in the preceding one year from the date of this Draft Red Herring Prospectus, see "*Capital Structure – Notes to the Capital Structure – Share Capital History of our Company*" on page 90. The prices at which Equity Shares and CCPS have been issued by our Company in the preceding one year may be lower than the Offer Price, as may be determined through the Book Building process in accordance with the SEBI ICDR Regulations and thus, is not indicative of the Offer Price.

62. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares could not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for the Equity Shares will develop following the listing of the Equity Shares on the Stock Exchanges.*

There has been no public market for the Equity Shares prior to the Offer, the determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. The Offer Price will be determined by our Company in consultation with the BRLMs, through the Book Building Process in terms of Regulation 28 and Schedule XIII of SEBI ICDR Regulations. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. The Offer Price will be based on numerous factors, as described under in “Basis for the Offer Price” on page 114. This price may not necessarily be indicative of the market price of the Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer Price and could, as a result, lose all or part of your investment. The price at which the Equity Shares will trade at after the Offer will be determined by the marketplace and could be influenced by many factors, including:

- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel and Senior Management;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares could experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows.

The Equity Shares are expected to trade on the Stock Exchanges after the Offer, but there can be no assurance that active trading in the Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

63. *Investors will not be able to immediately sell any of the Equity Shares they purchase in the Offer on the Stock Exchanges.*

Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares on the Stock Exchanges can commence.

The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant’s demat account with depository participant is expected to take two Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors’ ability to sell their Equity Shares.

There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor.

Our Company could be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

64. *Our Company will not receive any proceeds from the Offer for Sale.*

The Offer consists of the Offer for Sale. Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses (inclusive of taxes) incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer in the manner as prescribed under applicable law and in a manner as may be mutually agreed among our Company and the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. For more details, see "*Objects of the Offer*" on page 111.

65. *Investors could be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares and will be subject to India taxes on any dividends.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Additionally, a securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months could be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you could be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any equity shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realised on the sale of our equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt from taxation in the hands of the Shareholders, both resident as well as non-resident.

Potential investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

66. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment within six Working Days from the Bid or Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, political or economic

conditions, or changes to our business or financial condition, could arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events could limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

67. *Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.*

Upon listing, the Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion could reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, could reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which could have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results.

68. *Foreign investors are subject to investment restrictions under Indian law that limit our ability to attract foreign investors, which could adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the RBI's approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, and proviso to Rule 6(a) of the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which share a land border with India investments or of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India where, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which could adversely affect our business, financial condition, results of operations and cash flows. For further information, see "Restrictions on Foreign Ownership of Indian Securities" on page 458.

69. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their

existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless our Company makes such a filing. Our Company may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you could suffer future dilution of your ownership position and your proportional interests in our Company would be reduced.

70. Subsequent to the listing of the Equity Shares on the Stock Exchanges, we could be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.

Subsequent to the listing of the Equity Shares, we could be subject to Additional Surveillance Measures (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer.

Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control could lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we could be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which could have an adverse effect on the market price of our Equity Shares or could in general cause disruptions in the development of an active trading market for our Equity Shares.

71. Any future issuance of Equity Shares or convertible securities or other equity-linked securities by us could dilute your shareholding and sales of the Equity Shares by our major shareholders could adversely affect the trading price of the Equity Shares.

We could be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors’ shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales could occur, including to comply with the minimum public shareholding norms applicable to listed companies in India could adversely affect the trading price of the Equity Shares, which could lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the market price of the Equity Shares.

72. It may be difficult for investors to enforce any judgment obtained outside India against our Company, the Directors or the Key Managerial Personnel in India.

Our Company is a company incorporated under the laws of India and all of our Directors, Key Managerial Personnel and members of Senior Management are residents of India. All of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, including the United Kingdom, United Arab Emirates, Singapore and Hong Kong. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The Code of Civil Procedure, 1908 only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares ⁽¹⁾⁽²⁾	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹ 6,500 million
<i>which comprises</i>	
Offer for Sale⁽²⁾	Up to [●] Equity Shares of face value ₹ 1 each aggregating up to ₹ 6,500 million
<i>Of which:</i>	
Employee Reservation Portion⁽³⁾⁽⁶⁾	Up to [●] Equity Shares of face value ₹ 1 each aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares of face value ₹ 1 each aggregating up to ₹ [●] million
The Net Offer consists of:	
A) QIB Portion⁽⁵⁾⁽⁶⁾	Not more than [●] Equity Shares of face value ₹ 1 each aggregating to ₹ [●] million
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares of face value ₹ 1 each
(ii) Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value ₹ 1 each
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value ₹ 1 each
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value ₹ 1 each
B) Non-Institutional Portion⁽⁷⁾⁽⁸⁾	Not less than [●] Equity Shares of face value ₹ 1 each aggregating to ₹ [●] million
<i>of which:</i>	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	[●] Equity Shares of face value ₹ 1 each
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares of face value ₹ 1 each
C) Retail Portion⁽⁷⁾	Not less than [●] Equity Shares of face value ₹ 1 each aggregating to ₹ [●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer prior to the conversion of the CCPS (as on the date of this Draft Red Herring Prospectus)	101,490,000 Equity Shares of face value ₹ 1 each
Equity Shares outstanding prior to the Offer (assuming the conversion of the CCPS)*	104,991,372 Equity Shares of face value ₹ 1 each
Equity Shares outstanding after the Offer	104,991,372 Equity Shares of face value ₹ 1 each
Use of Net Proceeds	See “Objects of the Offer” beginning on page 111 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

*3,501,372 CCPS of face value of ₹5 each shall be converted into 3,501,372 Equity Shares of face value of ₹ 1 each prior to the filing of the Red Herring Prospectus in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

⁽¹⁾ The Offer has been authorised by a resolution of our Board dated September 24, 2025.

⁽²⁾ Further, our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated September 24, 2025. The Promoter Selling Shareholders have confirmed that the Offered Shares are eligible for being offered for sale in the Offer in compliance with the Regulation 8 of the SEBI ICDR Regulations. The Promoter Selling Shareholders have authorised their participation in the Offer for Sale as set out below:

Name of the Promoter Selling Shareholder	Aggregate amount of Offer for Sale (in ₹ million)	Date of consent letter
Siddharth Yogesh Kusumgar	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 4,200 million	September 24, 2025
Sapna Siddharth Kusumgar	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 2,000 million	September 24, 2025
Siddharth Yogesh Kusumgar HUF	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 300 million	September 24, 2025

- (3) The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount), however, an Eligible Employee may submit a Bid for a maximum Bid Amount of ₹ 0.50 million under the Employee Reservation Portion. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million, subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹ 0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 0.50 million as applicable, net of Employee Discount), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Our Company, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see the section titled “Offer Structure” on page 393.
- (4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see the section titled “Offer Procedure” on page 398.
- (5) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.
- (6) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see the section titled “Offer Procedure” on page 398.
- (7) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Investors with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Investors with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned subcategories may be allocated to Investors in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidders shall not be less than the minimum application size (i.e. ₹ 0.20 million), subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

For details, including in relation to grounds for rejection of Bids, refer to the sections titled “Offer Structure” and “Offer Procedure” on pages 393 and 398, respectively. For details of the terms of the Offer, see the section titled “Terms of the Offer” on page 386.

SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables set forth the summary financial information as derived from our Restated Financial Information.

The summary financial information presented below should be read in conjunction with the sections titled “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 254 and 320, respectively.

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SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	1,718.63	1,367.20	825.60
Capital work-in-progress	451.94	84.34	1.90
Other intangible assets	1.33	2.21	4.53
Right-of-use assets	605.92	491.58	147.42
Financial assets			
(i) Investments	149.67	121.80	0.01
(ii) Other financial assets	59.61	73.73	21.23
Deferred tax asset (net)	0.56	-	-
Non-current tax assets	28.20	-	3.51
Other non-current assets	195.53	83.14	52.01
Total non-current assets	3,211.39	2,224.00	1,056.21
Current assets			
Inventories	1,369.02	1,437.11	677.63
Financial assets			
(i) Trade receivables	561.10	422.39	553.42
(ii) Cash and cash equivalents	304.94	326.80	101.12
(iii) Other bank balances	106.93	1106.13	11.40
(iv) Loans	155.69	-	-
(v) Other financial assets	238.38	26.57	37.91
Other current assets	376.53	304.41	101.01
Total current assets	3,112.59	3,623.41	1,482.49
Total assets	6,323.98	5,847.41	2,538.70
Equity and liabilities			
Equity			
Equity share capital	101.49	19.90	19.90
Other equity	2,476.03	1,383.69	536.24
Total equity	2,577.52	1,403.59	556.14
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	757.64	348.05	196.55
Lease liabilities	479.30	368.31	61.47
Deferred tax liabilities (net)	17.10	34.97	18.87
Employee benefit obligation	25.52	17.90	8.71
Total non-current liabilities	1,279.56	769.23	285.60
Current liabilities			
Financial liabilities			
(i) Borrowings	1,707.37	417.28	278.49
(ii) Lease liabilities	77.56	54.38	25.22
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	50.42	14.32	19.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises	421.65	508.40	170.60
(iv) Payable to bank on behalf of farmers			
(v) Other financial liabilities	103.98	1,337.32	1,155.99
Other current liabilities	96.85	1,307.87	42.25
Employee benefit obligations	9.07	5.32	4.45
Current tax liabilities (net)	-	29.70	-
Total current liabilities	2,466.90	3,674.59	1,696.96
Total liabilities	3,746.46	4,443.82	1,982.56

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Total equity and liabilities	6,323.98	5,847.41	2,538.70

**Our Company did not have subsidiaries or other consolidated entities during Fiscals 2024 and 2023. For further details, see “Restated Financial Information - Note 51 – Business Combination Under Common Control” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 311 and 320, respectively.*

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Income			
Revenue from operations	7,789.97	4,679.08	3,016.48
Other income	112.15	66.43	20.68
Total income (A)	7,902.12	4,745.51	3,037.16
Expenses			
Cost of materials consumed	3,713.71	2,002.86	1,535.96
Change in inventories of finished goods and semi-finished goods	(111.76)	(232.62)	(145.98)
Employee benefits expenses	655.73	414.85	315.12
Finance costs	146.31	63.22	52.78
Depreciation and amortisation expense	341.90	170.97	153.73
Other expenses	1,648.40	1,175.52	632.77
Total expenses (B)	6,394.29	3,594.80	2,544.38
Profit before tax (C = A-B)	1,507.83	1,150.71	492.78
Income tax expense			
Current tax	408.91	289.13	125.15
Short provision for tax relating to prior years	0.05	0.69	1.78
Deferred tax expense/(credit)	(21.01)	16.93	(6.32)
Total income tax expense (D)	387.95	306.75	120.61
Profit for the year (E = C-D)	1,119.88	843.96	372.17
Other comprehensive income / (loss) (OCI) (VI)			
Items that will not be reclassified to profit and loss			
Remeasurement gain/(loss) of net defined benefit liability	(5.61)	(11.11)	0.43
Gain on FVTOCI equity investments	27.87	13.79	-
Income tax effect on above	(2.58)	0.83	(0.11)
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve	(0.20)	(0.01)	-
Other comprehensive income for the year, net of tax (F)	19.48	3.50	0.32
Total comprehensive income for the year (G = E+F)	1,139.36	847.46	372.49
Earnings per Equity Share (Face value of ₹ 1 each)*			
Basic EPS (₹)	11.03	8.32	3.67
Diluted EPS (₹)	10.81	8.32	3.67

* Our Company did not have subsidiaries or other consolidated entities during Fiscals 2024 and 2023. For further details, see "Restated Financial Information - Note 51 – Business Combination Under Common Control" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 311 and 320, respectively.

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	For the year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
A. Cash flows from operating activities:			
Profit before tax	1,507.83	1,150.71	492.78
Adjustments for:			
Depreciation and amortisation expense	341.90	170.97	153.73
Finance costs	130.81	40.64	41.71
Unwinding of transaction cost	0.41	0.41	-
Impairment on investment	-	-	0.10
Allowance for expected credit loss	38.05	9.84	-
Bad debts and sundry balance written-off	6.17	3.05	-
Share based payment to employees	34.57	-	-
Sundry balance written back	(0.53)	(0.05)	(0.63)
Interest income	(57.84)	(29.91)	(1.60)
Unwinding of discount on security deposits	(2.06)	(0.98)	(1.28)
Unrealised foreign exchange loss/(gain)	(46.95)	(32.40)	(8.67)
Allowance for expected credit loss reversal	-	-	(6.78)
Gain on sale of property, plant and equipment	(0.71)	(1.67)	(1.30)
Operating profit before working capital changes	1,951.65	1,310.61	668.06
Adjustments for: Operating Assets:			
Decrease/ (increase) in trade receivables	(133.48)	150.53	(50.60)
Decrease/ (increase) in inventories	68.09	(759.48)	(222.17)
(Increase) in loans and other financial assets	(380.76)	(7.83)	(14.40)
(Increase) in other assets	(100.35)	(200.45)	(22.33)
Adjustments for: Operating Liabilities			
Increase/ (decrease) in trade payables	(50.12)	332.21	4.74
Increase/ (decrease) in provisions	5.77	(0.23)	(3.44)
Increase/ (decrease) in other financial liabilities	(1,260.89)	176.19	(89.82)
Increase/ (decrease) in other liabilities	(1,211.02)	1,265.54	24.94
Cash flows generated from / (used in) operations	(1,111.11)	2,267.09	295.52
Income tax paid (net)	(438.66)	(257.45)	(119.68)
Net cash flows generated from / (used in) operating activities (A)	(1,549.77)	2,009.64	175.84
B. Cash flows from investing activities			
Proceeds/(Payment) for capital work in progress, capital advance and creditor for capital	(452.41)	(111.37)	9.78
Payment for purchase of property, plant and equipment	(613.71)	(669.05)	(488.13)
Payment for purchase of other intangible assets	(1.26)	-	(0.19)
Proceeds from sale/disposal of property, plant and equipment	7.52	5.15	305.13
Investment in bank deposits	(9.29)	(1,139.12)	(5.92)
Proceed from bank deposits	1,030.99	0.94	1.90
Interest received	58.78	25.65	1.74
Payment for purchase of investments	-	(108.00)	-
Net cash flows generated from / (used in) investing activities (B)	20.62	(1,995.80)	(175.69)
C. Cash flows from financing activities			
Proceeds from borrowings	1,832.33	370.67	147.37
Repayment of borrowings	(139.99)	(82.67)	(49.44)
Principal paid on lease liabilities	(60.97)	(37.40)	(34.40)
Interest paid on lease liabilities	(39.49)	(10.05)	(8.40)
Interest paid on borrowings	(84.39)	(28.71)	(33.31)
Net cash flows generated from financing activities (C)	1,507.49	211.84	21.82
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(21.66)	225.68	21.97
Foreign Currency Translation Reserve	(0.20)	-	-
Cash and cash equivalents at the beginning of the year	326.80	101.12	79.15
Cash and cash equivalents at the end of the year	304.94	326.80	101.12

* Our Company did not have subsidiaries or other consolidated entities during Fiscals 2024 and 2023. For further details, see "Restated Financial Information - Note 51 – Business Combination Under Common Control" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 311 and 320, respectively.

GENERAL INFORMATION

Registered and Corporate Office

Kusumgar Limited

101, Manjushree, V.M. Road
Corner of N.S. Road No. 5, JVPD Scheme
Vile Parle (West), Mumbai – 400 056
Maharashtra, India

For details of change in our registered office, see “*History and Certain Corporate Matters – Changes in the registered office of our Company*” on page 214.

Company registration number and corporate identification number

Registration number: 056871

Corporate identification number: U65990MH1990PLC056871

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai which is situated at the following address:

100, Everest
Marine Drive
Mumbai-400 002
Maharashtra, India

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Siddharth Yogesh Kusumgar	Chairman and Managing Director	01676799	101 Manjushree, V M Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India
Sapna Siddharth Kusumgar	Joint Managing Director	06736984	101 Manjushree, V. M. Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India
Ankur Kothari	Executive Director and Chief Executive Officer	07694977	201, Second Floor, Rushabh, S V Road, Near Irla Bridge, Andheri West, Mumbai – 400 058, Maharashtra, India
Kaushal Jaysingh Sampat	Independent Director	01932997	B-1202, Rustomjee Elements, New D.N. Nagar, Link Road, Andheri West, Off. Juhu Circle, Opp. The Club, Mumbai, Maharashtra – 400 053, India
Deepti Gupta	Independent Director	08481203	36 West Avenue, IIT Delhi Campus, Hauz Khas, New Delhi- 110 016, India
Nihar Ajay Parikh	Independent Director	02475787	Omkar 1973, B 5602, Pandurang Bhudkar Marg, Next to Neelam Centre, Worli Colony, Mumbai- 400 030, Maharashtra, India

For further details of our Board of Directors, see “*Our Management-Board of Directors*” on page 226.

Company Secretary and Compliance Officer

Devanand Parshottam Mojidra is the Company Secretary and Compliance Officer of our Company. His contact details are as set out below:

Devanand Parshottam Mojidra

101, Manjushree, V.M. Road
Corner of N.S. Road No. 5, JVPD Scheme
Vile Parle (West), Mumbai – 400 056
Maharashtra, India
Telephone: + 91 22 6112 5100
E-mail: cs@kusumgar.com

Investor grievances

Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers**Axis Capital Limited**

Axis House, 1st Floor
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Telephone: +91 22 4325 2183
E-mail: kusumgar.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Sagar Jatakiya / Mayuri Arya
SEBI registration no.: INM000012029

IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai - 400 013
Maharashtra, India
Telephone: +91 22 4646 4728
E-mail: kusumgar.ipo@iiflcap.com
Investor grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact person: Dhruv Bhavsar / Pawan Kumar Jain
SEBI registration no.: INM000010940

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025, Maharashtra, India
Telephone: +91 22 7193 4380
E-mail: Kusumgar.ipo@motilaloswal.com
Investor grievance e-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com

Contact person: Sukant Goel/Vaibhav Shah
SEBI registration no.: INM000011005

Statement of *inter-se* allocation of responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	All BRLMs	Axis Capital
2.	Drafting and approval of all statutory advertisements	All BRLMs	Axis Capital
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	All BRLMs	IIFL
4.	Appointment of Registrar to the Offer, advertising agency, Printer including co-ordination for their agreements	All BRLMs	Axis Capital
5.	Appointment of all other intermediaries including Bankers to the Offer, Share Escrow Agent, Monitoring Agency (including coordination of all agreements)	All BRLMs	IIFL
6.	Preparation of road show presentation	All BRLMs	Motilal Oswal
7.	Preparation of FAQs	All BRLMs	IIFL
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	All BRLMs	Motilal Oswal
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	All BRLMs	Axis Capital
10.	Conduct non-institutional marketing of the Offer	All BRLMs	IIFL
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalizing media, marketing, public relations strategy and publicity budget • Finalizing collection centres • Finalizing commission structure • Finalizing centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All BRLMs	IIFL
12.	Coordination with Stock Exchanges for book building software and bidding terminals and mock trading	All BRLMs	Motilal Oswal
13.	Managing anchor book related activities including allocation to Anchor Investors, coordination with Stock Exchanges for anchor intimation, Anchor CAN, submission of letters regulators post completion of anchor allocation	All BRLMs	Motilal Oswal
14.	Managing the book and finalization of pricing in compliance with Company in accordance with SEBI ICDR regulations	All BRLMs	Axis Capital

Sr. No.	Activity	Responsibility	Co-ordination
15.	Post-Offer activities – Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government. Submission of all post Offer reports including the final post Offer report to SEBI.	All BRLMs	IIFL

Syndicate Members

[•]

Legal counsel to our Company as to Indian law

Khaitan & Co

10th, 13th & 14th Floors, Tower 1C
One World Centre
841, Senapati Bapat Marg
Mumbai 400 013 Maharashtra, India
Telephone: +91 22 6636 5000

Registrar to the Offer

Bigshare Services Private Limited

S6-2, 6th Floor,
Pinnacle Business Park,
Mahakali Caves Road, next to Ahura Centre,
Andheri East, Mumbai- 400093,
Maharashtra, India
Telephone: +91 22 6263 8200
E-mail: ipo@bigshareonline.com
Investor grievance E-mail: investor@bigshare.com
Website: <https://www.bigshareonline.com>
Contact Person: Jibu John
SEBI Registration No.: INR000001385

Banker(s) to the Offer

Escrow Collection Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Refund Bank(s)

[●]

Sponsor Bank(s)

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism

In accordance with the SEBI ICDR Master Circular, UPI Bidders may only apply through the SCSBs and Mobile Apps using the UPI handles and whose names appear on the website of SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism, is provided as 'Annexure A' for SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and specified on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the Members of the Syndicate is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, as updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, as updated from time to time.

Collecting Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at

www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 27, 2025 from the Statutory Auditors, MSKA & Associates, Chartered Accountants (FRN: 105047W), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 4, 2025 relating to the Restated Financial Information; (ii) their report dated September 25, 2025 on the statement of special benefits available to the Company and its Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” does not represent an “expert” within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated September 27, 2025 from M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act to the extent and in their capacity as an independent chartered accountants to our Company with respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” does not represent an “expert” within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated September 27, 2025 from M.K. Talukdar, Chartered Engineer, to include his name as an “expert” as defined under Sections 2(38) and 26(5) of the Companies Act to the extent and in their capacity as the Independent Chartered Engineer and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated September 26, 2025 from Vinay Angane and Associates, Practicing Company Secretary, to include its name as an “expert” as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as a Practicing Company Secretary and in respect of the certificates issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated September 26, 2025 from Amit Samani & Co, Company Secretaries, practicing company secretary, to include its name as an “expert” as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as a Practicing Company Secretary and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Statutory Auditors

MSKA & Associates, Chartered Accountants

602 6th Floor, Raheja Titanium,
Western Express Highway, Geetanjali,
Railway Colony, Ram Nagar
Goregaon (E), Mumbai - 400063
E-mail: Amrishvaidya@mska.in
Telephone: 022 6974 0200
Firm registration number: 105047W
Peer review number: 016966

Changes in auditors

Except as disclosed below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of Change	Reason
MSKA & Associates, Chartered Accountants E-mail: Amrishvaidya@mska.in Telephone: 022 6974 0200 Firm registration number: 105047W Peer review number: 016966	September 30, 2023	Appointment as the Statutory Auditor
Chaturvedi Sohan & Co. Email: chaturvn@gmail.com Telephone: 9821359898 Firm registration number: 118424W Peer Review Number: 017810	September 6, 2023	Resignation due to preoccupation elsewhere.

Bankers to our Company

Citibank N.A.

FIFC, 10th FLR, Plot No. C054 & C-55
G Block, BKC, Mumbai – 400 098
Maharashtra, India
Telephone: +91 77383 96111
E-mail: nikhil.chaumal@citi.com
Website: <https://www.online.citibank.co.in>
Contact person: Mr. Nikhil Chaumal

ICICI Bank Limited

ICICI Bank Towers
Bandra Kurla Complex, Mumbai – 400 051
Maharashtra, India
Telephone: +91 22 2653 1414
E-mail: services@custcomm.icicibank.com
Website: www.icicibank.com
Contact person: Avni Jain

HDFC Bank Limited

4th Floor, Tower B, Peninsula Business Park
Lower Parel, 400 012
Telephone: +91 8885 03736
E-mail: sanketshivaji.abhale@hdfc.com
Website: www.hdfcbank.com
Contact person: Sanket Abhale

Grading of the Offer

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

Appraising entity

No appraising entity has been appointed in relation to the Offer.

Monitoring agency

As the Offer is an Offer for Sale of Equity Shares by the Promoter Selling Shareholders, our Company is not required to appoint a monitoring agency for this Offer.

Credit rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture trustee

As the Offer is of Equity Shares, the appointment of a debenture trustee is not required.

Green shoe option

No green shoe option is contemplated under the Offer.

Filing of the offer documents

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal at <https://siportal.sebi.gov.in> in accordance with the SEBI ICDR Master Circular, as specified in Regulation 25(8) of SEBI ICDR Regulations.

A copy of this Draft Red Herring Prospectus will also be filed with SEBI at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 shall be filed with the RoC at its office, and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, Employee Discount (if any) and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" on page 398.

All Bidders (other than Anchor Investors) are mandatorily required to participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. The allocation to each Retail Individual Bidder and Non-Institutional Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 386 and 398, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for, after Allotment.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see “Offer Procedure” and “Offer Structure” on pages 398 and 393, respectively.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and Promoter Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, address, telephone and e-mail of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned underwriting commitment is indicative and will be finalised after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus is as set forth below:

(in ₹, except share data or indicated otherwise)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price ⁽¹⁾
A	AUTHORISED SHARE CAPITAL		
	<i>Equity Shares comprising:</i>		
	215,000,000 Equity Shares of face value ₹ 1 each	215,000,000	-
	<i>Preference shares comprising:</i>		
	5,000,000 CCPS of face value ₹ 5 each	25,000,000	
	Total	240,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF CCPS) ⁽²⁾		
	<i>Equity Shares comprising:</i>		
	101,490,000 Equity Shares of face value ₹ 1 each	101,490,000	-
	<i>Preference shares comprising:</i>		
	3,501,372 CCPS of face value ₹ 5 each	17,506,860	
	Total	118,996,860	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer of up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million ⁽³⁾	[●]	[●]
	<i>Of which</i>		
	Offer for Sale of up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 6,500 million ⁽³⁾	[●]	[●]
	<i>Which includes:</i>		
	Employee Reservation portion of up to [●] Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million ⁽⁴⁾	[●]	[●]
	Net Offer of [●] Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value of ₹ 1 each	[●]	-
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer		1,529,881,645
	After the Offer		1,529,881,645

⁽¹⁾ To be updated upon finalization of the Offer Price and subject to finalisation of Basis of Allotment.

⁽²⁾ 3,501,372 CCPS of face value of ₹5 each shall be converted into 3,501,372 Equity Shares of face value of ₹ 1 each prior to the filing of the Red Herring Prospectus in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

⁽³⁾ Our Board has taken on record the consents for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated September 24, 2025. The Promoter Selling Shareholders have confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered in the Offer for Sale in accordance with the Regulation 8 of the SEBI ICDR Regulations. For further details of authorisation received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 370.

⁽⁴⁾ The Employee Reservation Portion shall not exceed 5.00% of our post-Offer Equity Share capital. Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹ 0.50 million (net of Employee Discount, if any). However, the initial allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 0.50 million (net of Employee Discount, if any), shall be added to the Net Offer. Our Company, in consultation with the Book Running Lead Managers, may offer a discount of [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion which shall be announced at least two Working Days prior to the Bid/Offer Opening Date. For further details, see "Offer Procedure" and "Offer Structure" on pages 398 and 393, respectively.

Changes in the authorised share capital of our Company

Except as disclosed in "History and Certain Corporate Matters- Amendments to our Memorandum of Association in the last 10 years" on page 215, there has been no change in the authorised share capital of our Company.

Notes to the capital structure

1. Share capital history of our Company

a. Equity share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment of equity shares	Nature of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
June 15, 1990 [#]	Initial subscription to MoA	10 equity shares to Yogesh Kantilal Kusumgar, 10 equity shares to Indu Yogesh Kusumgar	20	20	2,000	100	100	Cash
June 15, 1990 [*]	Further issue	2 equity shares to Navinchandra Shah, 2 equity shares to Parag Balchandra Vora, 2 equity shares to Kartik Dhirajlal Shah, 2 equity shares to Manna K Shah, 2 equity shares to Amishi Kartik Shah, 2 equity shares to Anjana Kiran Shah, 1 equity share to Hargovindas Parekh and 1 equity share to Arun H Parekh	14	34	3,400	100	100	Cash
April 15, 1995 [*]	Further issue	250 equity shares to Yogesh Kantilal Kusumgar, 250 equity shares to Indu Yogesh Kusumgar, 250 equity shares to Siddharth Yogesh Kusumgar and 150 equity shares to Yogesh K Kusumgar (HUF)	900	934	93,400	100	100	Cash
December 6, 2002 [*]	Further issue	100 equity shares to Yogesh K Kusumgar (HUF)	100	1,034	103,400	100	100	Cash
September 18, 2008	Further issue	11,726 equity shares to Yogesh Kantilal Kusumgar jointly with Indu Yogesh Kusumgar, 9,750 equity shares to Siddharth Yogesh Kusumgar jointly with Yogesh Kantilal Kusumgar, 8,740 equity shares to Indu Yogesh Kusumgar jointly with Yogesh Kantilal Kusumgar, 9,000 equity shares to Sapna Siddharth Kusumgar jointly with Siddharth Yogesh Kusumgar	47,716	48,750	4,875,000	100	100	Cash

Date of allotment of equity shares	Nature of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
		and 8,500 equity shares to Siddharth Yogesh Kusumgar HUF						
September 22, 2008	Pursuant to takeover of all assets and liabilities in the books of account as on September 21, 2008 of Kusumgar Corporates as going concern, a proprietary concern of Yogesh K Kusumgar (HUF), Karta Yogesh Kantilal Kusumgar.	50,250 equity shares to Yogesh K Kusumgar (HUF)	50,250	99,000	9,900,000	100	4,465.92	Other than cash
May 5, 2009	Rights issue	51,666 equity shares to Yogesh K Kusumgar (HUF), 16,667 equity shares to Yogesh Kantilal Kusumgar, 16,667 equity shares to Siddharth Yogesh Kusumgar and 15,000 equity shares to Indu Yogesh Kusumgar	100,000	199,000	19,900,000	100	600	Cash
Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Consequently, the authorised share capital of our Company was sub-divided from 300,000 equity shares of face value of ₹100 each into 30,000,000 Equity Shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up Equity Share capital of our Company was sub-divided from 199,000 equity shares of face value of ₹100 each into 19,900,000 Equity Shares of face value of ₹ 1 each.								
February 20, 2025**	Bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held	30,000 Equity Shares to Yogesh Kantilal Kusumgar, 38,643,900 Equity Shares to Siddharth Yogesh Kusumgar, 18,470,100 equity shares to Sapna Siddharth Kusumgar, 2,550,000 Equity Shares to Siddharth Yogesh Kusumgar HUF, 1,500 equity shares to Concord Weaving Preparatory Pvt Ltd, 1,500 Equity Shares to Kusumgar Holdings LLP,	59,700,000	79,600,000	79,600,000	1	Nil	N.A.

Date of allotment of equity shares	Nature of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Cumulative number of equity shares	Cumulative paid up-equity share capital (₹)	Face value per equity share (₹)	Issue price per equity share (₹)	Form of consideration
		1,500 Equity Shares to Sia Siddharth Kusumgar and 1,500 Equity Shares to Sanay Siddharth Kusumgar						
March 25, 2025**	Bonus issue in the ratio of 11 Equity Shares for every 40 existing Equity Share held	11,000 Equity Shares to Yogesh Kantilal Kusumgar, 14,169,430 Equity Shares to Siddharth Yogesh Kusumgar, 6,772,370 Equity Shares to Sapna Siddharth Kusumgar, 935,000 Equity Shares to Siddharth Yogesh Kusumgar HUF, 550 Equity Shares to Concord Weaving Preparatory Pvt Ltd, 550 Equity Shares to Kusumgar Holdings LLP, 550 Equity Shares to Sia Siddharth Kusumgar and 550 Equity Shares to Sanay Siddharth Kusumgar	21,890,000	101,490,000	101,490,000	1	Nil	N.A.
Total				101,490,000	101,490,000			

*The date of allotment mentioned refers to the date of incorporation of our Company. The date of subscription to the Memorandum of Association was May 25, 1990.

*Our Company has been unable to trace the filings for the allotment, as the relevant information was not available in the records maintained by our Company. Our Company has commissioned an extensive search of its records with the RoC, both physically and on the MCA portal, and in this regard has obtained and relied on a search report dated September 26, 2025, issued by Amit Samani & Co, independent practicing company secretaries. Further, we have also sent an intimation through our letter dated September 26, 2025, to the RoC informing them of the missing Form 2 and challans with respect to such allotments. For further details, please see “Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus” on page 46.

**Our Company has filed an adjudication application dated September 19, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC on September 20, 2025. The adjudication application pertains to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issues of Equity Shares by our Company on February 20, 2025 and March 25, 2025. For further details, see “Risk Factors – 11. Our Company, Directors and Promoters are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.”, “Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus” and “Outstanding Litigation and Material Developments – Litigation involving our Company – Actions taken by statutory or authorities authorities” on pages 39, 46 and 360, respectively.

Except as disclosed in “Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus” page 46, our Company has made the abovementioned issuances and allotments of securities from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 read with the rules thereunder, to the extent applicable.

b. Preference share capital

The following table sets forth the history of the preference share capital of our Company:

Date of allotment of CCPS	Nature of allotment	Names of allottees along with the number of CCPS allotted to each allottee	Number of CCPS allotted of face value of ₹5 each	Cumulative number of CCPS	Cumulative paid up-CCPS (₹)	Face value per CCPS (₹)	Issue price per CCPS (₹)	Form of consideration
September 15, 2025	Preferential allotment	100 CCPS to Frangipani Capital Advisors LLP	100	100	500	5	365	Cash
September 24, 2025	Preferential allotment	383,562 CCPS to WhiteOak Capital India Opportunities Fund, 21,918 to WhiteOak Capital Equity Fund, 383,562 CCPS to Ashoka India Equity Investment Trust PLC, 32,877 CCPS to Ashoka WhiteOak Emerging Markets Trust PLC, 54,795 CCPS to Ara Investments, 21,918 CCPS to Tibrewala Electronics Limited, 1,095,890 CCPS to Motilal Oswal Finvest Limited, 273,873 CCPS to Frangipani Capital Advisors LLP, 684,932 CCPS to Edelweiss Discovery Fund – Series I and 547,945 CCPS to Spark Midas Investment Fund I	3,501,272	3,501,372	17,506,860	5	365	Cash

Notes: Our Company is in the process of filing certain form-filings in relation to allotments. The form filings will be filed within the statutory timelines.

Terms of conversion of CCPS

As on the date of this Draft Red Herring Prospectus, there are 3,501,372 CCPS of face value of ₹5 each that are outstanding, and such CCPS shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

The details of outstanding CCPS allotted by our Company are set forth in the table below:

Date of acquisition	Name of the Shareholder	Number of CCPS acquired of face value of ₹5 each	Conversion ratio	Number of Equity Shares of face value of ₹1 each to be allotted post conversion	Acquisition price per CCPS (in ₹)	Estimated price per Equity Share of face value of ₹1 each (based on conversion)
September 15, 2025	Frangipani Capital Advisors LLP	100	1:1	100	365	365
September 24, 2025	WhiteOak Capital India Opportunities Fund	383,562	1:1	383,562	365	365
	WhiteOak Capital Equity Fund	21,918		21,918		
	Ashoka India Equity Investment Trust PLC	383,562		383,562		
	Ashoka WhiteOak Emerging Markets Trust PLC	32,877		32,877		
	Ara Investments	54,795		54,795		
	Tibrewala Electronics Limited	21,918		21,918		
	Motilal Oswal Finvest Limited	1,095,890		1,095,890		

Date of acquisition	Name of the Shareholder	Number of CCPS acquired of face value of ₹5 each	Conversion ratio	Number of Equity Shares of face value of ₹1 each to be allotted post conversion	Acquisition price per CCPS (in ₹)	Estimated price per Equity Share of face value of ₹1 each (based on conversion)
	Frangipani Capital Advisors LLP	273,873		273,873		
	Edelweiss Discovery Fund – Series I	684,932		684,932		
	Spark Midas investment Fund I	547,945		547,945		

c. Secondary transactions involving the Promoters, Promoter Group and the Promoter Selling Shareholders

Except as disclosed under, “– Details of shareholding of our Promoters and members of the Promoter Group – (c) Build-up of the Promoters shareholding in our Company” on page 102, there are no other secondary transactions of equity shares of our Company by our Promoters, members of the Promoter Group and the Promoter Selling Shareholders.

2. Shares issued for consideration other than cash or by way of bonus issue

Except as disclosed below, our Company has not issued any equity shares or preference shares through bonus issue or for consideration other than cash at any time since incorporation.

Date of allotment of equity shares	Nature/ Reason of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Face value per Equity share (₹)	Issue price per equity share (₹)	Benefits accrued to our Company
September 22, 2008	Pursuant to takeover of all assets and liabilities in the books of account as on September 21, 2008 of Kusumgar Corporates as going concern, a proprietary concern of Yogesh K Kusumgar (HUF), Karta Yogesh Kantilal Kusumgar.	50,250 equity shares to Yogesh K Kusumgar (HUF)	50,250	100	4,465.92	Our Company acquired existing business set up, trademark and registration details with continuation.
February 20, 2025*	Bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held	30,000 Equity Shares to Yogesh Kantilal Kusumgar, 38,643,900 Equity Shares to Siddharth Yogesh Kusumgar, 18,470,100 Equity Shares to Sapna Siddharth Kusumgar, 2,550,000 Equity Shares to Siddharth Yogesh Kusumgar HUF, 1,500 Equity Shares to Concord Weaving Preparatory Pvt Ltd, 1,500 Equity Shares to Kusumgar Holdings LLP, 1,500 Equity Shares to Sia Siddharth Kusumgar and 1,500 Equity Shares to Sanay Siddharth Kusumgar	59,700,000	1	Nil	Nil
March 25, 2025*	Bonus issue in the ratio of 11 Equity Shares for every 40 existing Equity Share held	11,000 Equity Shares to Yogesh Kantilal Kusumgar, 14,169,430 Equity Shares to Siddharth Yogesh Kusumgar, 6,772,370 Equity Shares to Sapna Siddharth Kusumgar, 935,000 Equity Shares to Siddharth Yogesh Kusumgar HUF, 550 Equity Shares to Concord Weaving Preparatory Pvt Ltd, 550	21,890,000	1	Nil	Nil

Date of allotment of equity shares	Nature/ Reason of allotment	Names of allottees along with the number of equity shares allotted to each allottee	Number of equity shares allotted	Face value per Equity share (₹)	Issue price per equity share (₹)	Benefits accrued to our Company
		Equity Shares to Kusumgar Holdings LLP, 550 Equity Shares to Sia Siddharth Kusumgar and 550 Equity Shares to Sanay Siddharth Kusumgar				

* Our Company has filed an adjudication application dated September 19, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC on September 20, 2025. The adjudication application pertains to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issues of Equity Shares by our Company on February 20, 2025 and March 25, 2025. For further details, see Risk Factors – 11. Our Company, Directors and Promoters are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.”, “Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus” and “Outstanding Litigation and Material Developments – Litigation involving our Company – Actions taken by statutory or regulatory authorities” on pages 39, 46 and 360, respectively.

3. Issue of shares out of revaluation reserves

Our Company has not issued any equity shares or preference shares out of its revaluation reserves at any time since incorporation.

4. Issue of specified securities at a price lower than the Offer Price in the last year

Our Company has not issued any equity shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. Further, except as disclosed under “- Notes to capital structure – Share capital history of our Company – b. Preference share capital” on page 92, our Company has not issued preference shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

5. Issue of Equity Shares or preference shares pursuant to scheme of arrangement

Our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013, as applicable.

6. Employee stock option scheme

Our Company, pursuant to the resolutions passed by the Board on October 1, 2024 and our Shareholders’ on October 22, 2024, adopted the Kusumgar Employee Stock Option Plan 2024 (“**ESOP Scheme**”). ESOP Scheme has been amended pursuant to a resolution passed by the Board on June 10, 2025 and Shareholders on June 16, 2025. The objective of the ESOP Scheme is to enable the employees of the Company group (*as defined in the ESOP Scheme*), to get a share in the value that they help to create for the Company over a period of time and to attract and retain talented people, who add to the strength of the Company. The ESOP Scheme is in compliance with the Companies Act and SEBI SBEB Regulations and our Company has issued options only to its employees and all issuances are in compliance with Companies Act, as certified by Vinay Angane and Associates, Practising Company Secretary, pursuant to its certificate dated September 26, 2025.

Details of grants, exercise and lapsed options (on a cumulative basis) pursuant to the ESOP Scheme as on the date of this Draft Red Herring Prospectus are as follows:

Particulars	Total
Total number of options which may be granted under the ESOP Scheme (A)	2,537,250
Total options granted (B)	2,172,712
Options forfeited/lapsed/cancelled (C)	Nil
Options vested (excluding options that have been exercised) (D)	Nil

Particulars	Total
Unvested options in force (E)	2,172,712
Options exercised	Nil
Money realized by exercise of options (in ₹)	Nil
Total number of options in force (F=D+E)	2,172,712
Total number of Equity Shares of ₹1 each that would arise as a result of full exercise of options granted (net of forfeited/lapsed/cancelled options and ESOPs exercised)	2,172,712
Remaining pool of options (G=A-B+C)	364,538

The following table sets forth the particulars of ESOP Scheme, including options granted during the last three Fiscals and as on the date of this Draft Red Herring Prospectus. The details of the ESOP Scheme given below, have been certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), by way of their certificate dated September 27, 2025:

Particulars	For the period from April 1, 2025 till the date of this Draft Red Herring Prospectus	Fiscal 2025	Fiscal 2024	Fiscal 2023
Options granted	101,490	2,071,222	NA	NA
Number of employees to whom options were granted	1	1	NA	NA
Options vested (excluding options that have been exercised)	0	0	NA	NA
Options exercised	0	0	NA	NA
Options forfeited/ lapsed/ cancelled	0	0	NA	NA
Options outstanding (total of vested and unvested options)	101,490	2,071,222	NA	NA
Exercise price of options (₹)	₹1	₹1	NA	NA
Total no. of Equity Shares of ₹ 1 each that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (vested and unvested options)	101,490	2,071,222	NA	NA
Variation in terms of options	NA		NA	
Money realized by exercise of options (in ₹ million)	0	0	NA	NA
Total number of options in force (vested and unvested options)	101,490	2,071,222	NA	NA
Employee wise details of options granted to:				
Key management personnel and senior management				
Ankur Kothari	0	2,071,222	NA	NA
Narendra Kumar Jain	101,490	0	NA	NA
Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NA	NA	NA	

Particulars	For the period from April 1, 2025 till the date of this Draft Red Herring Prospectus	Fiscal 2025	Fiscal 2024	Fiscal 2023
Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital of our Company at the time of grant	-	2,071,222	NA	
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share' (in ₹) for continuing and discontinued operations	10.81	10.81	NA	NA
Lock-in	NIL		NA	
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NIL		NA	
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The fair value of options is measured using Black-Scholes valuation model. The expected volatility factor reflects the fluctuations in share returns over time and is measured by the annualized standard deviation of stock returns. As the Company is not listed, historical volatility of comparable listed companies has been used as a proxy to estimate the expected volatility of the Company's shares.		NA	
- Expected volatility (% p.a.)	50	50	NA	NA
- Risk free rate of return (%)	6.60	6.60	NA	NA
- Dividend yield (% p.a.)	0	0	NA	NA
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the	NA		NA	

Particulars	For the period from April 1, 2025 till the date of this Draft Red Herring Prospectus	Fiscal 2025	Fiscal 2024	Fiscal 2023
SEBI SBEB Regulations in respect of options granted in the last three years				
Intention of the key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted/ transferred on exercise of options granted under ESOP Scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer, if any	NA		NA	
Intention to sell Equity Shares arising out of ESOP Scheme within three months after the date of listing, by directors, key managerial personnel, senior management and employees having Equity Shares issued/transferred under ESOP Scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)	NA		NA	

Note: As certified by M/s Pankaj R Shah & Associates, Chartered Accountants, (FRN: 107361) pursuant to their certificate dated September 27, 2025.

7. In accordance with Regulation 54 of the SEBI ICDR Regulations, all transactions in specified securities by our Promoters and members of our Promoter Group, between the date of this Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions.

8. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants, ESOPs etc.) (X)	Total number of shares on a fully diluted basis (including warrants, ESOP, convertible securities etc.) (XI) = (VII) + (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XIII)		Number of Shares pledged (XIV)		Non disposal undertaking (XV)		Other encumbrances, if any (XVI)		Total number of shares encumbered (XVII)		Number of equity shares held in dematerialized form (XVIII)
								Number of Voting Rights			Total as a % of (A+B + C)				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others (CCPS)	Total															
(A)	Promoter and Promoter Group	8	94,991,369	-	-	94,991,369	93.60	95,210,548	-	94,991,369	90.48	-	94,991,369	90.48	-	-	-	-	-	-	-	-	-	-	94,991,369
(B)	Public	11	6,498,631	-	-	6,498,631	6.40	6,498,631	3,501,372	10,000,003	9.52	3,501,372	10,000,003	9.52	-	-	-	-	-	-	-	-	-	-	10,000,003
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	19	101,490,000	-	-	101,490,000	100.00	101,490,000	3,501,372	104,991,372	100.00	3,501,372	104,991,372	100*	-	-	-	-	-	-	-	-	-	-	104,991,372

*The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

9. Other details of shareholding of our Company

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 19 holders of Equity Shares and 10 holders of CCPS.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held (face value ₹1 each)	Number of CCPS held	Number of Equity Shares assuming conversion of outstanding CCPS*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*
1.	Siddharth Yogesh Kusumgar	61,884,021	--	61,884,021	58.94%
2.	Sapna Siddharth Kusumgar	29,561,148	--	29,561,148	28.16%
3.	Siddharth Yogesh Kusumgar HUF	3,485,000	--	34,85,000	3.32%
4.	Motilal Oswal Finvest Limited	1,643,836	1,095,890	2,739,726	2.61%
5.	Edelweiss Discovery Fund – Series I	1,369,863	684,932	2,054,795	1.96%
6.	Spark Midas Investment Fund I	1,095,890	547,945	1,643,835	1.57%
	Total	99,039,758	2,328,767	101,368,525	96.55%

*The number of Equity Shares held and the percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each, which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares held (face value ₹1 each)	Percentage of the pre-Offer Equity Share (%)
1.	Siddharth Yogesh Kusumgar	65,694,630	64.73%
2.	Sapna Siddharth Kusumgar	31,399,170	30.94%
3.	Siddharth Yogesh Kusumgar HUF	43,35,000	4.27%
	Total	101,428,800	99.94%

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of equity shares held (face value ₹100 each)	Percentage of the pre-Offer Equity Share capital (%)
1.	Siddharth Yogesh Kusumgar	128,813	64.73%
2.	Sapna Siddharth Kusumgar	61,567	30.94%
3.	Siddharth Yogesh Kusumgar HUF	8,500	4.27%
	Total	198,880	99.94%

- (e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of equity shares held (face value ₹100 each)	Percentage of the pre-Offer Equity Share capital (%)
1.	Siddharth Yogesh Kusumgar	128,813	64.73%
2.	Sapna Siddharth Kusumgar	61,567	30.94%
3.	Siddharth Yogesh Kusumgar HUF	8,500	4.27%
	Total	198,880	99.94%

- (f) Except for the allotment of Equity Shares pursuant to the exercise of options granted under the ESOP Scheme, our Company presently does not intend or propose and is not under negotiations or

considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

- (g) Except for the options granted under the ESOP Scheme and outstanding CCPS which shall be converted into Equity Shares prior to filing of the Red Herring Prospectus, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.

Details of shareholding of our Promoters and members of the Promoter Group

- (a) As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group hold 94,991,369 Equity Shares in aggregate, equivalent to 90.48% of the pre-Offer Equity Share capital (on a fully diluted basis) of our Company. Details of shareholding of our Promoters and members of Promoter Group are as set forth in the table below:

S. No.	Name	Pre-Offer		Post-Offer*	
		No. of Equity Shares of face value of ₹ 1 each held	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%) ^{&}	No. of Equity Shares of face value of ₹ 1 each held	% of total paid-up Equity Share capital
Promoters					
1.	Siddharth Yogesh Kusumgar	61,884,021	58.94%	[●]	[●]
2.	Sapna Siddharth Kusumgar	29,561,148	28.16%	[●]	[●]
4.	Siddharth Yogesh Kusumgar HUF	3,485,000	3.32%	[●]	[●]
4.	Yogesh Kantilal Kusumgar	51,000	0.05%	[●]	[●]
	Total (A)	94,981,169	90.47%		
Promoter Group					
1.	Concord Weaving Preparatory Pvt Ltd	2,550	Negligible	[●]	[●]
2.	Sia Siddharth Kusumgar	2,550	Negligible	[●]	[●]
3.	Sanay Siddharth Kusumgar	2,550	Negligible	[●]	[●]
4.	Kusumgar Holdings LLP	2,550	Negligible	[●]	[●]
	Total (B)	10,200	Negligible	[●]	[●]
	Total (A+B)	94,991,369	90.48%	[●]	[●]

*To be updated at Prospectus stage.

[&]The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

- (b) All specified securities held by our Promoters (including the Promoter Selling Shareholders), Promoter Group, Directors, Key Managerial Personnel, Senior Management, QIBs, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable, are in dematerialised form as on the date of this Draft Red Herring Prospectus.
- (c) Build-up of the Promoters' shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of allotment/transfer	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Transfer price/ acquisition price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*	Percentage of the post- Offer Equity Share capital (%)
Siddharth Yogesh Kusumgar							
April 15, 1995 ^{&}	Further issue	250	100	100	Cash	Negligible	[●]
September 18, 2008	Further issue	9,750	100	100	Cash	0.01	[●]
May 5, 2009	Rights issue	16,667	100	600	Cash	0.02	[●]
March 23, 2016 [#]	Transfer from Yogesh K Kusumgar(HUF)	30,000	100	Nil	Gift	0.03	[●]
January 4, 2017 [#]	Transfer from Yogesh K Kusumgar (HUF)	30,000	100	Nil	Gift	0.03	[●]
January 12, 2018 [#]	Transfer from Yogesh K Kusumgar (HUF)	42,166	100	Nil	Gift	0.04	[●]
January 8, 2022	Transfer to Concord Weaving Preparatory Pvt Ltd	(5)	100	4,000	Cash	Negligible	[●]
January 8, 2022	Transfer to Sia Siddharth Kusumgar	(5)	100	Nil	Gift	Negligible	[●]
January 8, 2022	Transfer to Kusumgar Holdings LLP	(5)	100	4,000	Cash	Negligible	[●]
January 8, 2022	Transfer to Sanay Siddharth Kusumgar	(5)	100	Nil	Gift	Negligible	[●]
Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Accordingly, by virtue of sub-division, with effect from October 1, 2024, Siddharth Yogesh Kusumgar was holding 12,881,300 Equity Shares of face value of ₹1 each.							
February 20, 2025 ^{**}	Bonus issue ratio of 3 Equity Shares for every 1 existing Equity Share held	38,643,900	1	Nil	N.A.	36.81	[●]
March 25, 2025 ^{**}	Bonus issue in the ratio of 11 Equity Shares for every 40 existing Equity Share held	14,169,430	1	Nil	N.A.	13.50	[●]
September 25, 2025	Transfer to Motilal Oswal Finvest Limited	(1,643,836)	1	365	Cash	(1.57)	[●]
September 25, 2025	Transfer to Edelweiss Discovery Fund – Series I	(1,369,863)	1	365	Cash	(1.30)	[●]
September 26, 2025	Transfer to Ashoka India Equity Investment Trust PLC	(575,342)	1	365	Cash	(1.00)	[●]
September 26, 2025	Transfer to Ara Investments	(82,192)	1	365	Cash	(0.08)	[●]
September 26, 2025	Transfer to Tibrewala Electronics Limited	(2,389)	1	365	Cash	Negligible	[●]
September 26, 2025	Transfer to PAM Family Trust	(54,795)	1	365	Cash	(0.05)	[●]
September 26, 2025	Transfer to Elcid Investments Limited	(82,192)	1	365	Cash	(0.08)	[●]
Total (A)		61,884,021				58.94%	[●]
Sapna Siddharth Kusumgar							

Date of allotment/transfer	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Transfer price/ acquisition price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*	Percentage of the post-Offer Equity Share capital (%)
September 18, 2008	Further issue	9,000	100	100	Cash	0.01	[●]
March 7, 2020	Transfer from Yogesh Kantilal Kusumgar	52,567	100	Nil	Gift	0.05	[●]
Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Accordingly, by virtue of sub-division, with effect from October 1, 2024, Sapna Siddharth Kusumgar was holding 6,156,700 Equity Shares of face value of ₹1 each.							
February 20, 2025**	Bonus issue ratio of 3 Equity Shares for every 1 existing Equity Share held	18,470,100	1	Nil	N.A.	17.59	[●]
March 25, 2025**	Bonus issue in the ratio of 11 Equity Shares for every 40 existing Equity Share held	6,772,370	1	Nil	N.A.	6.45	[●]
September 25, 2025	Transfer to Spark Midas Investment Fund I	(1,095,890)	1	365	Cash	(1.04)	[●]
September 26, 2025	Transfer to WhiteOak Capital India Opportunities Fund	(575,342)	1	365	Cash	(0.55)	[●]
September 26, 2025	Transfer to WhiteOak Capital Equity Fund	(32,877)	1	365	Cash	(0.03)	[●]
September 26, 2025	Transfer to Ashoka WhiteOak Emerging Markets Trust PLC	(49,315)	1	365	Cash	(0.05)	[●]
September 26, 2025	Transfer to Tibrewala Electronics Limited	(2,406)	1	365	Cash	Negligible	[●]
September 26, 2025	Transfer to Shradha Family Trust	(27,397)	1	365	Cash	(0.03)	[●]
[September 26, 2025]	Transfer to Hanuman Freight and Carriers Private Limited	(27,397)	1	365	Cash	(0.03)	[●]
September 26, 2025	Transfer to Nayan Kantilal Gudka	(13,699)	1	365	Cash	(0.01)	[●]
September 26, 2025	Transfer to Ajaykiran Kantilal Gudka	(13,699)	1	365	Cash	(0.01)	[●]
Total (B)		29,561,148				28.16%	[●]
Siddharth Yogesh Kusumgar HUF							
September 18, 2008	Further issue	8,500	100	100	Cash	0.01	[●]
Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Accordingly, by virtue of sub-division, with effect from October 1, 2024, Siddharth Yogesh Kusumgar HUF was holding 850,000 Equity Shares of face value of ₹1 each.							
February 20, 2025**	Bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held	2,550,000	1	Nil	N.A.	2.43	[●]
March 25, 2025**	Bonus issue in the ratio of 11 Equity Shares for every 40	935,000	1	Nil	N.A.	0.89	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Transfer price/ acquisition price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*	Percentage of the post-Offer Equity Share capital (%)
	existing Equity Share held						
September 25, 2025	Transfer to Frangipani Capital Advisors LLP	(410,959)	1	365	Cash	(0.39)	[●]
September 26, 2025	Transfer to Nuvama Custodial Services Limited	(410,959)	1	365	Cash	(0.39)	[●]
September 26, 2025	Transfer to Tibrewala Electronics Limited	(28,082)	1	365	Cash	(0.03)	[●]
Total (C)		3,485,000				3.32%	[●]
Yogesh Kantilal Kusumgar							
June 15, 1990 ^s	Initial subscription to MoA	10	100	100	Cash	Negligible	[●]
April 15, 1995 ^{&}	Further issue	250	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Arun Hargovindas Parekh (jointly held with Yogesh Kantilal Kusumgar)	1	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Navinchandra Ratilal Shah (jointly held with Hina Navinchandra Shah)	2	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Parag Balchandra Vora (jointly held with Yogesh Kantilal Kusumgar)	2	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Hargovindas C. Parekh (jointly held with Yogesh Kantilal Kusumgar)	1	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Manna Kartik Shah (jointly held with Kartik Dhirajlal Shah)	2	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Anjana Kiran Shah (jointly held with Kiran Shah)	2	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Kartik Dhirajlal Shah (jointly held with Manna Kartik Shah)	2	100	100	Cash	Negligible	[●]
September 9, 2008 [@]	Transfer from Amishi Kartik Shah (jointly held with Kartik Shah)	2	100	100	Cash	Negligible	[●]
September 18, 2008	Further issue	11,726	100	100	Cash	0.01	[●]
May 5, 2009	Rights issue	16,667	100	600	Cash	0.02	[●]
January 12, 2018 [#]	Transmission from Indu Yogesh Kusumgar	24,000	100	N.A.	N.A.	0.02	[●]

Date of allotment/transfer	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Transfer price/ acquisition price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*	Percentage of the post-Offer Equity Share capital (%)
March 7, 2020	Transfer to Sapna Siddharth Kusumgar	(52,567)	100	Nil	Gift	(0.05)	[●]
Pursuant to a resolution passed by our Board on October 1, 2024 and a special resolution passed by our Shareholders on October 1, 2024, each equity share of our Company of face value of ₹100 was sub-divided into Equity Shares of face value of ₹ 1 each. Accordingly, by virtue of sub-division, with effect from October 1, 2024, Yogesh Kantilal Kusumgar was holding 10,000 Equity Shares of face value of ₹1 each.							
February 20, 2025**	Bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held	30,000	1	Nil	N.A.	0.03	[●]
March 25, 2025**	Bonus issue in the ratio of 11 Equity Shares for every 40 existing Equity Share held	11,000	1	Nil	N.A.	0.01	[●]
Total (D)		51,000				0.05%	[●]
Total (A+B+C+D)		94,981,169				90.47%	[●]

Notes: Our Company is in the process of filing certain form-filings in relation to the transfers done on September 26, 2025 by our Promoters. The form filings will be filed within the statutory timelines.

*The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

[#]Our Company has been unable to trace the share transfer forms / depository instruction slips for the transfer, as the relevant information was not available in the records maintained by our Company. Our Company has commissioned an extensive search of its records at its Registered and Corporate Office and also with the RoC, both physically and on the MCA portal, and in this regard has obtained and relied on a search report dated September 26, 2025, issued by Amit Samani & Co, independent practicing company secretaries. Further, we have also sent an intimation through our letter dated September 26, 2025, to the RoC informing them of the missing Form 2 and challans with respect to such allotments. For further details, please see "Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus." on page 46.

[&] Our Company has been unable to trace the filings for the allotment, as the relevant information was not available in the records maintained by our Company. Our Company has commissioned an extensive search of its records with the RoC, both physically and on the MCA portal, and in this regard has obtained and relied on a search report dated September 26, 2025, issued by Amit Samani & Co, independent practicing company secretaries. Further, we have also sent an intimation through our letter dated September 26, 2025, to the RoC informing them of the missing Form 2 and challans with respect to such allotments. For further details, please see Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus." on page 46.

[§]The date of allotment mentioned refers to the date of incorporation of our Company. The date of subscription to the Memorandum of Association was May 25, 1990.

[@] Pursuant to the share transfers on September 9, 2008, the transferors transferred the shares to Yogesh Kantilal Kusumgar, jointly held with Indu Yogesh Kusumgar.

^{**}Our Company has filed an adjudication application dated September 19, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC on September 20, 2025. The adjudication application pertains to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issues of Equity Shares by our Company on February 20, 2025 and March 25, 2025. For further details, see "Risk Factors – 11. Our Company, Directors and Promoters are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.", "Risk Factors – 19. We have been unable to locate certain of our historical corporate records. Further, we have also filed an application for adjudication in respect of an allotment of Equity Shares pursuant to certain bonus issuances which is pending as on the date of this Draft Red Herring Prospectus." and "Outstanding Litigation and Material Developments – Litigation involving our Company – Actions taken by statutory or regulatory authorities" on page 39, 46 and 360.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares by it. Further, none of the Equity Shares held by our Promoters are pledged.

- (d) Except as disclosed under, "– Details of shareholding of our Promoters and members of the Promoter Group – (c) Build-up of the Promoters shareholding in our Company" on page 102, none of the members of our Promoter Group, our Promoters, and/or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

- (e) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

10. Details of Promoters' contribution and lock-in

- (a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked in for a period of 18 months as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment or such other period as may be prescribed under the SEBI ICDR Regulations.
- (b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Date of allotment/ transfer of the equity shares	Nature of transaction	Number of equity shares of face value of ₹ 1 each ⁽¹⁾	Face value per equity share (₹ 1)	Allotment/ acquisition price per equity share (₹)	Number of equity shares of face value ₹ 1 each locked-in*	Percentage of the post-Offer paid-up capital (%)
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]

* Subject to finalisation of the Basis of Allotment.

⁽¹⁾ All equity shares were fully paid-up at the time of allotment/ transfer.

- (c) Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (d) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of build-up of the share capital held by our Promoters, see "*-Build-up of the Promoters shareholding in our Company*" on page 102. In this connection, we confirm the following:
- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years if these are: (a) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such a transaction; or (b) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or from a bonus issuance of Equity Shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
 - The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and
 - Our Company has not been formed by the conversion of partnership firm or a limited liability partnership firm into a Company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other encumbrance.

11. Details of other Equity Shares locked- in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer or such other period as may be prescribed under the SEBI ICDR Regulations, except for the:

- (i) Equity Shares which are successfully transferred as part of the Offer for Sale;
- (ii) Equity Shares allotted to eligible employees of the Company (whether currently an employee or not) pursuant to the ESOP Scheme, prior to the Offer; and
- (iii) Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme, subject to the provisions of lock-in under the SEBI SBEB Regulations.

In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund ("VCF") or alternative investment fund ("AIF") of category I or category II or a foreign venture capital investor ("FVCI") shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

Further, any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

12. *Lock-in of Equity Shares allotted to Anchor Investors*

Fifty per cent of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of the allotment, the remaining fifty percent of the Equity Shares Allotted to the anchor investors shall be locked in for a period of 30 days from the date of allotment or as provided by the SEBI ICDR Regulations.

13. *Recording on non-transferability of Equity Shares locked-in*

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

14. *Other requirements in respect of lock-in*

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- (b) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer and, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoter or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the SEBI Takeover

Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoter and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

15. Our Company, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares from any person.
16. None of our Key Managerial Personnel or Senior Management hold any Equity Shares or CCPS in our Company. Further, except as disclosed below, none of the Directors of our Company hold any Equity Shares in our Company.

Sr. No.	Name of the Director	Number of Equity Shares held bearing face value of ₹1 each	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*
1.	Siddharth Yogesh Kusumgar	61,884,021	58.94%
2.	Sapna Siddharth Kusumgar	29,561,148	28.16%
	Total	91,445,169	87.10%

**The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

17. All Equity Shares to be transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
18. As on the date of this Draft Red Herring Prospectus, the Company does not have any employee stock appreciation right scheme.
19. As on the date of this Draft Red Herring Prospectus, except for Motilal Oswal Finvest Limited, an associate of one of the BRLMs, Motilal Oswal Investment Advisors Limited under the SEBI (Merchant Bankers) Regulations, 1992, which holds 1,643,836 Equity Shares aggregating to 1.57% of the paid-up Equity Share Capital and 1,095,890 CCPS as on the date of this Draft Red Herring Prospectus, convertible into 1,095,890 Equity Shares of face value of ₹1 each prior to the filing of the Red Herring Prospectus, none of the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in future receive, compensation.
20. Except to the extent of sale of the Offered Shares in the Offer for Sale by the Promoters, none of the members of our Promoter Group will participate in the Offer.
21. Except for the allotment of Equity Shares pursuant to the exercise of options granted under the ESOP Scheme and conversion of CCPS into Equity Shares prior to filing the Red Herring Prospectus with SEBI, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares are listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
22. No person connected with the Offer, including, but not limited to, the BRLMs, the Members of the Syndicate, our Company, our Directors, our Promoters and members of our Promoter Group, shall offer or make payment of any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
24. Except as disclosed in this section, there are no outstanding convertible securities, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
25. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension fund sponsored by entities which are associate of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

SECTION IV: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises an Offer for Sale by the Promoter Selling Shareholders. The objects of the Offer are to (i) carry out the Offer for Sale of [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹6,500 million by the Promoter Selling Shareholders which constitutes [●]% of the pre-Offer Equity Share capital of the Company; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For details, see “*The Offer*” on page 73.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India.

Utilisation of the Offer proceeds

Our Company will not receive any proceeds from the Offer (the “**Offer Proceeds**”) and all the Offer Proceeds will be received by the Promoter Selling Shareholders after deduction of their respective portion of the Offer related expenses and relevant taxes thereon, to be borne by the Promoter Selling Shareholders. For details of Equity Shares offered by the Promoter Selling Shareholders, see “*The Offer*” and “*Other Regulatory and Statutory Disclosures*” on pages 73 and 370, respectively.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

Other than the (a) listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), expenses for any corporate advertisements consistent with past practice of our Company (not including expenses relating to marketing and advertisements undertaken in connection with the Offer) each of which will be borne solely by our Company, and (b) fees and expenses in relation to the legal counsels to the Promoter Selling Shareholders which shall be borne by the respective Promoter Selling Shareholders, our Company and each of the Promoter Selling Shareholders agree to share the costs and expenses (including all applicable taxes) directly attributable to the Offer in accordance with applicable law including Section 28(3) of the Companies Act. It is further clarified that all such payments shall be made first by our Company, and any payments by our Company in relation to the Offer expenses on behalf of any of the Promoter Selling Shareholders shall be reimbursed by such Promoter Selling Shareholder for their respective portion of Offer related expenses, severally and not jointly, to the Company. In the event that the Offer is withdrawn or not completed for any reason, all the costs and expenses (including the fees and expenses of the Book Running Lead Managers, the legal counsels in relation to the Offer and all applicable taxes) directly attributed to the Offer shall be borne by our Company and the Promoter Selling Shareholders in a proportionate manner as specified above, except as may be prescribed by SEBI or any other regulatory authority. Further, in the event any Promoter Selling Shareholder withdraws from the Offer or terminates the Offer Agreement in respect of such Promoter Selling Shareholder at any stage prior to the completion of the Offer, it shall reimburse our Company all costs, charges, fees and expenses directly attributed to the Offer on a pro-rata basis, in proportion to their respective Offer Shares, up to the date of such withdrawal or termination with respect to such Promoter Selling Shareholder in accordance with the applicable law including Section 28(3) of the Companies Act.

The break-up of the estimated Offer expenses are as follows:

(₹ in million)				
Sr. No.	Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
1.	Fees and commissions payable to the Book Running Lead Managers (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Advertising and marketing expenses for the Offer	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽¹⁾	[●]	[●]	[●]
5.	Printing and distribution of Offer stationery	[●]	[●]	[●]

Sr. No.	Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
6.	Others			
	a) Listing fees, SEBI filing fees, BSE & NSE processing fees, book building software fees	[●]	[●]	[●]
	b) Fees payable to legal counsels	[●]	[●]	[●]
	c) Fees payable to industry service provider	[●]	[●]	[●]
	d) Miscellaneous [#]	[●]	[●]	[●]
	Total estimated Offer expenses	[●]	[●]	[●]

* Offer expenses include goods and services tax, where applicable. Amounts will be finalised and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change and may include any miscellaneous expenses that may be incurred in relation to the Offer.

[#]The other intermediaries to the Offer include Statutory Auditor, Independent Chartered Engineer, and practicing company secretary.

- (1) Selling commission payable to the SCSBs on the portion for RIBs, NIBs and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIBs*	[●]% of the amount allotted (plus applicable taxes)
Portion for NIBs*	[●]% of the amount allotted (plus applicable taxes)
Portion for Eligible Employees*	[●]% of the amount allotted (plus applicable taxes)

*Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal is as captured in the Bid book of BSE or NSE.

- (2) No additional uploading/processing fees shall be payable by our Company and the Promoter Selling Shareholders to the SCSBs on the application directly procured by them.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders (excluding UPI Bids) and Eligible Employees which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders and Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)
Portion for Eligible Employees	₹[●] per valid application (plus applicable taxes)

- (3) Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate /RTAs/ CDPs/ Registered Brokers	₹[●] per valid Bid cum Application Form (plus applicable taxes)
Sponsor Bank	₹[●] per valid Bid cum Application Form (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.

*Based on valid Bid cum Application Forms.

- (4) Brokerage, selling commission and processing/uploading charges on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate members) would be as follows:

Portion for Retail Individual Bidders*	[●]% of the amount allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the amount allotted (plus applicable taxes)
Portion for Eligible Employees	[●]% of the amount allotted (plus applicable taxes)

*Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price.

- (5) The selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

- (6) Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Promoter Selling Shareholders shall be as mutually agreed in writing amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Promoter Selling Shareholders before the opening of the Offer.

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs and Eligible Employees using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are

procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	₹/●/ per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹/●/ per valid application (plus applicable taxes)
Portion for Eligible Employees	₹/●/ per valid application (plus applicable taxes)

* Based on valid Bid cum Application Forms

- (7) All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.
- (8) The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

Monitoring of utilisation of funds

As the Offer is by way of an Offer for Sale, our Company will not receive any proceeds from the Offer. Accordingly, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholders pursuant to the Offer for Sale, no part of the Offer Proceeds will be paid to our Promoters, members of the Promoter Group, Directors, Group Company, Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements/ transactions with our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management or our Group Company, in relation to the utilisation of the Offer Proceeds.

BASIS FOR THE OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the face value of the Equity Shares at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 32, 179, 254, and 320, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- We operate in markets with high entry barriers.
- Our technical capabilities allow us to develop and supply unique solutions for our customers.
- We have a diversified presence across multiple end-use segments, each of which has independent growth drivers.
- We have long-standing relationships with key customers.
- Our track record has given us access to technology and markets through partnerships.
- We have experienced and visionary Promoters supported by a professional management team. Our culture promotes innovation and quality.

For further details, see “*Our Business –Strengths*” on page 182.

Quantitative factors

Certain information presented below, relating to our Company, is derived from the Restated Financial Information. For further details, see “*Financial Information*” on page 254.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and diluted earnings per share (“EPS”):

Particulars	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2025	11.03	10.81	3
Fiscal 2024	8.32	8.32	2
Fiscal 2023	3.67	3.67	1
Weighted Average	8.90	8.79	-

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.
2. Basic and diluted EPS are based on the Restated Financial Information.
3. The face value of each Equity Share is ₹1.
4. Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average number of equity shares outstanding during the respective year/period. Adjusted for the impact of Split / bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.
5. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.
6. Subsequent to March 31, 2024, pursuant to a resolution passed in the General Meeting held on October 1, 2024, the shareholders approved the sub-division of each equity share of face value of ₹ 100 each fully paid up into 100 equity shares of face value of ₹ 1 each fully paid up (the “**Split**”). Further, the Board of Directors, in their meeting held on January 29, 2025, approved the issue of bonus equity shares in the ratio of 3:1. Additionally, the Board of Directors, in their meeting held on March 17, 2025, approved another issue of bonus equity shares in the ratio of 11:40. As required under Ind AS 33 “Earnings per share” the effect of such split/bonus is required to be adjusted for the purpose of computing earnings per share for all the years presented retrospectively. As a result, the effect of split/bonus has been considered in the Restated Financial Information for the purpose of calculating of earning per share (Refer Note 39 of the Restated Financial Information).

2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times) [#]	P/E at the Cap Price (no. of times) [#]
Based on basic EPS for Fiscal 2025	[●]	[●]
Based on diluted EPS for Fiscal 2025	[●]	[●]

[#]To be updated on finalisation of the Price Band.

3. Industry peer group P/E ratio

Particulars	P/E ratio
Highest	68.42
Lowest	21.91
Average	41.06

Notes:

- The highest and lowest industry P/E shown above is based on the peer set provided below under “Comparison with listed industry peers”. The industry average has been calculated as the arithmetic average P/E of the peer set provided below.
- P/E figures for the peers are computed based on closing market price as on September 8, 2025 on www.nseindia.com, divided by Diluted EPS (on consolidated basis) based on the financial results declared by the peers available on website of www.nseindia.com for the Financial Year ending March 31, 2025.

4. Return on Net Worth (“RoNW”)

Particulars	RoNW (%)	Weight
Fiscal 2025	56.26	3
Fiscal 2024	86.13	2
Fiscal 2023	100.61	1
Weighted Average	73.61	-

RoNW = Net Profit after tax, as restated, attributable to the owners of our company

Average Net Worth is calculated as the sum of total net worth as at beginning of the fiscal year and has a total net worth as at end of the fiscal year, divided by two

Net worth means the aggregate value of the paid up share capital of our Company and all free reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, as per the Restated Financial Information of our Company

Notes:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- The figures disclosed above are based on the Restated Financial Information of our Company.

5. Net Asset Value per Equity Share of face value of ₹1 each (“NAV”)

NAV per Equity Share	Amount (₹)
As at March 31, 2025	25.40 [^]
<i>After the Offer</i>	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
<i>At the Offer Price</i>	[●] [#]

^{*}To be computed after finalisation of the Price Band

[#]To be determined on conclusion of the Book Building Process.

[^]Pursuant to a special resolution of our shareholders dated October 1, 2024 each equity share of our Company of face value of ₹ 100 was sub-divided into Equity Shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up Equity Share capital of our Company was sub-divided from 199,000 equity shares of face value of ₹100 each into 19,900,000 Equity Shares of face value of ₹ 1 each. Net asset value per Equity Share has been calculated after giving effect to such sub-division.

Notes:

- NAV is computed as the net assets (total assets excluding total liabilities and excluding minority interest) divided by the closing outstanding number of equity shares, including effect of split and bonus of equity shares.
- Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations

6. Comparison of accounting ratios with listed industry peers

The following peer group has been determined based on the companies listed on the Stock Exchanges:

Name of the company	Revenue from operations (in ₹ million)	Face value per equity share (₹)	Closing price on September 8, 2025 (₹) per equity share	P/E ratio	EPS (Basic) (₹ per share)*#	EPS (Diluted) (₹ per share)**#	RoNW (%)	Net Asset Value (“NAV”) as at March 31, 2025 (₹ per share) #
Our Company	7789.97	1	N.A.	N.A.	11.03	10.81	56.26%	25.40
Listed peers								
Garware Technical Fibres Limited	15,401.13	10	766.40	32.86	23.32	23.32	18.71%	125.08
Arvind Limited	83,288.10	10	295.55	21.91	13.51	13.49	9.81%	144.61
SRF Limited	146,930.70	10	2,887.20	68.42	42.20	42.20	10.38%	425.95

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual reports available on company websites for the Financial Year ending March 31, 2025.

Source for Kusumgar Limited (formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited): Based on the Restated Financial Information for the year ended March 31, 2025.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 8, 2025, divided by the Diluted EPS.
- Return on Net Worth (%) = Net profit after tax, as restated / Net worth (including minority interest) as restated as at period/year end.
- Net worth means the aggregate value of the paid up share capital of the Company and all free reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, as per the Restated Financial Information of the Company.
- NAV is computed as the net assets (total assets excluding total liabilities and excluding minority interest) divided by the closing outstanding number of equity shares, including effect of split and bonus of equity shares.

For further details of non-GAAP measures, see “Other Financial Information” on page 314, to have a more informed view.

7. Key Performance Indicators (“KPIs”)

The table below sets forth the details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals segments in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company’s performance in various business verticals and make an informed decision.

In terms of the SEBI ICDR Regulations and the KPI Circular, the KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 27, 2025 and certified by the Executive Director and Chief Executive Officer on behalf of the management of our Company by way of certificate dated September 27, 2025. Further, the members of our Audit Committee have verified the details of all KPIs pertaining to the Company and confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years prior to the date of filing of this Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by M/s Pankaj R Shah & Associates, Chartered Accountants, pursuant to certificate dated September 27, 2025, which has been included as part of the “Material Contracts and Documents for Inspections” on page 458. For details of other business and operating metrics disclosed elsewhere in this Red Herring Prospectus, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 179 and 320, respectively.

Our Company confirms that it shall continue to disclose all the KPIs as required under the SEBI ICDR Regulations on a periodic basis, at least once a year, for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the proceeds from the Offer, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

A list of our KPIs as of and for the Fiscals ended March 31, 2025, March 31, 2024, and March 31, 2023 is set out below:

(in ₹ million, unless otherwise indicated)

S. No	KPIs	Unit	As at and for the Fiscals ended		
			March 31, 2025	March 31, 2024	March 31, 2023
1.	Revenue from operations ⁽¹⁾	₹ million	7,789.97	4,679.08	3,016.48
2.	EBITDA ^{*(2)}	₹ million	1,883.89	1,318.47	678.61
3.	EBITDA Margin ^{*(3)}	%	24.18%	28.18%	22.50%
4.	Profit After Tax ⁽⁴⁾	₹ million	1,119.88	843.96	372.17
5.	PAT Margin ^{*(5)}	%	14.17%	17.78%	12.25%
6.	Net Debt ^{*(6)}	₹ million	2,053.14	(667.60)	362.52
7.	Net Debt to EBITDA Ratio ⁽⁷⁾	Times	1.09	(0.51)	0.53
8.	Return on Equity (“RoE”) ^{*(8)}	%	56.26%	86.13%	100.61%
9.	Return on Capital Employed (“RoCE”) ^{*(9)}	%	42.89%	55.87%	64.81%
10.	Working capital cycle ⁽¹⁰⁾	Days	14	(10)	(44)
11.	Fixed Assets Turnover Ratio ^{*(11)}	Times	5.05	4.27	3.82
12.	Capacity utilisation at processing, dyeing, finishing, printing and coating factories ⁽¹²⁾	%	42.32%	94.33%	82.77%
13.	Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers (%) ⁽¹³⁾	₹ million	23.22%	25.62%	38.81%
14.	Revenue from Aerospace and Defence Fabrics ⁽¹⁴⁾	₹ million	3,700.92	3,134.88	1,440.52
15.	Revenue from Aerospace and Defence Solutions ⁽¹⁵⁾	₹ million	2,219.02	8.64	46.93
16.	Revenue from Automotive and Industrial Fabrics ⁽¹⁶⁾	₹ million	1,126.34	1,113.86	1,131.12
17.	Revenue from Outdoor and Lifestyle Fabrics ⁽¹⁷⁾	₹ million	569.00	291.65	311.61

Notes:

1. Revenue from operations is the revenue from operations as appearing in the Restated Financial Information.
2. EBITDA is calculated as profit before tax, plus depreciation and amortization expense, plus finance costs, less other income.
3. EBITDA Margin is calculated as EBITDA divided by revenue from operations.
4. Profit after tax is the profit for the year as appearing in the Restated Financial Information.
5. PAT Margin is calculated as profit for the year expressed as a percentage of total income.
6. Net Debt is calculated as the sum of current borrowings plus non-current borrowings, less (i) cash and cash equivalents and (ii) bank balances other than cash and cash equivalents as at the end of the Fiscal Year.
7. Net Debt to EBITDA Ratio is calculated as Net Debt divided by EBITDA.
8. Return on Equity (ROE) is calculated as profit for the year divided by Average Total Equity. Average Total Equity is calculated as the sum of (i) total equity as at beginning of the Fiscal Year and (ii) total equity as at end of the Fiscal Year, divided by two.
9. Return on Capital Employed (RoCE) is calculated as EBIT divided by Capital Employed as at the end of the Fiscal Year, expressed as a percentage. EBIT is calculated as profit before tax plus finance costs. Capital Employed is calculated as total assets less current liabilities as at the end of the Fiscal Year.
10. Working Capital Cycle (in days) is calculated by dividing the number of days in the applicable Fiscal Year by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital. Net working capital is calculated as total current assets less total current liabilities
11. The Fixed Assets Turnover Ratio is calculated as Revenue from Operations divided by Average Fixed Assets. Fixed Assets is property, plant and equipment. Average Fixed Assets is calculated as (Fixed Assets as at beginning of the Fiscal Year plus Fixed Assets as at end of the Fiscal Year) divided by two.
12. Capacity utilisation is the aggregate capacity utilisation across all processing, dyeing, finishing, printing and coating factories as at the end of and for the relevant year ended March 31, based on the capacity utilisation for each manufacturing unit as certified by Dr. M.K. Talukdar, Chartered Engineer, pursuant to the certificate dated September 27, 2025.
13. Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers.
14. Revenue from Aerospace and Defence Fabrics is the revenue from contracts with customers from the Aerospace and Defence Fabrics market segment for the Fiscal Year.
15. Revenue from Aerospace and Defence Solutions is the revenue from contracts with customers from the Aerospace and Defence Solutions market segment for the Fiscal Year.
16. Revenue from Automotive and Industrial Fabrics is the revenue from contracts with customers from the Automotive and Industrial Fabrics market segment for the Fiscal Year.
17. Revenue from Outdoor and Lifestyle Fabrics is the revenue from contracts with customers from the Outdoor and Lifestyle Fabrics market segment for the Fiscal Year.

* Non-GAAP financial measure. For a table reconciling this Non-GAAP financial measure to an Ind AS financial measure, see “Management’s Discussions and Analysis of Financial Condition and Results of Operations - Reconciliation of Non-GAAP Financial Measures” on page 326.

Description on the historic use of the KPIs by us to analyse, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be

considered in isolation or as a substitute for the Restated Consolidated Financial Information. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial statements prepared in accordance with Ind AS.

Explanation of KPIs

The following table sets forth the explanation for how these KPIs have been used by our Company historically to analyse, track or monitor the operational and/or financial performance:

Sr.no	KPI	Explanation
1.	Revenue From Operations	Revenue from operations is used by management to track the revenue profile of the business. It helps assess the overall financial performance and size of our business
2.	EBITDA	EBITDA is a non-GAAP financial measure that measures operating performance of a Company by excluding the impact of other income, of financing structure, taxation, and non-cash accounting adjustments
3.	EBITDA Margin	EBITDA Margin is a non-GAAP financial measure that measures the profitability of our Company's operations by expressing EBITDA as a percentage of Revenue from Operations, thereby indicating the efficiency of a Company in converting revenues into operating profits
4.	Profit After Tax	Profit for the year reflects the income our company earns after deducting all expenses and taxes from its total income
5.	PAT Margin	PAT Margin is a non-GAAP financial measure that measures the overall profitability of a Company by indicating the proportion of total income that is retained as profit after accounting for all expenses, interest, and taxes
6.	Net Debt	Net Debt shows a company's total borrowings net of cash and equivalents. It provides an understanding of the company's leverage position and financial flexibility
7.	Net Debt to EBITDA	Net Debt to EBITDA Ratio is a non-GAAP financial measure that measures a company's ability to pay off its Net Debt using its profit for the year before interest, taxes, depreciation, and amortization.
8.	RoE	Return on Equity is a non-GAAP financial measure that measures a company's profitability by showing how much profit for the year is generated as a percentage of Average Total Equity
9.	RoCE	Return on Capital Employed is a non-GAAP financial measure that measures efficiency with which the Company utilizes its capital employed to generate operating profits, thereby indicating the Company's ability to create value for its stakeholders
10.	Working Capital Cycle	Working Capital Cycle is a non-GAAP financial measure that measures the time it takes for a company to convert its net working capital into revenue from operations.
11.	Fixed Assets Turnover Ratio	Fixed Assets Turnover Ratio is a non-GAAP financial measure that measures how efficiently a company uses its fixed assets to generate revenue from operations.
12.	Capacity utilisation at processing, dyeing, finishing, printing and coating factories	Installed capacity, as per industry certification, shows the maximum possible output the company can produce. It serves as a benchmark to evaluate actual production levels and capacity utilization.
13.	Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers	This indicates the proportion of revenue generated from domestic and international markets. It helps assess market diversification and exposure to global opportunities.
14.	Revenue from Aerospace and Defence Fabrics	Revenue from Aerospace and Defence Fabrics reflects the company's position in specialized, high-performance segments. It highlights technological strength and focus on critical applications.

Sr.no	KPI	Explanation
15.	Revenue from Aerospace and Defence Solutions	This KPI captures revenue from engineered solutions provided to the aeronautical and defence sector. It demonstrates value-added services beyond fabric manufacturing and strengthens long-term partnerships.
16.	Revenue from Automotive and Industrial Fabrics	Revenue from automotive and industrial fabrics shows contribution from large-scale commercial applications. It reflects the company's integration into core industries and demand stability.
17.	Revenue from Outdoor and Lifestyle Fabrics	Revenue from outdoor and lifestyle fabrics represents the company's consumer-facing and lifestyle-driven portfolio. It highlights diversification into non-industrial segments with potential for premium margins.

For details of our other operating metrics, see “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” starting on pages 179 and 320, respectively.

Comparison of KPIs with our listed peers in India

Set forth below is a comparison of our KPIs with our peer group companies listed in India and operating in the same industry as our Company, whose business profile is comparable to our business in terms of our size and our business model.

S. No	KPIs	Unit	Our Company			Garware Technical Fibres Limited			Arvind Limited			SRF Limited		
			Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Revenue from operations	₹ million	7,789.97	4,679.08	3,016.48	15,401.13	13,256.11	13,055.49	83,288.10	77,377.50	83,824.80	146,930.70	131,385.20	148,702.50
2.	EBITDA	₹ million	1,883.89	1,318.47	678.61	3,187.66	3,184.10	N.A.	9,185.90	8,860.40	8,450.00	29,703.30	27,440.00	37,080.00
3.	EBITDA Margin	%	24.18%	28.18%	22.50%	20.70%	24.02%	N.A.	11.00%	11.40%	9.56%	20.22%	20.89%	24.94%
4.	Profit After Tax	₹ million	1,119.88	843.96	372.17	2,315.48	2,102.68	1,722.00	3,673.80	3,526.30	4,131.70	12,507.80	13,357.10	21,623.40
5.	PAT Margin	%	14.17%	17.78%	12.25%	15.00%	15.90%	13.20%	4.90%	4.40%	4.90%	8.44%	10.10%	14.47%
6.	Net Debt	₹ million	2,053.14	(667.60)	362.52	2,738.45	1,721.46	2,809.30	12,600.50	12,498.50	13,271.90	36,120.80	42,004.10	33,792.90
7.	Net Debt to EBITDA Ratio	Times	1.09	(0.51)	0.53	0.86	0.54	NA	1.37	1.41	1.57	1.19	1.49	0.88
8.	Return on Equity ("RoE")	%	56.26%	86.13%	100.61%	18.60%	17.00%	16.90%	9.60%	9.70%	11.10%	10.38%	12.25%	22.89%
9.	Return on Capital Employed ("RoCE")	%	42.89%	55.87%	64.81%	24.10%	22.50%	20.80%	14.35%	14.90%	14.55%	12.90%	13.30%	21.89%
10.	Working capital cycle	Days	14	(10)	(44)	99	86	83	14	15	15	11	14	20
11.	Fixed Assets Turnover Ratio	Times	5.05	4.27	3.82	5.88	5.36	5.48	2.61	2.48	2.65	1.12	1.17	1.68
12.	Capacity utilisation at processing, dyeing, finishing,	%	42.32%	94.33%	82.77%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

S. No	KPIs	Unit	Our Company			Garware Technical Fibres Limited			Arvind Limited			SRF Limited		
			Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
	printing and coating factories													
13.	Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers (%)	₹ million	23.22%	25.62%	38.81%	62.01%	60.31%	61.79%	40.95%	41.11%	44.09%	50.15%	54.60%	21.48%
14.	Revenue from Aerospace and Defence Fabrics	₹ million	3,700.92	3,134.88	1,440.52	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
15.	Revenue from Aerospace and Defence Solutions	₹ million	2,219.02	8.64	46.93	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
16.	Revenue from Automotive and Industrial Fabrics	₹ million	1,126.34	1,113.86	1,131.12	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
17.	Revenue from Outdoor and Lifestyle Fabrics	₹ million	569.00	291.65	311.61	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Sources: 1Lattice Report

Financials for our Company are taken from the Restated Financial Statements contained in this Draft Red Herring Prospectus.

Financials for Garware Technical Fibres Limited are taken from the consolidated financial information of Garware Technical Fibres Limited as set out in its public company filings.

Financials for Arvind Limited are taken from the consolidated financial information of Arvind Limited as set out in its public company filings.

Financials for SRF Limited are taken from the consolidated financial information of SRF Limited as set out in its public company filings.

Note(s):

1. Revenue from operations means the revenue from operations for the year/period.
2. EBITDA for our Company is calculated as profit before tax, plus depreciation and amortisation expense, plus finance costs, less other income. EBITDA for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.
3. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from operations.
4. PAT is the profit for the year/period.
5. PAT Margin for our Company and SRF Limited is calculated as profit for the year expressed as a percentage of total income. PAT Margin for Garware Technical Fibres Limited and Arvind Limited is as per their respective company filings.

6. *Net Debt for our Company is calculated as the total of non-current borrowings and current borrowings, minus the total of cash and cash equivalents and bank balances other than cash and cash equivalents (or other bank balances, as applicable) as at the end of the Fiscal. Net debt for Garware Technical Fibres Limited, Arvind Limited, and SRF Limited is as per their respective public company filings.*
7. *Net Debt to EBITDA Ratio for our Company, Garware Technical Fibres Limited, and Arvind Limited is calculated as Net Debt divided by EBITDA. Net Debt to EBITDA Ratio for SRF Limited is as per their respective public company filings.*
8. *Return on Equity (ROE) for our Company and SRF Limited is calculated as profit for the year divided by Average Total Equity. Average Total Equity is calculated as the sum of total equity as at the beginning of the Fiscal and total equity as at the end of the Fiscal, divided by two. Return on Equity (ROE) for Garware Technical Fibres Limited and Arvind Limited is as per their respective public company filings.*
9. *Return on Capital Employed (ROCE) for our Company, Arvind Limited and SRF Limited is calculated as EBIT divided by capital employed. Capital employed is calculated as total assets less current liabilities as at the end of the Fiscal Year. EBIT is calculated as profit before tax (or in respect of Arvind Limited profit before exceptional items and tax), plus finance costs. Return on Capital Employed (ROCE) for Garware Technical Fibres Limited is as per its public company filings.*
10. *Working Capital Cycle (in days) is calculated by dividing the number of days in the applicable Fiscal by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital. Net working capital is calculated as total current assets less total current liabilities. Average Net Working Capital is calculated as (Net Working Capital as at beginning of the Fiscal plus Net Working Capital as at the end of the Fiscal) divided by two.*
11. *Fixed Asset Turnover Ratio is calculated as revenue from operations divided by Average Fixed Assets. Fixed Assets is property, plant and equipment. Average Fixed Assets is calculated as (Fixed Assets as at beginning of the Fiscal plus Fixed Assets as at end of the Fiscal) divided by two.*
12. *The financial information and ratios for each of the companies above are on a consolidated basis.*
13. *Capacity utilization for our Company is the aggregate capacity utilisation across all processing, dyeing, finishing, printing and coating factories as at the end of and for the relevant year ended March 31, based on the capacity utilisation for each manufacturing unit as mentioned in the company disclosures.*
14. *Domestic revenue (%) for our Company is the revenue from contracts with customers within India as a percentage of total revenue from contracts with customers. Domestic revenue (%) for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.*
15. *Export revenue (%) for our Company is the revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers. Export revenue (%) for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.*
16. *Revenue from Aerospace and Defence Fabrics for our Company is the revenue from contracts with customers from the Aerospace and Defence Fabrics market segment for the Fiscal Year.*
17. *Revenue from Aerospace and Defence Solutions for our Company is the revenue from contracts with customers from the Aerospace and Defence Solutions market segment for the Fiscal Year.*
18. *Revenue from Automotive and Industrial Fabrics for our Company is the revenue from contracts with customers from the Automotive and Industrial Fabrics market segment for the Fiscal Year.*
19. *Revenue from Outdoor and Lifestyle Fabrics for our Company is the revenue from contracts with customers from the Outdoor and Lifestyle Fabrics market segment for the Fiscal Year.*

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

Justification for Basis for Offer Price

- Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

There has been no issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, the members of the Promoter Group or other Shareholders of our Company with rights to nominate directors on our Board during the 18 months preceding the date of filing of this DRHP, where either the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

Date of transfer	Name of the transferor	Name of the transferee	Number of Equity Shares transferred	Face value of the Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration	Total consideration
September 24, 2025	Siddharth Yogesh Kusumgar	Ashoka India Equity Investment Trust Plc	575,342	1	365	Cash	20,000,175
		Ara Investments	82,192	1	365	Cash	30,000,080
		Motilal Oswal Finvest Limited	1,643,836	1	365	Cash	600,000,140
		Tibrewala Electronics Limited	2,389	1	365	Cash	871,620
		Edelweiss Discovery Fund – Series I	1,369,863	1	365	Cash	499,999,995
		Pam Family Trust	54,795	1	365	Cash	209,999,830
		M/s Elcid Investments Limited	82,192	1	365	Cash	30,000,080
	Sapna Siddharth Kusumgar	WhiteOak Capital India Opportunities Fund	575,342	1	365	Cash	209,999,830
		WhiteOak Capital Equity Fund	32,877	1	365	Cash	12,000,105
		Ashoka WhiteOak Emerging Markets Trust Plc	49,315	1	365	Cash	17,999,975
		Tibrewala Electronics Limited	2,406	1	365	Cash	878,555
		Spark Midas investment	1,095,890	1	365	Cash	399,999,850
		Shradha Family Trust	27,397	1	365	Cash	9,999,905
		Hanuman Freight and Carriers Private Limited	27,397	1	365	Cash	9,999,905
		Nayan Kantilal Gudka	13,699	1	365	Cash	5,000,135
		Ajaykiran Kantilal Gudka	13,699	1	365	Cash	5,000,135

Weighted average cost of acquisition pursuant to the secondary transactions of Equity Shares during the three years preceding the date this Draft Red Herring Prospectus	365

3. WACA, Floor Price and Cap Price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary issuances and secondary transactions as disclosed below:

Types of Transactions	WACA (₹ per Equity Share)*	No. of times at Floor Price (i.e., ₹ [●])^	No. of times at Cap Price (i.e., ₹ [●])^
A. Primary Issuances	N.A.	[●]	[●]
B. Secondary Transactions	365	[●]	[●]

*As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

^Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated at the Prospectus stage.

4. Detailed explanation for Offer Price/ Cap Price being [●] times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2025, 2024 and 2023 and in view of the external factors:

[●]*

*To be included upon finalization of the Price Band.

5. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from Bidders for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Financial Information” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” on pages 32, 179, 254 and 320, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” on page 32 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors

Kusumgar Limited
(formerly known as Kusumgar Private Limited)
101, Manjushree, V.M. Road
JVPD Scheme, Vile Parle (W)
Mumbai- 400 056
Maharashtra, India

Sub: Statement of possible special tax benefits available to Kusumgar Limited (formerly known as Kusumgar Private Limited) and its shareholders, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”)

1. We, M S K A & Associates, Chartered Accountants (‘we’ or ‘us’ or ‘M S K A’ or ‘the Firm’), the statutory auditors of **Kusumgar Limited** (formerly known as Kusumgar Private Limited) (the “**Company**”) hereby confirm the enclosed statement in the Annexure prepared by the Company, provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017 (CGST Act), the Integrated Goods and Services Tax Act, 2017 (IGST Act), the Union Territory Goods and Services Tax Act, 2017 (UTGST), respective State Goods and Services Tax Act, 2017 (SGST Acts), Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, the Union Territory Goods and Services Tax Rules, 2017 (UTGST Acts), respective State Goods and Services Tax Rules, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the “**Taxation Laws**”), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2025, and as applicable to the assessment year 2026-27 relevant to the financial year 2025-26, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which are based on business imperatives the Company and its shareholders face in the future. The Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits.
2. This statement of possible special tax benefits is required as per **Schedule VI (Part A)(9)(L)** of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“**SEBI ICDR Regulations**”). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its shareholders, the same would include those benefits as enumerated in the Statement. Any benefits under the Taxation Laws other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement.
3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to updating the views consequent to such changes.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each

investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the equity shares of the Company (the “Offer”) and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used and it cannot be used by the Company or the investor for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

7. We do not express any opinion or provide any assurance whether:
 - The Company and its shareholders will continue to obtain these benefits in future;
 - The conditions prescribed for availing the benefits have been/would be met;
 - The revenue authorities/courts will concur with the views expressed herein.
8. We conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India (the “Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.
11. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
12. This Statement is addressed to the Board of Directors and has been issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the draft red herring prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates
Chartered Accountants
Firm Registration Number:105047W

Hemlata Bhungare
Partner
Membership No: 143704
UDIN: 25143704BQKHDI1178

Place: Mumbai
Date: September 25, 2025

Annexure

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO KUSUMGAR LIMITED (*formerly known as Kusumgar Private Limited*) (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES OF ITS JURISDICTION OF INCORPORATION

This statement sets out below the possible tax benefits available to the Company and its investors to whom shares may be allotted in terms of proposed issue under the current tax laws presently in force in India. Several of these benefits are dependent on fulfilling various conditions prescribed under the relevant tax laws. Accordingly, the ability of the Company and shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or the shareholders may or may not choose to fulfil.

This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences/ implications of the subscription, ownership and disposal of equity shares pursuant to the proposed Issue. This statement is only intended to provide general information to the investors and is neither exhaustive or comprehensive nor designed or intended to be a substitute for professional/legal tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

A. SPECIAL TAX BENEFITS UNDER THE DIRECT TAX REGULATIONS IN THE HANDS OF THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY

1. Special Income tax benefits available to the Company in India

Outlined below are the possible special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). This statement is as per the Income-tax Act, 1961 (‘Act’) as amended by the Finance Act, 2025 read with the relevant rules, circulars and notifications applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force.

a) Lower corporate tax rate under section 115BAA of the Act

Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or setoff of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (‘MAT’) would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. A company, opting for concessional tax rate under section 115BAA of the Act, will not be allowed to claim any of the following deductions:

- i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- vi. Deduction under section 35CCD (Expenditure on skill development)
- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
- viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2019-20 relevant to the Assessment Year 2020-21 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 relevant to the Assessment Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.

b) Deduction in respect of employment of new employees under section 80JJAA of the Act

Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the year, for three assessment years including the assessment year relevant to the year in which such employment is provided. Additional employee cost means the total emoluments paid or payable to additional employees employed in the financial year. The Company is eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-Section (2) of Section 80JJAA of the Act and satisfies the conditions as mentioned in the said Section. Further, where the Company wishes to claim such possible tax benefit, it shall obtain the necessary certification from a Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

c) Buyback of shares by the Company

In accordance with the provisions of section 115QA of the IT Act, in case of buy-back of shares from its shareholders, the company is liable for additional tax at the rate of 20% (to be increased by applicable surcharge and cess) on the consideration paid by the company on buyback of shares, as reduced by the amount received by the company on the issue of such shares, determined in the manner prescribed under Rule 40BB of the Income Tax Rules, 1962. Also, such Buy Back Tax has to be paid by the company over and above the tax paid by it, if any, on its total income. Buy Back Tax is levied at the level of the company, the consequential income arising in the hands of shareholders is exempt from tax, as per Section 10(34A) of the IT Act. The aforesaid provisions are applicable before October 1, 2024.

With effect from October 1, 2024, Finance Act (No.2), 2024 has abolished section 115QA of the IT Act resulting, tax payable by the company on buy-back of shares will no longer apply. However, buy-back consideration received by the shareholders will be taxable in their hands as deemed dividend u/s 2(22) (f) of the IT Act. Accordingly, the company would be required to deduct tax at source as per as per Section 194 of the IT Act read with applicable Double Taxation Avoidance Agreement (if any).

d) Deduction in respect of Inter-Corporate Dividends under section 80M of the Act

As per the provisions of section 80M of the Act, dividend received by the company from any other domestic Company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the company to its Shareholders on or before one month prior to due date of filing of its Income-Tax return for the relevant year. Since the Company has investments in domestic and foreign company, it may avail the abovementioned benefit subject to fulfilment of conditions specified under section 80M of the Act.

2. Special Income tax benefits available to its Shareholders

- a) There are no special tax benefits available to the Shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.
- b) Section 112A of the Act provides for concessional rate of tax on transfer of equity shares with effect from April 1, 2019 (i.e. Assessment Year 2019-20) subject to conditions. Any income, exceeding INR 1,25,000 arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in an Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation if the transfer takes place before July 23, 2024. For transfers which take place after July 23, 2024, the rate of tax is increased from 10% to 12.5% without giving effect to indexation. Further, the benefit of lower

rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.

- c) Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer provided the transfer takes place before July 23, 2024. For transfers which take place after July 23, 2024, the rate of tax is increased from 15% to 20%.
- d) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. Further, as per the provisions of Section 80M of the Act, in the case of domestic corporate shareholders, dividend received by a corporate shareholder from the Company shall be eligible for deduction while computing the total income of the corporate shareholder for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the corporate shareholder to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Furthermore, in the case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial judicial person, surcharge would be restricted to 15% irrespective of the amount of dividend.
- e) In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile subject to availability of requisite treaty documents.

B. SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, and respective State Goods and Services Tax Act, 2017, as amended from time to time, the Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 (“Tariff Act”), and the Foreign Trade Policy, 2023 (“FTP”), as amended by the Finance Act 2025 applicable for the Financial Year 2025-26, presently in force in India (collectively referred to as “Indirect Tax Laws”).

1. Special tax benefits available to the Company under Indirect Tax Laws

Based on the information provided, the possible key benefits available under the Indirect Tax Laws to the Company are as follows:

1.1. Zero Rated Supplies of Goods / services

- As per Section 16 of the Integrated Goods and Services Tax Act, 2017, the following supplies qualifies as zero-rated supply:
 - a) export of goods or services or both; or
 - b) supply of goods or services or both for authorized operations to a Special Economic Zone developer or a Special Economic Zone unit
- Where the Company provides supply of goods / services to Customer located outside India, the supply shall qualify as ‘zero-rated’ if the goods are taken goods out of India to a place outside India.
- Where the Company provides supply of goods / services to SEZ unit or SEZ developer, the supply shall qualify as ‘zero-rated’ if the same is for authorized operations of the SEZ and fulfills the other prescribed conditions.

1.2. State Incentives - Gujarat Textile Policy

- As per Gujarat Textile Policy 2012, the Gujarat Government has provided VAT incentives to Textile units to the extent of eligible investment in Plant and Machinery as per the policy. Further, post GST implementation, Government of Gujarat Industries and Mines Department has issued GR stating that the VAT incentives will be replaced by SGST incentives.
- Basis the above, the Company has received the eligibility certificate for Vat/SGST Concession for the period of eight years from 21 August 2017 to 20 August 2025, subject to specified terms and conditions.
- Further, vide resolution no. TEX-102022 dated 29 October 2022, the Gujarat Government has provided an extension for utilisation of State Goods and Services Tax amount by one year from the date of expiry of their Eligibility Certificate to all units registered under Gujarat Textile Policy 2012 and having eligibility certificate on 1 April 2020 and receiving benefits.

2. Special tax benefits available to the Shareholders of the Company under Indirect Tax Laws

Based on the information provided, we hereby state that no special tax benefits are available to the Shareholders of the Company under the Indirect Tax Laws.

Notes:

1. *This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017, and relevant rules made thereunder (“GST Acts”), as amended from time to time, the Customs Act, 1962 (“Customs Act”) and*

the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2025 and judicial interpretation thereof prevailing in the country, applicable for the Financial Year 2025-26, presently in force in India.

- 2. Our comments are based on specific activities carried out by the Company. Any variation in the understanding could require our comments to be suitably modified.*
- 3. Based on the information provided to us, we understand that the Company and its shareholders have not claimed any exemption or benefits or incentives under the indirect tax laws other than those specified above;*
- 4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, the changing tax laws, each investor is advised to consult his/her own tax advisor with respect to specific tax implications arising out of their participation in the Proposed IPO.*
- 5. This annexure covers only indirect tax laws benefits and does not cover benefit under any other law.*
- 6. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the Investors who may or may not invest in the proposed issue relying on this statement.*

For the purpose of reporting here, we have not considered the general tax benefits available to the Company and its shareholders under Direct and Indirect Tax Regulations.

This statement has been prepared solely in connection with the Offer.

For and on behalf of the Board of Directors
Kusumgar Limited

Ankur Kothari
Designation: Executive Director and Chief Executive Officer

Place: Mumbai
Date: September 25, 2025

SECTION V: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*All information in this section has been obtained or derived from the report titled Engineered Fabrics Industry Report dated September 26, 2025 (the “**ILattice Report**”), which was prepared by Lattice Technologies Private Limited (“**Lattice**”). We have exclusively commissioned and paid Lattice to prepare the ILattice Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated February 3, 2025.*

The ILattice Report was prepared using information as of specific dates, which may no longer be current or reflect current trends, and opinions in the ILattice Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. All forward looking statements, estimates and projections in this section are ILattice’s forward-looking statements, estimates and projections. For more details, see “Risk Factors – 54. Statistical and industry data in this Draft Red Herring Prospectus are derived from the ILattice Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the ILattice Report for making an investment decision in the Offer is subject to inherent risks” on page 65. The ILattice Report forms part of the material contracts for inspection and will be accessible on our Company’s website at <https://www.kusumgar.com/investor-relations/home/> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

In this section, the following exchange rates between the Indian Rupee and USD shall apply for the years indicated:

Year (Fiscal Year)	₹ Equivalent of one US\$	Euro equivalent of one US\$	Year (Calendar Year)	₹ Equivalent of one US\$	Euro equivalent of one US\$
2015-16	66.33	0.88	2016	67.95	0.95
2016-17	64.84	0.93	2017	63.93	0.83
2017-18	65.04	0.81	2018	68.36	0.88
2018-19	69.17	0.89	2019	69.89	0.89
2019-20	70.49	0.93	2020	74.18	0.83
2020-21	73.20	0.85	2021	74.50	0.83
2021-22	74.50	0.86	2022	76.10	0.91
2022-23	80.32	0.96	2023	82.31	0.93
2023-24	82.59	0.93	2024	83.67	0.92
2024-25	84.56	0.93	2025 (YTD)	86.26	0.90

Source: X-rates Monthly average

Macroeconomic overview

Global real GDP grew at a rate of 3.3% in 2024, while India’s economy expanded at a higher growth rate of 6.5% over the same timeframe

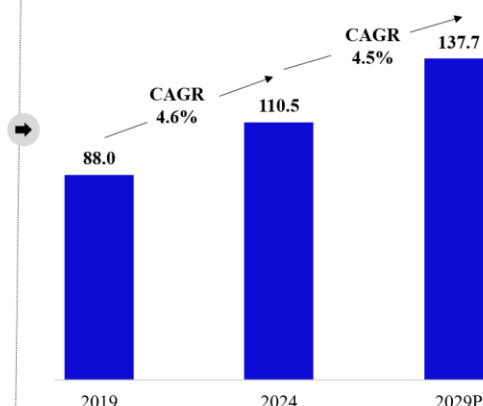
Global real GDP grew at a rate of 3.3% in 2024, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, including Russia’s ongoing war in Ukraine, escalating conflict in the Middle East and turbulent US-China relations. In comparison with the global real GDP growth rate, India is expected to sustain the highest growth rate, with its current year-on-year growth standing at 6.5% in 2024 and projected to remain around approximately 6.5% through 2029. India’s growth rate is attributed to strong domestic demand and a rising working-age population.

Real GDP growth – India, China, Germany, USA, UK, World
(Y-o-Y growth %, 2019-2029P)

Top economies	India	China	Germany	USA	UK	World
2019	3.9%	6.1%	1.0%	2.6%	1.6%	2.9%
2020	(5.8%)	2.3%	(4.1%)	(2.2%)	(10.3%)	(2.7%)
2021	9.7%	8.6%	3.7%	6.1%	8.6%	6.6%
2022	7.6%	3.1%	1.4%	2.5%	4.8%	3.6%
2023	9.2%	5.4%	(0.3%)	2.9%	0.4%	3.5%
2024	6.5%	5.0%	(0.2%)	2.8%	1.1%	3.3%
2025	6.4%	4.8%	0.1%	1.9%	1.2%	3.0%
2026P	6.4%	4.2%	0.9%	2.0%	1.4%	3.1%
2027P	6.5%	4.2%	1.5%	2.0%	1.5%	3.2%
2028P	6.5%	4.1%	1.2%	2.1%	1.5%	3.2%
2029P	6.5%	3.7%	1.0%	2.1%	1.4%	3.2%

Source(s): International Monetary Fund, IILattice analysis

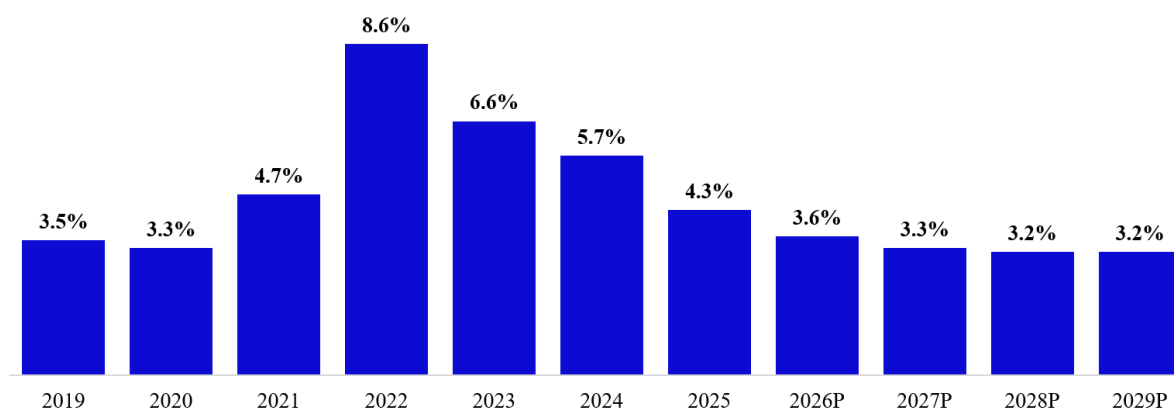
World GDP at current prices
(US\$ trillion, 2019-2029P)



Global inflation declined from 8.6% in 2022 to 5.7% in 2024, further it is expected to stabilise at around 3-3.5% by 2029

In 2021, inflation rose to 4.7%, reaching a peak of 8.6% in 2022, driven by oil prices and global demand shocks from COVID-19 pandemic supply disruptions, rapid economic recovery, and the Ukraine-Russia conflict. From 2023 onward, inflation rates decreased gradually, starting at 6.6% in 2023 and settling at around 4.3% by 2025. The rate is expected to stabilise within the 3.2% to 3.6% range from 2026 to 2029.

Global inflation at avg. consumer prices
(%, 2019-2029P)



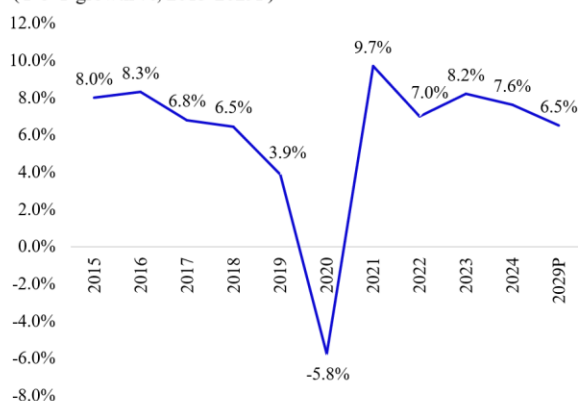
Source(s): International Monetary Fund, IILattice analysis

Indian Macroeconomic Overview

India's nominal GDP was at US\$ 3.9 trillion in 2024 and is estimated to reach US\$ 6.1 trillion in 2029, growing at a CAGR of 9.3% from 2024 to 2029

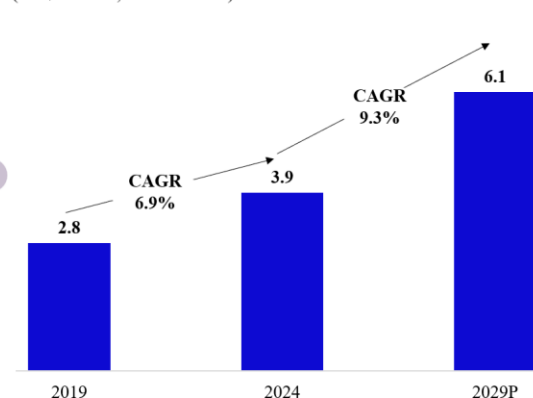
India is the fourth-largest economy in the world in 2024 and is expected to become the third-largest by 2028. Over the next 10-15 years, India is expected to be among the top economies driven by rising demand and robust growth across various sectors. India's GDP (at current prices) grew from US\$ 2.8 trillion to US\$ 3.9 trillion between 2019 and 2024 on the back of reforms like GST, corporate tax revision, and revised FDI limits.

Real GDP growth – India
(Y-o-Y growth %, 2015-2029P)



Source(s): International Monetary Fund, IILattice analysis

India's Nominal GDP (at current prices)
(US\$ trillion, 2019-2029P)



Key growth drivers of GDP

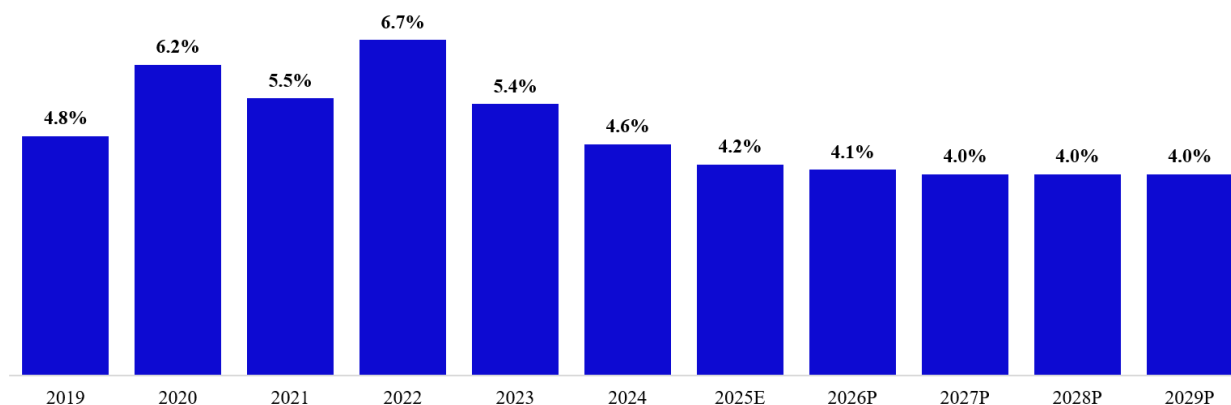
India is the fourth-largest economy in the world and is expected to become the third-largest by 2028, driven by robust sectoral growth and rising private consumption. Indian private consumption expenditure is expected to grow due to an increasing proportion of the working-age population and a rise in household income. India's GDP growth is driven primarily by the following factors:

- Population growth and expanding middle class:** India's growing population, especially the expanding middle class, is increasing and boosting consumer-driven growth. Additionally, India's middle class is expected to reach 1,024.8 million (61% of the total population) by 2047, up from 507.8 million (35% of the total population) in 2024. India, with a median age of 29.5 (as per the latest estimates), has one of the youngest populations globally. By 2030, its working-age population will peak at 68.9%, positioning the country to leverage this demographic advantage and potentially fuel an approximately US\$ 10 trillion economy.
- Rising consumer spending:** As per WEF, India's private consumption, which accounts for over 60% of GDP, continues to grow and is projected to exceed US\$ 4 trillion by 2030, driving broader economic expansion while maintaining a steady GDP growth rate.
- China +1 and supply chain diversification:** As companies, especially multinational corporations, seek to diversify their supply chains away from China due to factors such as trade tariffs and trade barriers impacting the price of imports from China, India has witnessed rapid development in industries such as electronics, pharmaceuticals, and automotive manufacturing. Supporting this shift, the Production-Linked Incentive (PLI) scheme has, as of May 2025, attracted ₹ 1.7 trillion (US\$ 20.8 billion) in investments across 14 sectors, boosting domestic production, employment, and exports. The diversification away from China complements and amplifies a broader shift by global buyers towards India as a reliable sourcing hub.
- Infrastructure investments:** The government's focus on infrastructure, including roads, railways, and urban development, enhances productivity and supports long-term economic growth. For the budget 2025-2026, the government has allocated ₹ 11.2 trillion (US\$ 132.6 billion) towards capital expenditure. India launched the National Infrastructure Pipeline (NIP) in Fiscal 2020, which originally envisaged an investment of US\$ 1.5 trillion in Fiscal 2025.
- Foreign Direct Investment (FDI):** FDI facilitates the inflow of foreign capital, improving infrastructure and industrial capabilities. It contributes to job creation, strengthens global trade integration, and supports overall economic growth. As of March 2025, India has attracted gross FDI inflows totalling ₹ 86.8 trillion (approximately US\$ 1 trillion) since April 2000.
- Make in India:** The initiative promotes domestic manufacturing, increasing production and employment opportunities. It reduces dependence on imports, strengthening trade balance and economic stability. Since the inception of "Make in India," the nominal GDP of India has increased from ₹106.6 trillion (US\$ 1.3 trillion) in Fiscal 2014 to approximately ₹331 trillion (US\$ 3.9 trillion) in Fiscal 2025.

India's CPI inflation rate was 4.6% in 2024, and RBI aims to bring it down to around 4.0% by the end of 2027

During the period of 2020-2022, CPI inflation rates increased due to volatile components like vegetable prices, fuel costs, and commodities such as gold and edible oils. According to the International Monetary Fund, India's CPI inflation rate was 4.6% in 2024 and is estimated to decline to 4.2% by 2025 due to a decrease in food inflation and favourable base effects from 2023 (Russia-Ukraine war). By 2026, the RBI aims to bring the CPI inflation rate to a target of approximately 4%.

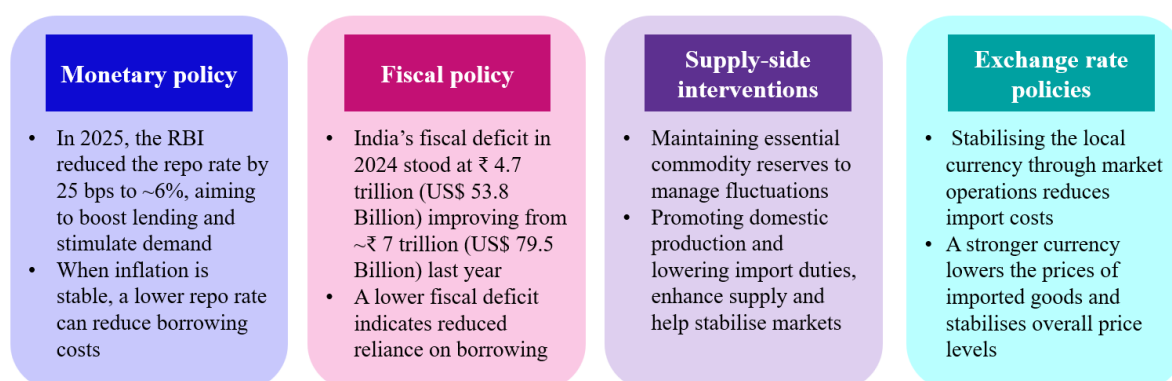
India's inflation at avg. consumer prices (%, 2019-2029P)



Source(s): International Monetary Fund, IILattice analysis

Measures to control inflation

To control inflation, the Indian government and the Reserve Bank of India (RBI) implemented several measures, including monetary and fiscal policies, supply chain improvements, currency exchange rate policies, and other economic interventions.

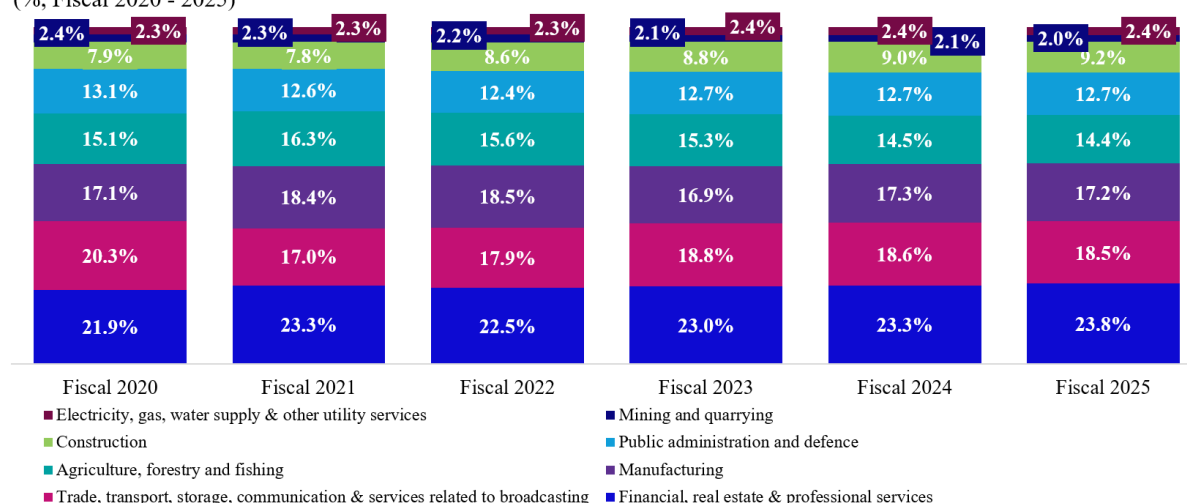


In Fiscal 2025, the financial, real estate and professional services segment was the highest contributor to GVA in India with 23.8%, followed by trade, transport, storage, communication and services related to broadcasting (18.5%) and manufacturing (17.2%)

Rapid urbanisation, rising incomes, and demand for housing and commercial spaces, supported by government reforms like "Housing for All", have boosted real estate's GVA share, alongside growth in office, warehousing, and logistics driven by the 'Back to office' policy by companies post-pandemic, IT and e-commerce expansion. The construction segment has seen an increase in GVA contribution from 7.9% in Fiscal 2020 to 9.2% in Fiscal 2025.

GVA by economic activity at constant prices

(%, Fiscal 2020 - 2025)



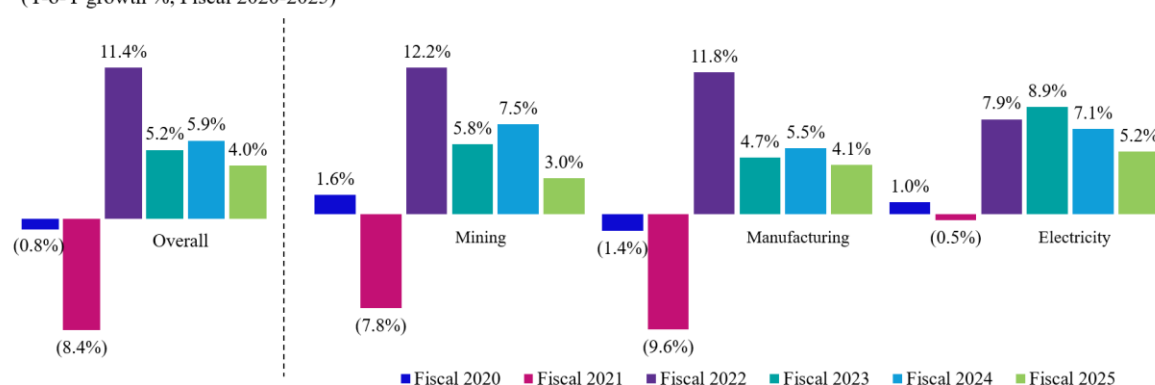
Source(s): MoSPI, ILLattice analysis

India's Index of Industrial Production (IIP) grew by approximately 4% in Fiscal 2025, up from (0.8%) in Fiscal 2020

The Index of Industrial Production (IIP) is an index that indicates the performance of various industrial sectors of the Indian economy. The industrial production index tracks how well industries are performing. India's Industrial Production (IIP) growth rate had a robust growth driven by rising domestic demand, import substitution, China + 1 strategy adoption by multinational corporations and growth in capital goods and infrastructure/construction sectors.

India's IIP growth – Sector-wise

(Y-o-Y growth %, Fiscal 2020-2025)



Source(s): Ministry of Statistics and Programme Implementation (MoSPI), ILLattice analysis

Key growth drivers in the industrial sector

Within India's industrial sector, several key factors are shaping its trajectory, driving significant growth. Notable among these are strategic government allocations, such as PLI and Make in India schemes amongst others. These, complemented by robust industrial expansion and growth in real estate, collectively influence the sector's dynamics.

Growth drivers	
National Manufacturing Policy and PLI scheme	• National Manufacturing Policy: The policy aims to increase the sectoral share of manufacturing in GDP, create additional jobs, and enhance global competitiveness • Production Linked Incentive (PLI) scheme: Total budget allocation increased by ~108% to ₹ 194.5 Billion (US\$ 2.3 Billion) in Fiscal 2026, with ~38% focused on incentivizing manufacturers to boost domestic production across 14 sectors, which has indirectly led to expansion of facilities, building of new plants and warehouses, etc., to support various business activities
Make in India initiative	• Initiative: Launched in 2014, Make in India aims to facilitate investment, foster innovation, and build infrastructure, positioning India as a global manufacturing hub • Sector focus and collaboration: The initiative targets 27 sectors with support across 24 subsectors, driving growth, jobs, and self-reliance, alongside ₹ 0.1 - ₹ 0.2 Billion (US\$ 1.2 - US\$ 2.4 Million) of credit guarantees for Micro and small enterprises (MSEs) and startups in the Fiscal 2025–2026 budget
Manufacturing growth	• Increased FDI: FDI in India's manufacturing sector has reached ₹ 13.3 trillion (US\$ 165.1 Billion), a ~69% increase over the past decade, driven by production-linked incentive (PLI) schemes • Indications of favourable business environment: The strong performance of the manufacturing sector points to a favorable environment and rising demand for industrial products
Increased investments	• Increased housing allocation: The total expenditure of the Ministry of Housing & Urban Affairs for Fiscal 2024-2025 is estimated at ~₹ 826 Billion (~US\$ 10 Billion), reflecting a ~19% increase over the revised estimates for Fiscal 2023-2024 • Indications of favourable business environment: The government allocated ~₹ 22 Billion (US\$ 2.7 Billion) for the promotion of electronics & IT hardware manufacturing in the budget Fiscal 2024-25

Overview of the engineered fabrics industry

Engineered fabrics are a subset of technical textiles, which are advanced textiles designed to deliver functional performance rather than just aesthetic appeal, serving specific industrial, commercial, and protective needs. Amongst the different categories of technical textiles, engineered fabrics are specially developed and custom-made textiles designed through advanced manufacturing techniques to meet specific functional requirements and, beyond functionality, are created for enhanced performance in specialised applications. They are characterised by superior properties such as durability, moisture resistance, breathability, flexibility, and high tensile strength. Engineered fabrics are also different from conventional fabrics, which are created with aesthetic appeal and comfort as the primary considerations.

Engineered fabrics are widely used across various sectors:

- In defence, these are utilised in ballistic protection, rapid deployment systems, personal gear, tactical gear, and stealth systems. They are designed to provide high strength, tear resistance, abrasion resistance, fire retardancy, heat resistance, low stretch, UV protection, and remain lightweight to ensure maximum durability and safety.
- In aerospace, these are utilised in parachutes, hot air balloons, paragliders, aircraft evacuation slides, life vests, and floatation devices, amongst others. Here, the fabrics are engineered for lightweight performance, enabling them to withstand the most challenging conditions while meeting strict safety standards.
- The industrial sector employs engineered fabrics in filtration systems, conveyor belts, and protective coverings. Their role here is to ensure reliability in demanding environments where consistent performance under stress, exposure, and heavy use is crucial. By combining durability with safety-critical properties, these fabrics support industrial applications in meeting rigorous standards while maintaining efficiency and safety.
- The automotive sector employs them in interior carpets, roofing systems, heddle belts, tapes, airbags and tyre cords, amongst others.
- The outdoor and lifestyle sector utilises them in travel and outdoor equipment like luggage, backpacks, travel accessories, and rucksacks. The outdoor and lifestyle sector also applies engineered fabrics in outdoor apparel like athleisure, sportswear (such as swimsuits) and cold-weather clothing. Designed to balance rugged strength with lightweight properties, they enhance convenience while withstanding constant exposure to outdoor conditions.
- Sports industries use them in high-performance apparel and protective gear. Here, the emphasis is on materials that deliver both reliability and comfort, supporting athletes and professionals in extreme conditions without compromising flexibility or safety.
- Construction relies on them for geotextiles, insulation, and reinforcement materials.
- Medical applications include wound dressings, surgical drapes, and hygiene products.

Their versatility and adaptability make engineered fabrics essential in numerous engineering and commercial applications.

Key characteristics of the engineered fabrics industry

The engineered fabrics industry is defined by its ability to deliver specialised materials for high-performance applications across diverse sectors. Its key characteristics include:

- **Application-specific and functionality-driven products:** Engineered fabrics are developed to serve precise requirements in industries such as automotive, defence, aerospace, construction, medical, and industrial filtration. Each fabric is tailored to meet functional needs such as thermal regulation, moisture and breathability management, chemical and biological protection, and load-bearing capacity. Advanced variants also integrate thermal and electrical conductivity, enabling smart textiles for applications in healthcare monitoring, defence systems, and wearables.
- **Products with specialised performance properties:** Engineered fabrics are designed with specialised properties to enhance performance, durability, and adaptability in demanding environments. These include lightweight structures, high strength-to-weight ratio, fire resistance, chemical resistance, waterproofing, breathability, UV protection, thermal insulation, electrical conductivity, and abrasion resistance, making them suitable for a wide range of critical applications.
- **Advanced material composition:** The engineered fabrics industry makes fabrics from synthetic and natural fibres, depending on the application:
 - **Synthetic fibres:** Polyester, polypropylene, polyethylene, polyamide (nylon), aramid (Kevlar), polytetrafluoroethylene (PTFE), and polyurethane. In particular, nylon is a strong synthetic polymer. Nylon 6 and Nylon 66 are the most common types. They have tensile strength, abrasion resistance, and elasticity, making them suitable for automotive textiles, airbags, aerospace, industrial uses, sportswear, outdoor gear, and medical fabrics. Nylons are difficult to process due to heat sensitivity and the risk of degradation during dyeing and finishing. Their moisture absorption affects fabric performance, and uneven dye uptake causes inconsistent colour. Nylon is also prone to permanent creasing.
 - **Natural fibres:** Cotton, wool, silk, jute, and hemp (often treated for durability).
 - **Blends and composite fabrics:** A mix of fibres with coatings, laminations, or nanofiber technology to enhance properties like waterproofing, breathability, and antimicrobial protection. Coatings and laminations add specific properties to engineered fabrics, enhancing performance and durability. Techniques include knife coating, hot-melt, and extrusion coatings that add resistance and function. Thermal lamination bonds fabric layers without reducing performance.
- **Sustainability and recycling:** The industry is rapidly shifting toward eco-friendly materials and sustainable manufacturing.
 - **Recycled fibres:** Polyethylene Terephthalate (PET) from plastic bottles and bio-based polymers like Polylactic Acid (PLA) reduce waste and promote biodegradability.
 - **Biodegradable nonwovens:** Used in hygiene products and packaging to minimise landfill impact.
 - **Energy-efficient manufacturing:** Waterless dyeing, closed-loop processes, and renewable energy reduce resource consumption and emissions.

Governments worldwide are promoting circular economy models that focus on recycling and waste reduction within the engineered fabrics industry. The circular economy aims to extend the life cycle of materials by designing products for reuse, recycling, and minimal waste generation. In the engineered fabrics industry, this includes closed-loop recycling systems where post-consumer and post-industrial waste are collected, processed, and repurposed into new materials.

- **R&D and customisation-driven growth:** With rapid technological advancements, the engineered fabrics industry is increasingly focused on innovation and customisation to enhance functionality and performance. Key developments include:
 - **Smart fabrics** – Integrating sensors, conductive fibres, and self-cleaning properties for applications in healthcare, sports, and defence.

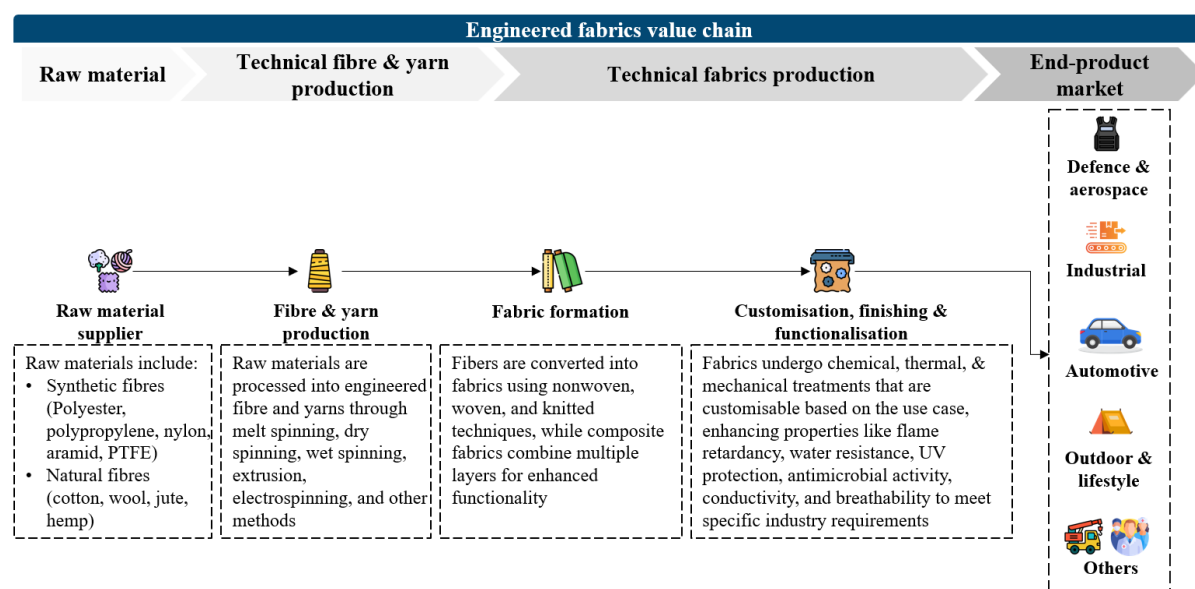
- **3D-printed fabrics** – Used in medical, aerospace, and sports gear, offering lightweight, high-strength, and customisable solutions.
- **Multi-functional fabrics** – Combining breathability, water resistance, and antimicrobial properties in a single textile for enhanced durability and versatility.

In order to deliver specialised materials for high-performance applications across diverse sectors, the following considerations are pertinent:

- **Fabric fineness:** Fabric fineness is measured by grams per square metre (“GSM”) and yarn denier. GSM indicates fabric weight, while denier indicates yarn thickness. Reducing yarn denier creates lighter fabrics without losing strength. Fine denier fabrics have a strong strength-to-weight ratio and are used in parachutes, inflatables, medical textiles, and composites where lightweight and durability matter. Producing these fabrics involves challenges like yarn breakage and tension issues.
- **Selection of yarns, weave structures and fabric types:** Developing engineered fabrics requires selecting the correct yarns, weave structures, and fabric types. Yarn choice affects strength, durability, texture, and finish. Weave structures, such as satin, twill or ripstop, influence durability, flexibility, and tear resistance. Ripstop with high-tenacity yarns creates lightweight, tear-resistant fabrics used in parachutes and protective gear. Specialised finishes like water-repellent, flame-retardant, or UV-blocking coatings add functionality. Quality depends on precise control from weaving to finishing.

Engineered fabrics industry - Value chain

The value chain of engineered fabrics encompasses multiple stages, from raw material sourcing to the end-product market. The engineered fabrics industry produces high-performance fabrics for applications like defence, aerospace, automobile, industrial, outdoor, lifestyle and medical. It focuses on functionality, durability, and advanced materials, integrating specialised processes and sustainability to meet evolving demands.



Engineered fabrics industry - Entry barriers across the value chain

Every stage of the engineered fabrics value chain presents distinct high entry barriers that restrict new entrants. The primary entry barrier in the engineered fabrics industry is technical knowledge and manufacturing know-how. At the outset, setting up a production plant requires navigating a complex regulatory framework. This is followed by an inconsistent ecosystem for raw material procurement, along with the difficulty of meeting the industry requirements of precision and a high level of technological know-how for efficient production. Furthermore, the ability to provide highly customised fabric solutions demands significant R&D investment and deep client collaboration, creating an additional layer of difficulty. Finally, customer acquisition remains a major hurdle, as new players often face credibility gaps.

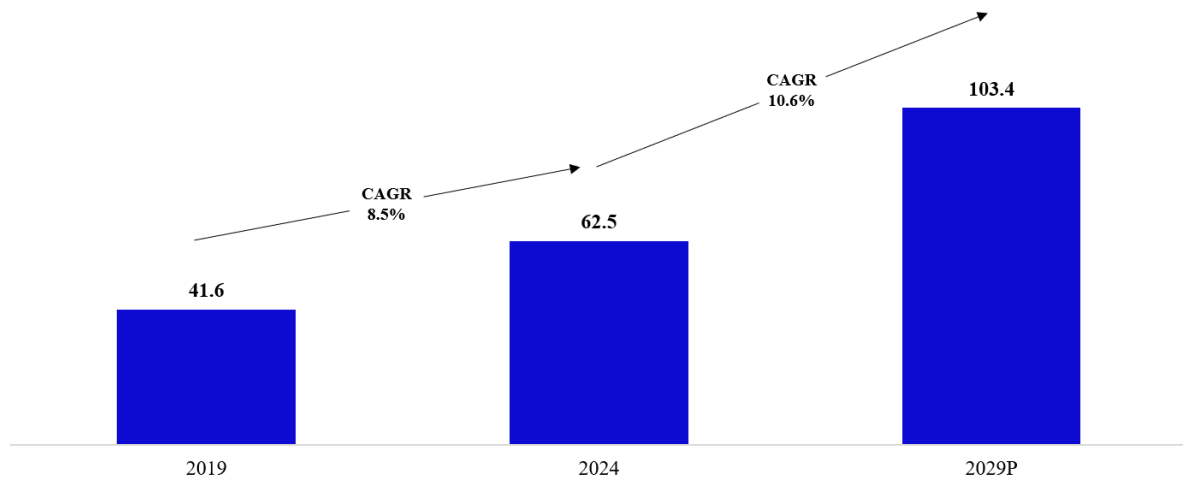
S.No.	Process	Entry barrier
1.	 Long approval cycles	- Setting up an engineered fabric plant requires navigating a complex regulatory framework and undergoing licensing procedures leading to long lead times - Long product-approval cycles of 2-10 years (from design to adoption) from authorised bodies and quality control departments further prolong the process
		A limited supplier base creates significant entry barriers for new companies, as inconsistent raw-material availability restricts efficient and reliable procurement, which is essential for scaling operations
2.	 Raw material procurement	- Raw material prices are volatile, influenced by trade policies, production capacity, oil and transport costs, as well as global demand-supply shifts and currency exchange rates - For example, the price of Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG), key inputs for polyester fibres in engineered fabrics, has historically fluctuated with crude oil prices, supply chain issues, regulations, and global demand shifts
		
3.	 Production process	- Primary entry barrier in the engineered fabrics industry is technical knowledge and manufacturing know-how - Engineered fabric production with key functional and technical specifications requires complex technologies like multiaxial braiding, advanced coatings, etc., along with deep ecosystem expertise - Limited capabilities to meet the customised requirements of each customer for critical products further limit the adoption of engineered fabric production
		
4.	 Customer acquisition	- Customer acquisition remains a major hurdle as new players often face credibility gaps in delivering engineered fabrics for applications in key industries like aerospace & defence - Furthermore, some customers, especially government entities, restrict participation to companies that meet specific criteria such as size, capabilities, and certification

(continued on the next page)

Global engineered fabrics market size

The global engineered fabrics industry has grown from US\$ 41.6 billion in 2019 to US\$ 62.5 billion in 2024 with a CAGR of 8.5% from 2019-2024. Looking ahead, the market value is projected to continue its growth and reach US\$ 103.4 billion by 2029 with a CAGR of 10.6% from 2024-2029. Globally, prominent players in the engineered fabric industry include DuPont de Nemours, Inc. (U.S.), Freudenberg Group (Germany), TenCate Fabrics (Netherlands), Milliken and Company (U.S.) and others.

Global engineered fabric industry (US\$ billion, 2019-2029P)

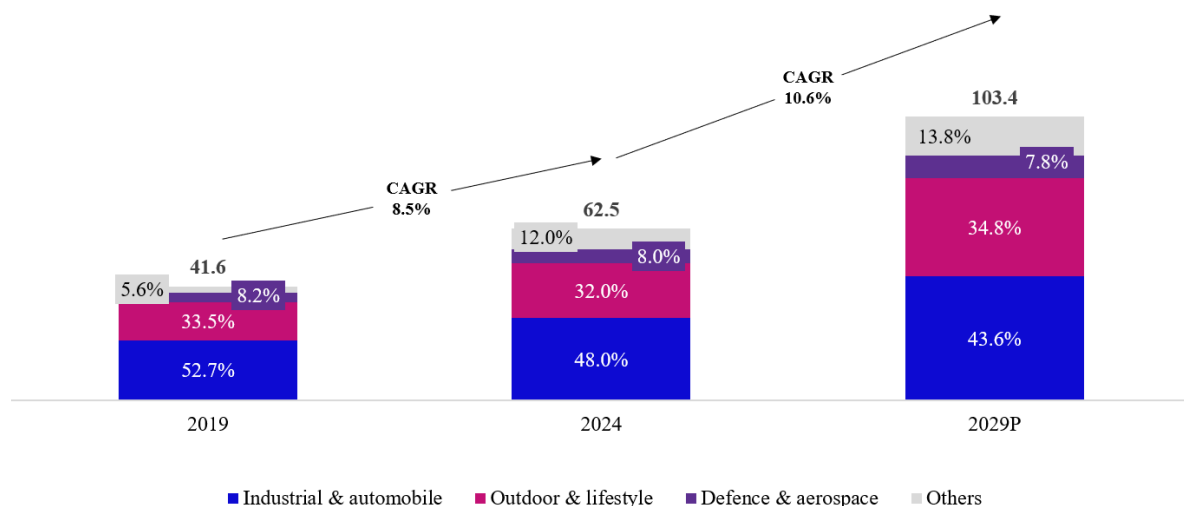


Source(s): ILLattice analysis

Global engineered fabric market size – By end-user industry

The industrial and automobile segment accounted for 48.0% of the global engineered fabrics industry value in 2024, while the outdoor and lifestyle segment held 32.0%. The defence and aerospace segment made up 8.0%. By 2029, the share of defence and aerospace is expected to remain about the same at 7.8%, whereas the share of the industrial and automobile segment is projected to decline to 43.6%. The share of outdoor and lifestyle is expected to increase to 34.8%.

Global engineered fabric industry – By end-use industry (US\$ billion, 2019-2029P)



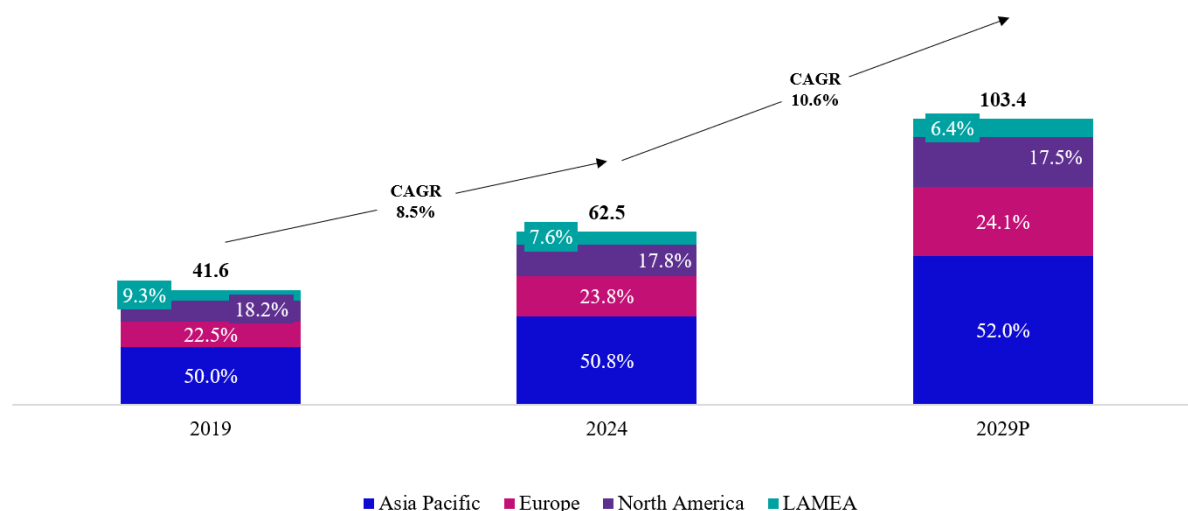
Source(s): ILLattice analysis

Global engineered fabrics market size – By geography

Asia Pacific accounted for 50.8% of the global engineered fabrics industry in 2024, followed by Europe at 23.8% and North America at 17.8%. The LAMEA region held a smaller share of 7.6%. By 2029, the Asia Pacific is

projected to lead with 52.0%, followed by Europe at 24.1%. North America's share is expected to reduce marginally to reach 17.5%, whereas LAMEA's share is anticipated to further decrease to 6.4%.

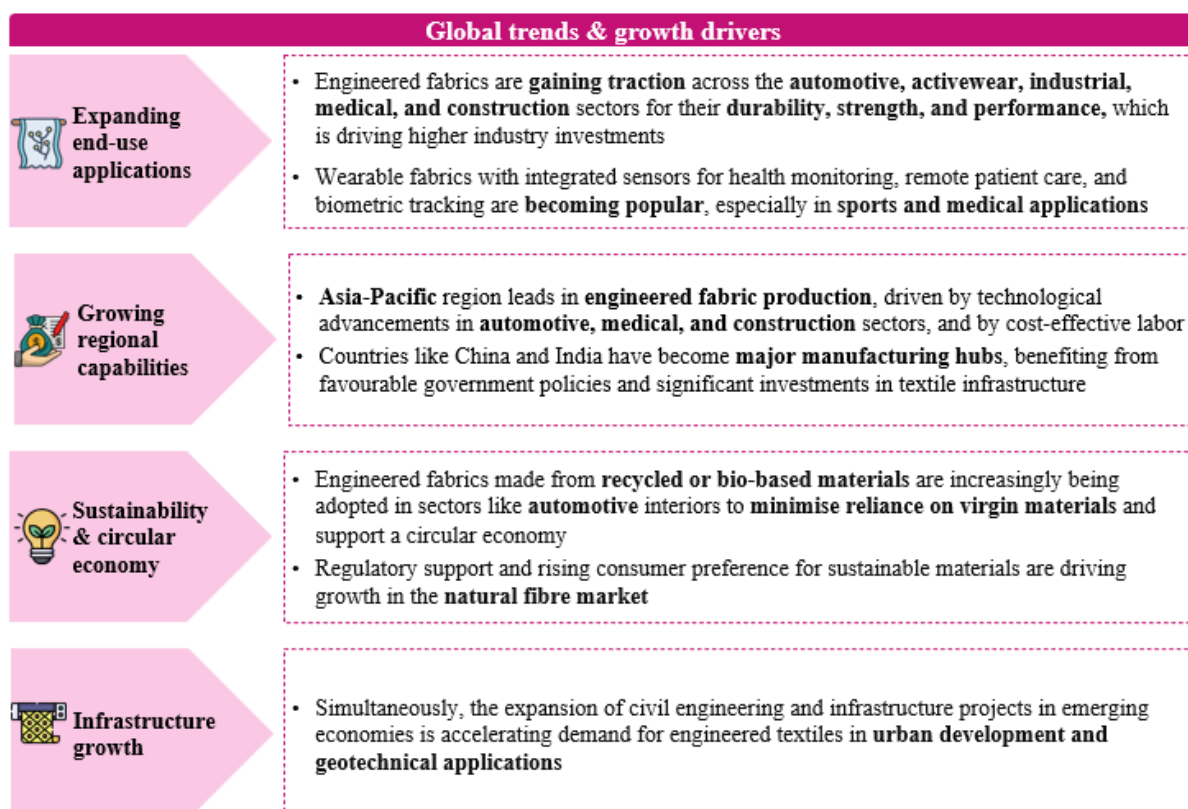
Global engineered fabric industry – By geography (US\$ billion, 2019-2029P)



Source(s): ILLattice analysis

Key growth drivers and trends for the global engineered fabrics industry

The engineered fabrics industry is growing due to expanding applications, growing regional capabilities, and sustainability trends. Rising demand for eco-friendly fabrics and urban development also contributes to market growth.

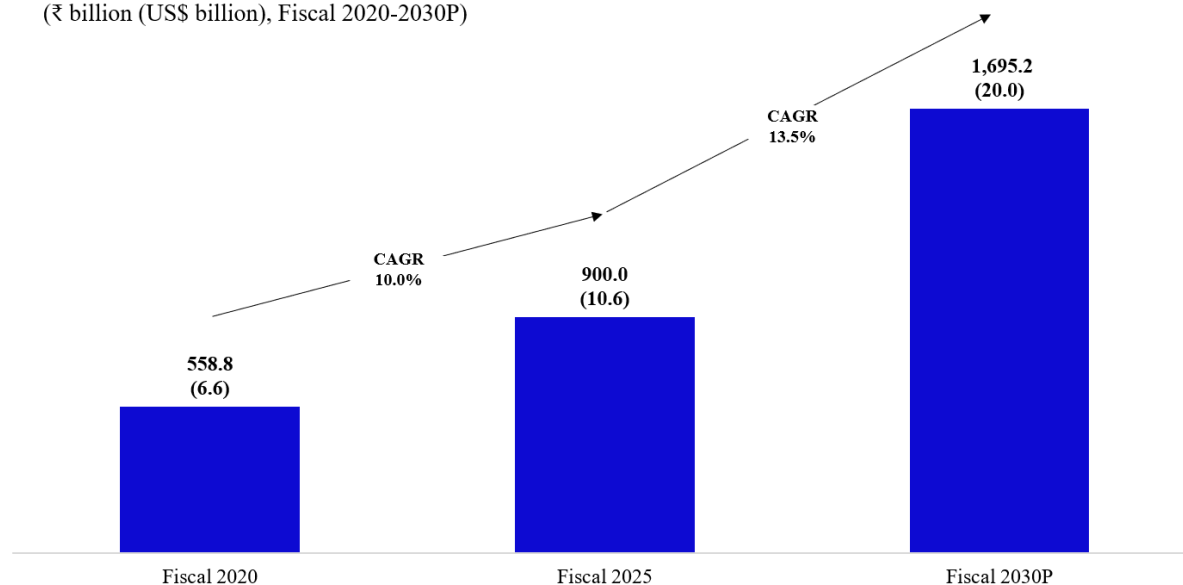


Indian engineered fabrics market size

India's engineered fabrics industry, as measured by domestic consumption (including imports) and excluding exports, was valued at ₹ 558.8 billion (US\$ 6.6 billion) in Fiscal 2020 and reached ₹ 900.0 billion (US\$ 10.6 billion) in Fiscal 2025, growing at a CAGR of 10.0% during Fiscal 2020-2025. The market is expected to grow further and reach a value of ₹ 1,695.2 billion (US\$ 20.0 billion) by Fiscal 2030, registering a CAGR of 13.5% during Fiscal 2025-2030.

Indian engineered fabric industry

(₹ billion (US\$ billion), Fiscal 2020-2030P)



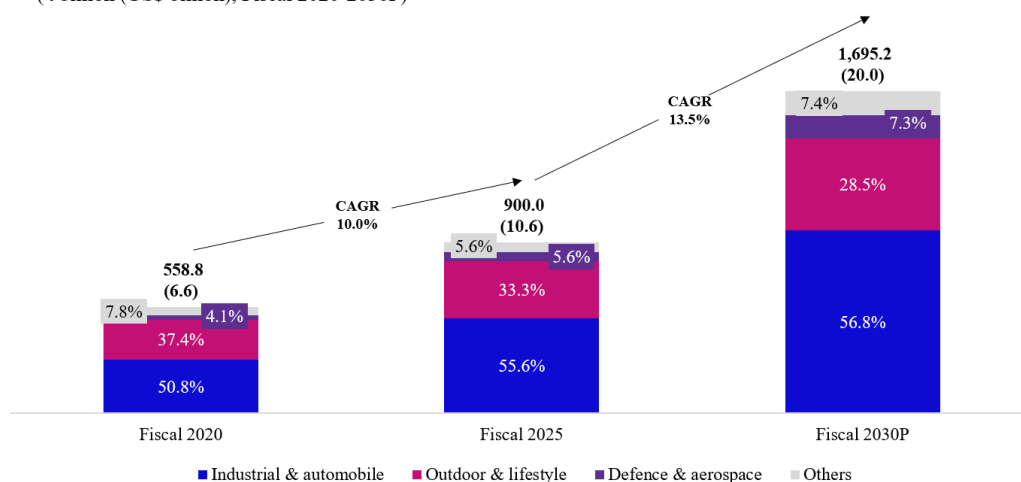
Note(s): US\$ 1 = ₹ 84.56
Source(s): ILattice analysis

Indian engineered fabric market size – By end-use industry

In Fiscal 2025, the industrial and automobile segment dominated the Indian engineered fabrics industry, as measured by domestic consumption (including imports) and excluding exports, with a 55.6% share, followed by the outdoor and lifestyle segment at 33.3%, and the defence and aerospace segment at 5.6%. By Fiscal 2030, the industrial and automobile segment is projected to rise to 56.8%, while the outdoor and lifestyle segment is expected to account for 28.5%, and the defence and aerospace segment to 7.3%.

Indian engineered fabric industry – By end-use industry

(₹ billion (US\$ billion), Fiscal 2020-2030P)



Note(s): US\$ 1 = ₹ 84.56
Source(s): ILattice analysis

Key growth drivers and trends for the Indian engineered fabrics industry

The Indian engineered fabrics industry, as measured by domestic consumption (including imports) and excluding exports, is growing through strong government policies, R&D advancements in high-speciality fabrics, an expanding global market (due to factors including the diversification of supply chains by major manufacturers), increased adoption of sustainable, high-tech textiles and the diversification of supply chains by major manufacturers. Standardisation and quality control measures are also driving domestic production and export competitiveness, while India leverages the China+1 strategy to position itself as a reliable alternative manufacturing hub for global buyers seeking supply chain diversification.

Government policies & incentives	R&D initiatives	Expanding market	Increased adoption
 - Key initiatives such as the NTTM, PLI scheme and PM MITRA parks are strengthening India's position as a global engineered fabrics manufacturing hub by promoting R&D, domestic & large-scale infrastructure development - Government has dedicated ~207 Harmonised System of Nomenclature (HSN) codes and allows 100% FDI under the automatic route for technical textiles, further increasing the export capabilities of India's engineered fabrics industry	 - Various R&D initiatives have been undertaken to develop high-specialty engineered fabrics, with a focus on automation, AI-driven textile and processing as key enablers for enhancing product quality & efficiency in domestic manufacturing - Under the flagship scheme of NTTM, ~24 R&D projects have been undertaken by various premier research bodies and institutes for the development of specialty fibres like aramid, super high-tenacity polypropylene, carbon fibre, etc.	 - India is increasing its engineered fabrics global footprint through enhanced Memorandum of Understanding (MoUs), participation in international trade fairs, and aligning domestic standards with international benchmarks to improve export competitiveness - India is capitalising on the China+1 strategy, positioning itself as a reliable alternative hub as global manufacturers diversify supply chains, thereby attracting buyers and boosting its engineered fabrics export base	 - The industry is shifting towards sustainable and high-tech engineered fabrics, including ultrafine nano fibres, non-woven webs, and functional textiles for filtration, healthcare, & industrial applications - The Ministry of Textiles has received an annual budget outlay of ₹ 52.7 Billion (US\$ 0.6 Billion) in FY26, with an aim to promote domestic production of technical textiles in India and has collaborated with Bureau of Indian Standards (BIS) to develop ~500 standards for technical textile production in India

In addition to the above growth drivers, the Indian state governments are also offering different subsidies and incentives to boost the domestic manufacturing of textiles, thus impacting the engineered fabrics market. For example, Gujarat launched the Gujarat Textiles Policy 2024 (effective October 1, 2024 – September 30, 2029), which offers a comprehensive incentive stack for textiles spanning the entire value chain. Under this, units are eligible for capital investment support and credit-linked interest subsidies that vary by taluka/segment, alongside targeted power-tariff assistance to lower operating costs (₹ 1 per unit, availing power either from DISCOM or renewable power through open-access for a period of 5 years from the DoCP).

Capital & Interest Subsidy Structure (Gujarat Textile Policy 2024)

Taluka Category	Capital Subsidy on		Interest Subsidy on Term Loan	Duration / Tenor	Caps / Notes
	Eligible Fixed Capital Investment (eFCI)				
Category 1 (Least developed talukas)	20- 35% of eFCI	7% per annum	7-8 years		Capital subsidy capped at ₹ 0.50-1.50 billion per project
Category 2	18-30% of eFCI	7% per annum	7-8 years		Capital subsidy capped at ₹ 0.50-1.50 billion per project
Category 3 (Developed talukas)	10-25% of eFCI	5-7% per annum	5-8 years		Capital subsidy capped at ₹ 0.40 - 1.50 billion per project

Potential Impact of US Tariffs on the Indian engineered fabrics industry

On July 31, 2025, the United States announced tariffs of approximately 25% on most Indian goods, including engineered fabrics. Effective August 27, 2025, this new tariff brings the total additional duty on Indian products to 50%. Such measures reflect broader global trends where countries impose, adjust, or remove tariffs and trade restrictions in response to shifting economic and political conditions. These actions create sustained uncertainty in global trade and can escalate tensions, potentially slow economic growth and reshape long-term trade patterns through retaliatory measures.

For Indian exporters, higher tariffs could dampen business sentiment and reduce international demand for manufactured products. The scope, duration, and frequency of such trade restrictions remain uncertain, and their impact could be significant. Measures such as tariffs, quotas, embargoes, safeguards, changes to de minimis thresholds, or customs restrictions may increase costs and lengthen shipping times. It is too early to comment on the exact impact on the export opportunities for the Indian engineered fabrics market.

In response, the Indian government may also implement administrative or regulatory actions that affect manufacturers' access to imported raw materials. Any restrictions on sourcing, whether through higher import costs, supply shortages, or the need to reorganise supply chains, could adversely impact the business operations, financial performance, and overall resilience of Indian engineered fabric producers.

Key end-user industries of engineered fabrics and applications

Engineered fabrics are indispensable across multiple industries, providing advanced solutions tailored to specific applications. Their ability to offer strength, flexibility, thermal resistance, and environmental durability makes them essential in aerospace and defence, industrial and automobile, medical, construction and outdoor and lifestyle sectors. As technology advances, these fabrics will continue to evolve, offering even greater performance and expanding into new applications, reinforcing their significance in modern manufacturing and innovation. Examples of how engineered fabrics are used in the aerospace and defence segment, industrial and automotive segment, outdoor and lifestyle segment and other market segments are as follows.

Aerospace and defence

- Engineered fabrics play a critical role in aerospace and defence, where they are used in aircraft interiors for seats, panels, and insulation, as well as in ballistic protection for body armour, military tents, rapid deployment systems, stealth systems, parachute systems, personal equipment such as combat uniforms, rucksacks, load-bearing vests and lightweight composites in aircraft structures. These fabrics also contribute to parachutes and protective covers used in space exploration, ensuring reliability in extreme conditions.
- To meet these demanding applications, engineered fabrics like fine denier fabrics are used as they possess a high strength-to-weight ratio, ensuring structural integrity while minimising weight. Additionally, fabrics are coated and laminated to provide flame resistance, impact protection, thermal insulation, and durability to withstand extreme temperatures, high velocities, and harsh operational environments.

Industrial and automotive

- In industrial applications, engineered fabrics are extensively used in filtration systems for air, liquid, and gas, as well as in protective clothing that offers fire and chemical resistance, industrial tapes, heddle belts, hoses, and other applications.
- Mechanical Rubber Goods (MRG) fabrics are found in conveyor belts, transmission belts, industrial webbing and slings, ropes and cordages, and reinforcements for composites, providing strength and longevity in high-stress environments.
- Engineered fabrics in automobiles are used in airbags, helmets, seat belt webbing, headliners, tyre cord fabric, automobile tapes, drive belts, seat-cover fabric, and convertible soft top.
- These applications demand materials with chemical resistance, thermal stability, and high tensile strength to endure prolonged exposure to harsh substances and temperatures. Additionally, abrasion resistance and durability are crucial for ensuring longevity in high-wear industrial operations, where performance consistency is essential.

Outdoor and lifestyle

- The outdoor and lifestyle sector relies on engineered fabrics for high-performance apparel, including sportswear, rainwear, and protective gear, along with outdoor equipment such as tents, backpacks and “hardlines” such as luggage and backpacks. These fabrics are also integral to footwear components and marine applications like boat covers and sails, where durability and adaptability are key factors.
- To function effectively, these fabrics must exhibit breathability, water and UV resistance, and lightweight flexibility to enhance comfort and usability. Moreover, weather durability and tear resistance ensure that products can withstand prolonged exposure to varying environmental conditions, from heavy rains to extreme sun exposure to prolonged use for transporting personal property.

Others

- Engineered fabrics are used for other industries like healthcare where they are used for surgical gowns, wound dressings, medical drapes, and filtration materials used in masks and hospital air systems, ensuring sterility and infection control.
- In construction, engineered fabric used for geotextiles for soil stabilisation, roofing membranes for waterproofing, and insulation materials for thermal regulation in buildings, enhancing structural integrity and efficiency.

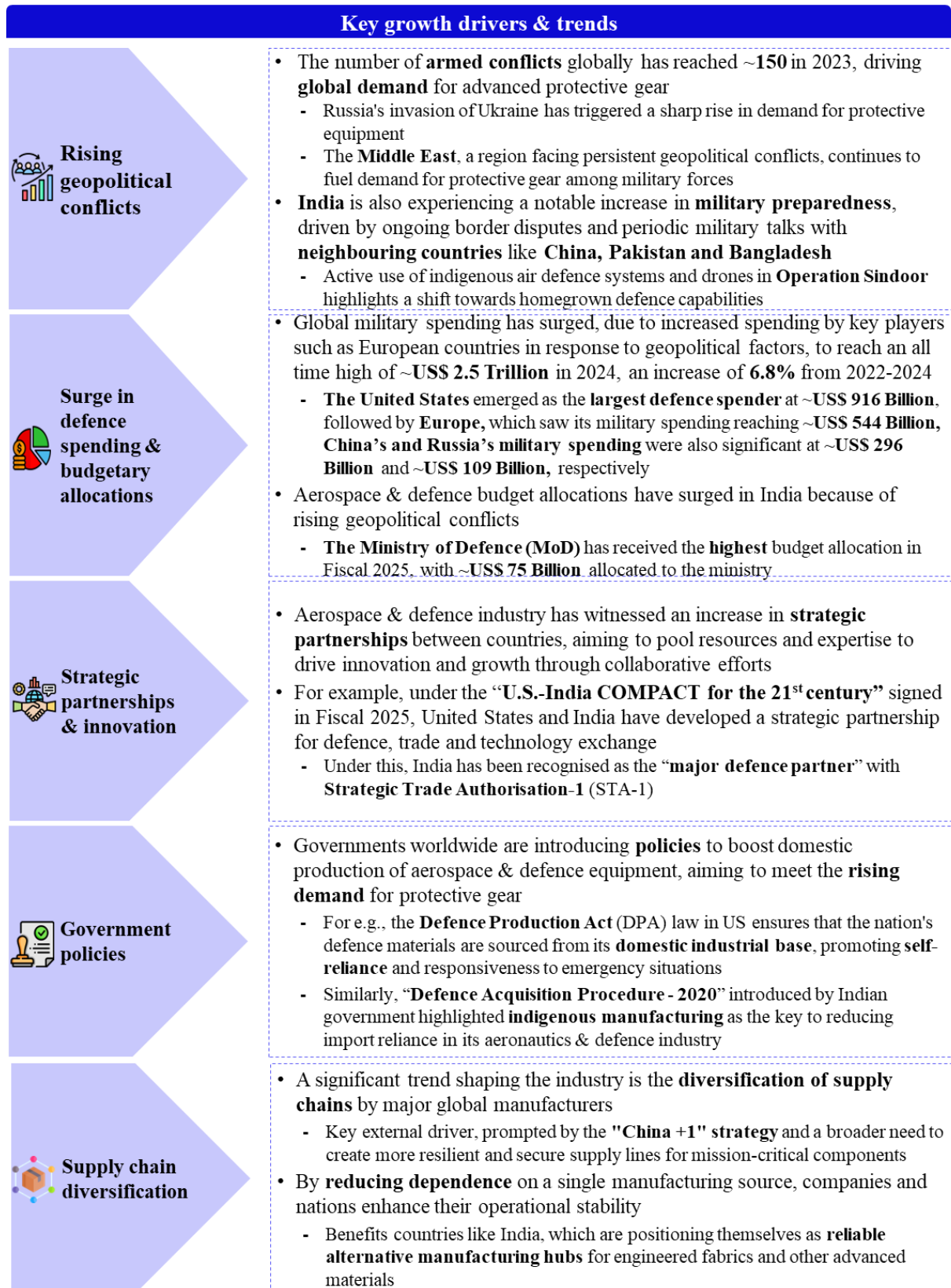
Overview of the aerospace and defence industry

The global aerospace and defence sector is evolving rapidly, driven by geopolitical instability, modernisation of military capabilities, and advancements in mission-critical systems, alongside a surge in demand for commercial air travel and the need for airlines to expand and upgrade their fleets with more fuel-efficient aircraft. Nations prioritise innovations in lightweight, durable materials for aerospace applications such as parachutes and protective gear for extreme environments. Surveillance technologies, unmanned systems, and high-altitude operational readiness reshape defence strategies, with geopolitical tensions accelerating investments in resilient, cutting-edge solutions. As a result, global defence spending increased from US\$ 2.0 trillion in 2019 to an all-time high of US\$ 2.5 trillion in 2024. The growth is driven in part by increased spending from countries such as the United States, China, and a few European countries in direct response to regional geopolitical factors. It is projected to grow at a CAGR of 5.1% from 2024-2030, to reach US\$ 3.4 trillion in 2030.

India is accelerating its shift toward indigenous defence manufacturing to reduce reliance on imports and address border security challenges. Government initiatives like “Make in India” and policy reforms foster partnerships between domestic manufacturers and global defence firms. The government has introduced major reforms in the defence sector, with a strong focus on minimising foreign reliance and establishing a robust domestic defence manufacturing base. Notably, Indian defence suppliers typically operate through trade intermediaries to supply the military, highlighting the structured nature of defence procurement in India. Through a structured ecosystem combined with bolstering government policies, India’s defence spending has increased from US\$ 70.2 billion in Fiscal 2019 to reach US\$ 93.9 billion in Fiscal 2024. It is projected to grow at a CAGR of 9.1% from Fiscal 2024-2030 to reach US\$ 118.4 billion in Fiscal 2030.

Key growth drivers and trends in the aerospace and defence industry

The aerospace and defence industry experiences significant growth, driven by rising geopolitical tensions and a surge in defence spending globally, along with increased demand for air travel, which has prompted airline expansions and the replacement of ageing commercial airliner fleets with newer, more fuel-efficient aircraft, which will increase the demand of engineered fabric used in the aerospace industry. Increased orbital launches by key players are further propelling the sector, while strategic partnerships between nations are fostering collaborative growth and technological advancements. Additionally, government policies supporting indigenous production strengthen indigenous capabilities and ensure long-term sustainability. Together, these factors shape a dynamic and promising future for the aerospace and defence industry.



Overview of the engineered fabric and solutions market for aerospace and defence

The engineered fabric and solutions market for aerospace and defence has experienced significant growth due to its critical role in enhancing performance and safety while also providing versatility. Engineered fabrics are

specially designed to meet the stringent requirements of the aerospace and defence industry by offering lightweight, durable, and versatile solutions that contribute to improved fuel efficiency and better operational capabilities. Their importance is underscored by the increasing demand for advanced materials that can withstand harsh environmental conditions and provide specialised functionalities such as ballistic protection, thermal resistance and camouflage.

Key applications of engineered fabrics in aerospace and defence

Engineered fabrics are critical components in the aerospace and defence industry, providing high-performance, durable, and lightweight solutions for mission-critical applications. They are used in a wide range of products, including parachute systems, paragliders, hot air balloons, and aerostats, as well as protective clothing, tactical gear, and load-carrying systems. These specialised textiles are vital for ensuring durability, safety, mobility, and adaptability in extreme operational environments, offering exceptional strength and resistance to environmental stresses

	Parameters	Definition	Key characteristic
Parachute systems & inflatables	 Parachutes	• Aerial equipment designed for controlled descent through the atmosphere	• Provide enhanced strength, durability, & resistance to environmental factors, ensuring reliable deployment and safety during descent or flight
	 Paragliders	• Aerial equipment designed for gliding flight through the atmosphere	• Provide strength and durability, resists environmental stresses to ensure harmless deployment, stable flight, and safe descent
	 Hot air balloons	• Aerial equipment designed to control descent or provide sustained flight by utilising air resistance and aerodynamic principles	• Provide uniformity, strength, and airtightness, ensuring safe and efficient flight with controlled ascent and descent
	 Aerostats	• Inflatable structures such as balloons or blimps used for sky surveillance, communication, or weather monitoring	• Provide multi-layered laminates to ensuring durability and resistance to harsh environmental conditions
Stealth & tactical systems	 Rain poncho	• Lightweight, waterproof covering designed to shield personnel and gear from rain and wet conditions	• Provides full-body protection from rain and stays durable even in harsh conditions
	 Bulletproof jackets	• Personal protective gear incorporating ballistic-resistant materials to absorb and disperse impact	• Delivers reliable ballistic protection while maintaining mobility, comfort, and durability
	 ECWCS	• A three-layered clothing system specifically designed and evaluated to provide insulation, waterproofing, strength & lightweight properties	• Superior thermal insulation and moisture-wicking properties to ensure protection in extreme cold and high-altitude conditions
	 High altitude & visibility clothing	• Specialized clothing engineered for operations in high-altitude, low-visibility environments	• Ensures water resistance, abrasion resistance, and high-visibility markings for safety in harsh climates
	 CBRN	• Protective gear designed to shield against hazardous CBRN threats while maintaining durability, breathability, and mobility	• Comprehensive protection from environmental threats while maintaining mobility and breathability

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Rapid deployment systems	 Camouflage sets	Specialised nets designed to conceal military personnel and equipment by blending with the surroundings, reducing visual & infrared detection	Provides stealth and concealment, providing coverage against visual and infrared detection with advanced trilobal patterns and adaptive functionality
	 Rucksacks	Heavy-duty load-carrying packs designed for transporting equipment and supplies	Ergonomic, durable, and modular with high load capacity for extended operations
	 MOLLE system	Modular Lightweight Load-Carrying Equipment system with webbing and attachment points	Enables customizable, secure, and adaptable gear configuration for mission-specific needs

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Key characteristics of the engineered fabric for aerospace and defence

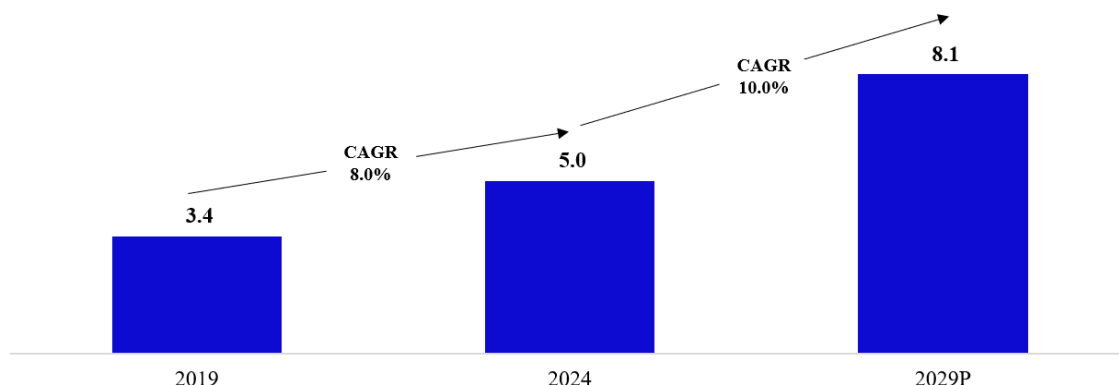
Engineered fabrics used in the aerospace and defence industry possess key characteristics that ensure optimal performance. These include lightweight characteristics for improved speed and lift-to-drag ratio, UV protection to reduce radiation and extreme heat exposure, high strength for maintaining structural integrity, and low stretch coupled with high abrasion resistance to enhance overall performance. Fabrics used in aerospace and defence applications must meet exact specifications, which require a high level of technical manufacturing expertise.

Light weight 	- Crucial in aerospace & defence equipment, where fine denier fabrics are used to achieve lightweight properties that improve speed and lift-to-drag ratio, playing a vital role in combat operations - For e.g., fine denier fabrics valued for their lightweight and insulating properties, are used in bulletproof jackets, aircraft interiors, aiding fuel efficiency & performance
UV protection 	- Vital for preventing fibre degradation, maintaining strength and preserving overall performance of equipment used in aerospace & defence after prolonged UV exposure, ensuring its long-term durability - For e.g., UV-reflective and laminated textiles along with Titanium dioxide (TiO₂) coatings are used in camouflage nets to reduce visibility and limit radiation
High strength 	- Essential to withstand substantial stress and heavy loads, while ensuring reliable performance in critical environmental conditions with safety and reliance - For e.g., carbon fibre composites are widely utilised to develop essential components of military aircraft, where they play a pivotal role in maintaining both tensile strength and overall structural integrity
Low stretch 	- Crucial for maintaining precise performance and structural integrity of aerospace & defence equipment under dynamic loads, preventing unexpected deformations - For e.g., ECWCS suits are crafted from nylon blends and polyester, offering low stretch properties to maintain structural integrity and provide insulation
Fire retardant 	- Critical characteristic in situations where environmental factors pose to be a threat, including exposure to high temperatures and hazardous chemicals - For e.g., Aramid fibres such as Kevlar and Nomex are widely used in applications like insulation materials, aircraft fuselage and military clothing like CBRN suites
Abrasion resistance 	- Particularly important in aerospace & defence, where materials are frequently exposed to harsh conditions and extreme weather that can potentially lead to significant wear and tear - For e.g., anti-gravity suits and parachutes are critical in aerospace applications which must endure intense conditions, requiring exceptional abrasion resistance

Global engineered fabric market size for aerospace and defence

The global market for engineered fabric for aerospace and defence grew from US\$ 3.4 billion in 2019 to US\$ 5.0 billion in 2024, reflecting a CAGR of 8.0%. It is further projected to reach US\$ 8.1 billion in 2029, growing at a CAGR of 10.0% between 2024-2029

Global engineered fabric market for aerospace & defence (US\$ billion, 2019-2029P)

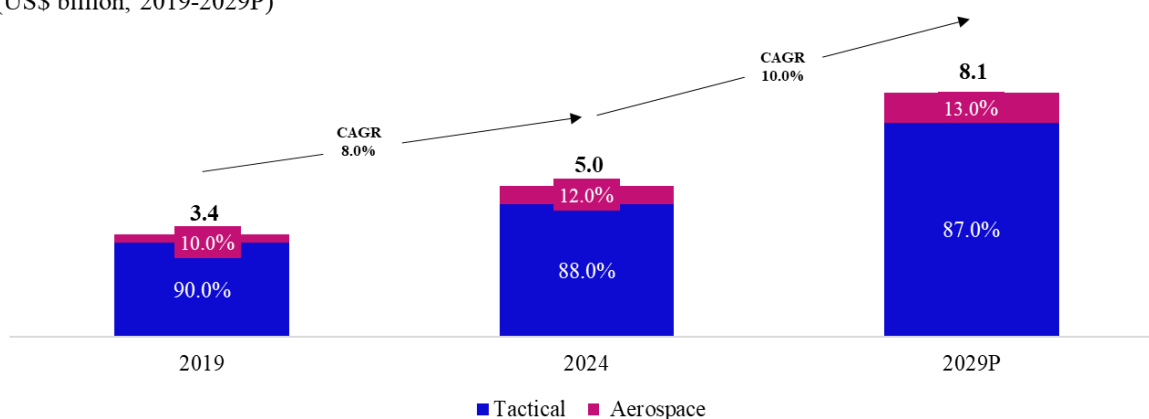


Source(s): ILLattice analysis

Global market segmentation of engineered fabric for aerospace and defence – By product type

The engineered fabric market is segmented into aerospace (includes military parachutes, sports parachutes, paragliders, and inflatables) and tactical gear (includes tactical clothing, stealth systems fabric, rapid deployment systems fabric and speciality gear fabrics such as bulletproof jackets, ECWCS, high altitude & visibility clothing, CBRN, rain ponchos, etc.) based on product into aerospace and tactical. Tactical gear contributed the majority share of 88.0% in 2024, with aerospace contributing 12.0%. By 2029, tactical gear is expected to contribute 87.0%, with aerospace contributing 13.0%.

Global engineered fabric market for aerospace & defence – By product type (US\$ billion, 2019-2029P)



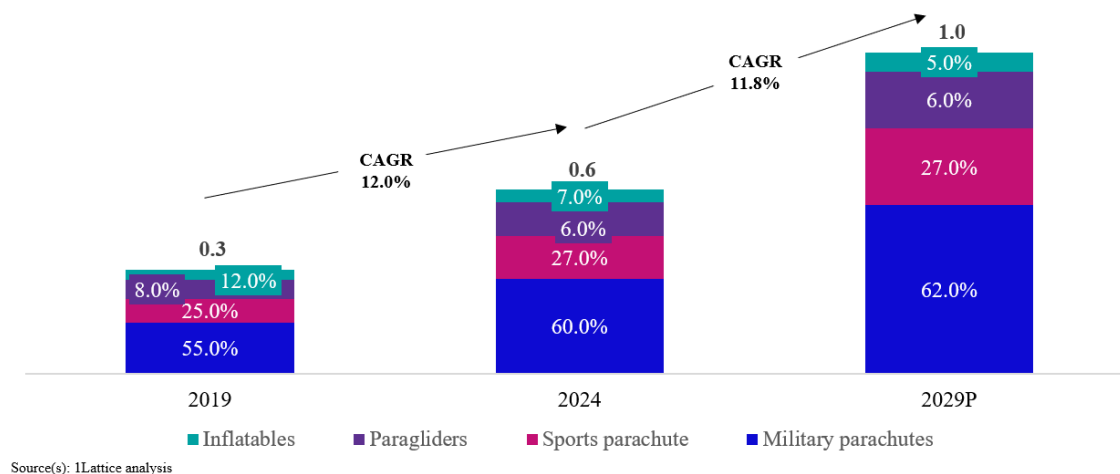
Source(s): ILLattice analysis

Aerospace products include military parachutes, sports parachutes, paragliders, and inflatables. The global engineered fabric for aerospace products grew from US\$ 0.3 billion in 2019 to US\$ 0.6 billion in 2024, reflecting a CAGR of 12.0%. It is further projected to reach US\$ 1.0 billion in 2029, growing at a CAGR of 11.8% between 2024-2029.

Amongst the aerospace products, military parachutes account for the majority share of approximately 60.0% in 2024, sports parachutes accounting for approximately 27.0% and followed by paragliders and inflatables at

approximately 6.0% and approximately 7.0% respectively. In 2029, the share of military parachutes is expected to grow to approximately 62.0%, with sports parachutes, paragliders and inflatables accounting for approximately 27.0%, approximately 6.0% and approximately 5.0% respectively.

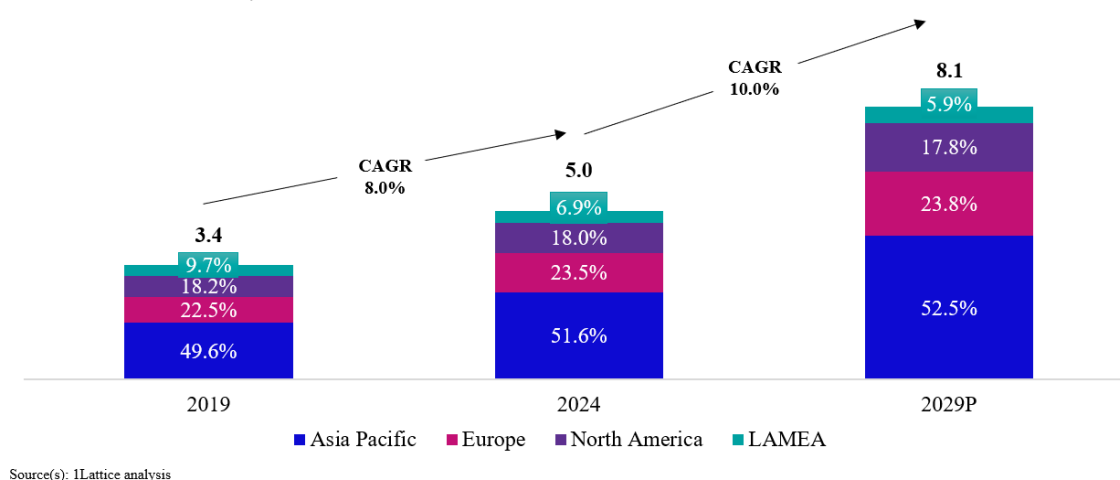
Global engineered fabric market for aerospace – By product type (US\$ billion, 2019-2029P)



Global market segmentation of engineered fabric for aerospace and defence – By geography

The engineered fabric market is segmented by North America, Europe, Asia Pacific, and LAMEA based on region. Asia Pacific contributed the majority share of 51.6% in 2024, followed by Europe at 23.5% and North America at 18.0%. By 2029, Asia Pacific is expected to retain its majority share at 52.5% driven by robust manufacturing capabilities and abundant raw material supply, with Europe and North America contributing 23.8% and 17.8%, respectively.

Global engineered fabric market for aerospace & defence – By geography (US\$ billion, 2019-2029P)



Indian engineered fabric market size for aerospace and defence

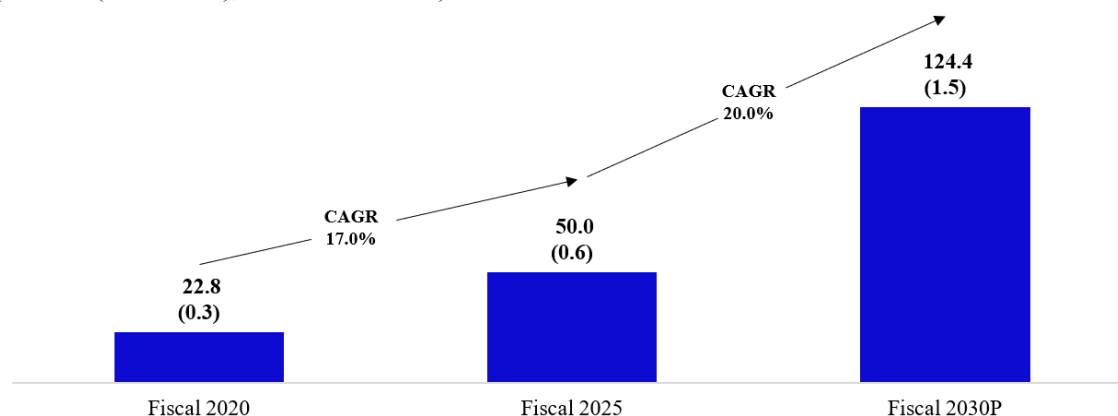
The Indian engineered fabric market for aerospace and defence, as measured by domestic consumption (including imports) and excluding exports, grew from ₹ 22.8 billion (US\$ 0.3 billion) in Fiscal 2020, to ₹ 50.0 billion (US\$ 0.6 billion) in Fiscal 2025, reflecting a CAGR of 17.0% during Fiscal 2020-2025. It is further projected to reach ₹ 124.4 billion (US\$ 1.5 billion) in Fiscal 2030, growing at a CAGR of 20.0% during Fiscal 2025-2030. The growth in the market for aerospace and defence-related fabrics in India is being driven primarily by Indian

government requirements to procure defence-related products domestically. This push for self-reliance is supported by several key government initiatives and policies aimed at boosting local manufacturing and reducing imports. The National Technical Textiles Mission (NTTM) and the “Make in India” initiative are central to this effort, promoting domestic R&D for advanced fibres like aramid and nylon and fostering the creation of indigenous machinery. The government is also driving import substitution through:

- **Collaborative R&D:** A “pooled resource approach” involves premier institutions like the Defence Research and Development Organisation (DRDO) to develop specialized fabrics for applications like protective gear.
- **Financial incentives:** To make domestic production more cost-effective, customs duties have been eliminated on certain high-speed looms, while the Basic Customs Duty (BCD) on some imported knitted fabrics has been increased to protect local manufacturers.
- **Targeted investments:** The government has approved investments under the NTTM to develop advanced textiles, such as Phase Change Material (PCM)-based activewear for military personnel operating in extreme weather conditions.

Indian engineered fabric market for aerospace & defence

(₹ billion (US\$ billion), Fiscal 2020-2030P)

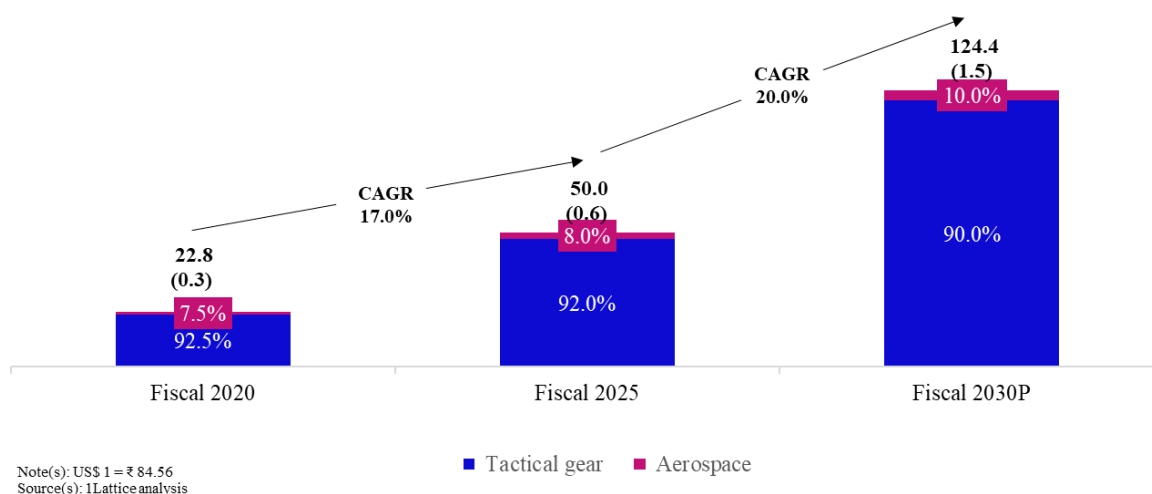


Note(s): US\$ 1 = ₹ 84.56
Source(s): 1Lattice analysis

Indian market segmentation of engineered fabric for aerospace and defence – By product type

The engineered fabric market is segmented into aerospace (military parachutes, sports parachutes, paragliders, and inflatables) and tactical gear (includes tactical clothing, stealth systems fabric, rapid deployment systems fabric and speciality gear fabrics such as bulletproof jackets, ECWCS, high altitude & visibility clothing, CBRN, rain ponchos, etc.) based on product into aerospace and tactical. Tactical gear contributed to the majority of domestic consumption (including imports) and excluding exports, 92.5% in Fiscal 2020, with aerospace accounting for 7.5%. By Fiscal 2030, the portion of tactical gear as a percentage of domestic consumption (including imports) and excluding exports, is projected to be 90.0%, with that for aerospace being 10.0%.

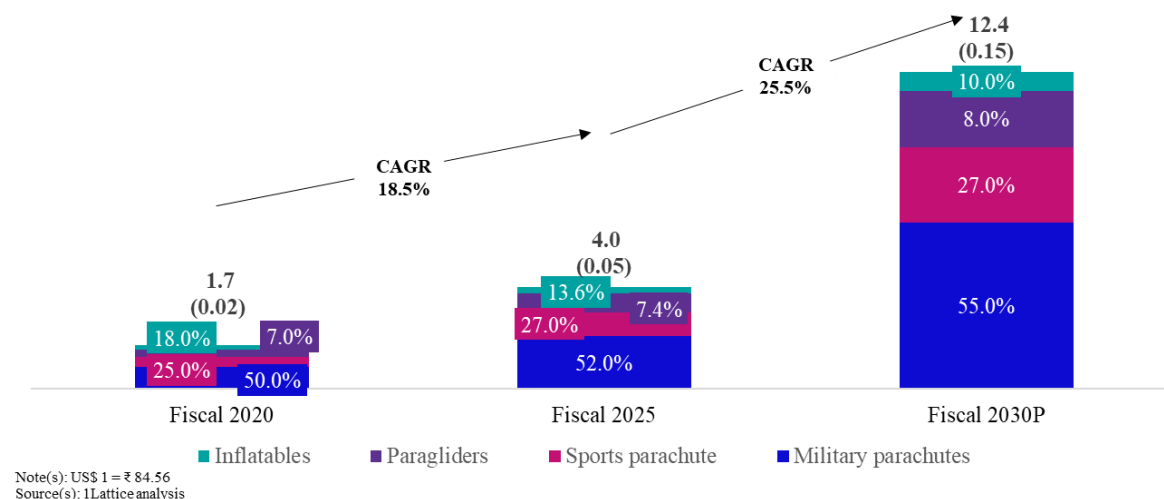
Indian engineered fabric market for aerospace & defence – By product type
(₹ billion (US\$ billion), Fiscal 2020-2030P)



The market in India for aerospace fabrics, as measured by domestic consumption (including imports and excluding exports), is segmented into military parachutes, sports parachutes, paragliders, and inflatables based on product type. The market in India for aerospace fabrics as measured by domestic consumption (including imports and excluding exports) grew from ₹ 1.7 billion (US\$ 0.02 billion) in Fiscal 2020, to ₹ 4.0 billion (US\$ 0.05 billion) in Fiscal 2025, reflecting a CAGR of 18.5% during Fiscal 2020-2025. It is further projected to reach ₹ 12.4 billion (US\$ 0.15 billion) in Fiscal 2030, growing at a CAGR of 25.5% during Fiscal 2025-2030.

In the aerospace fabric market, military parachutes account for the majority share of 52.0% in Fiscal 2025, sports parachutes accounting for 27.0% and paragliders and inflatables at 7.4% and 13.6%, respectively. In Fiscal 2030, the share of military parachutes is expected to grow to 55.0%, with sports parachutes, paragliders, and inflatables accounting for 27.0%, 8.0% and 10.0%, respectively.

Indian engineered fabric market for aerospace – By product type
(₹ billion (US\$ billion), Fiscal 2020-2030P)



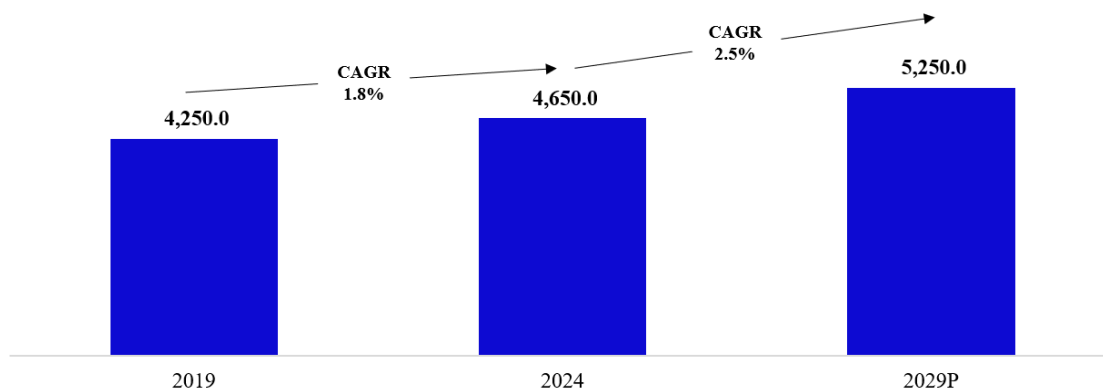
Global solutions market size for aerospace and defence solutions market

The global solutions market for aerospace and defence encompasses a wide range of end products made with engineered fabrics, including bulletproof jackets, stealth systems such as camouflage nets and other stealth gears, aerial systems such as parachutes systems, tents, rapid deployment systems such as decoys and shelters, inflatables, and personal equipment including combat uniforms, rucksacks and load-bearing equipment. Driven by advancements in material technology, increasing defence modernisation, and expanding aerospace

applications, this market continues to grow as countries seek high-performance, durable, and lightweight fabric solutions for mission-critical operations.

The global solutions market for aerospace and defence grew from approximately US\$ 4,250.0 million in 2019 to approximately US\$ 4,650.0 million in 2024, reflecting a CAGR of 1.8%. It is further projected to reach approximately US\$ 5,250.0 million in 2029, growing at a CAGR of 2.5% between 2024-2029.

Global aerospace & defence solutions market (US\$ million, 2019-2029P)

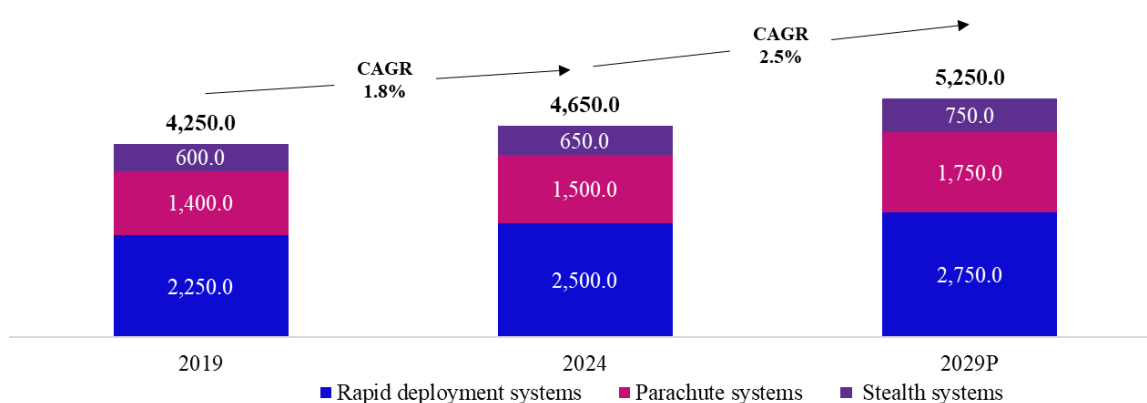


Source(s): 1Lattice analysis

Global solutions market size for aerospace and defence solutions market– By product type

The global market for aerospace and defence solutions is segmented by type into parachute systems, stealth systems, and rapid deployment systems. Rapid deployment systems contributed approximately US\$ 2,250.0 million in 2019, followed by parachute systems contributing approximately US\$ 1,400.0 million and stealth systems contributing approximately US\$ 600.0 million. By 2029, rapid deployment systems are projected to reach a market size of US\$ 2,750.0 million, with parachute systems and stealth systems growing to US\$ 1,750 million and US\$ 750 million, respectively.

Global aerospace & defence solutions market – By product type (US\$ million, 2019-2029P)



Source(s): 1Lattice analysis

Entry barriers in the engineered fabric industry for the aerospace and defence segment

Complex approval processes, stringent regulations, supply chain challenges, and market credibility issues associated with the engineered fabric market pose significant entry barriers in the engineered fabric industry. Furthermore, many customers, particularly government agencies, restrict participation in their projects to

companies that meet specific qualifying criteria and mandatory certifications. For example, the market for defence fabrics and solutions, both in India and globally, is a custom solutions market in which product introduction involves working closely with the customer over a design and adoption period that can last from two to 10 years. These factors collectively make it difficult for new players to enter the market, thereby limiting its widespread adoption. The chart below describes these challenges in further detail.

Entry barrier	Description
 Complex approval process	- Setting up an engineered fabric manufacturing plant involves securing multiple permits and undergoing a rigorous empanelment process with stringent quality checks and repeated audits - Adhering to the industry standards like Quality Control Orders (QCOs) adds to these operational complexities, often resulting in long cycles of ~2-10 years from design to adoption
 Supply chain challenges	- Ensuring a consistent supply of high-quality raw materials poses to be a challenge for new entrants, with limited vendors supplying their proprietary fabrics to pre-existing industry partners Dependence on imports for specialty fibers further disrupts the supply chain, creating a substantial barrier to entry
 Market credibility issues	- Gaining market credibility is a significant challenge, as the aerospace & defence industry is primarily dominated by established players with long-standing customer relationships and proven track records - Customers stick to pre-approved suppliers, with proven track records, creating barriers for new entrants and making it difficult for them to gain traction
 Challenging production process	- Fabrics for aerospace and defence applications should meet exact and often technically demanding specifications, which require a high level of technical manufacturing expertise and advanced weaving technology, so that customised solutions with specified functional requirements across varied applications can be delivered - Solutions offered by engineered fabric products are highly complex in nature, with only a few number of players possessing the required capabilities & expertise to serve each customer with customised requirements - Military fabrics, for example, have to be customised for their use in hazardous conditions, including for durability, comfort and performance

Trends in the engineering fabrics and solutions industry for aerospace and defence

The engineered fabrics and solutions market is evolving significantly in the aerospace and defence industry. Key trends include continuous enhancements in products, with emphasis on both cost-efficiency and quality. There is a noticeable shift in manufacturing processes, driven by the incorporation of innovative materials and composites, alongside a growing emphasis on sustainable manufacturing practices. Additionally, the adoption of lightweight materials has led to increased operational efficiency, enabling reductions in MRO costs. These transformations are shaping a more advanced and cost-effective future for the industry. The chart below describes these trends in further detail.

Product improvement
- Integration of materials known for their exceptional strength-to-weight ratio, fatigue resistance, and thermal properties, has greatly enhanced products in the aerospace & defence industry, leading to light weight and high-performance solutions - Specialised materials like meta-aramids are increasingly incorporated into personal protective equipment to provide enhanced softness and flexibility Vectran fibre is used for aerospace components such as inflatable habitats and parachutes, providing improved strength, cut and heat resistance - Use of smart materials with capabilities to respond and adapt to environmental stimuli is further enhancing the products in aerospace & defence by leveraging adaptive fabrics for diverse applications - For e.g., “nanotech armour and smart suits” are built to detect NBC threats, along with wearable electronics to communicate with net centre rooms (centralised control stations)

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Key trends	Manufacturing shift • Growing demand for lightweight materials, particularly in the aerospace industry, has driven manufacturers to prioritise lighter equipment to enhance fuel efficiency - Similar surge is observed in the defence sector, with rising demand for lightweight protective gear, designed for improved mobility and comfort in prolonged usage - For e.g., manufacturers are designing CBRN suits using lightweight fabrics to enhance comfort, while their ergonomic design ensures postural stability without compromising performance • Increasing environmental concerns and stricter regulations are driving manufacturers to prioritise the use of recyclable and eco-friendly materials - Initiatives like those from the AFRA are leading the charge, setting standards to ensure that 85-90% of an aircraft's weight can be recycled or reused after dismantling - Such initiatives highlight a collective shift towards the widespread adoption of greener & sustainable fabrics in the aerospace & defence industry
	Increased efficiency • Engineered coated fabrics are largely used in aerospace applications to provide durability against UV exposure & harsh temperatures, which helps in reducing wear and tear, enhancing safety and longevity of components • Development of self-healing and adaptive polymers in aerospace applications is further transforming aircraft maintenance by lowering costs and improving efficiency - For e.g., EU funded HIPOCRATES project has made several composites with epoxy based self-repairing polymers to reduce MRO costs • Similar adoption of engineered fabrics with light weight and high strength properties is visible in defence industry, with protective gear and ballistic armors increasingly adopting such fabrics - Engineered fabrics enhanced with materials such as graphene and metamaterials are being incorporated to improve performance of protective clothing like bulletproof vests and combat uniforms

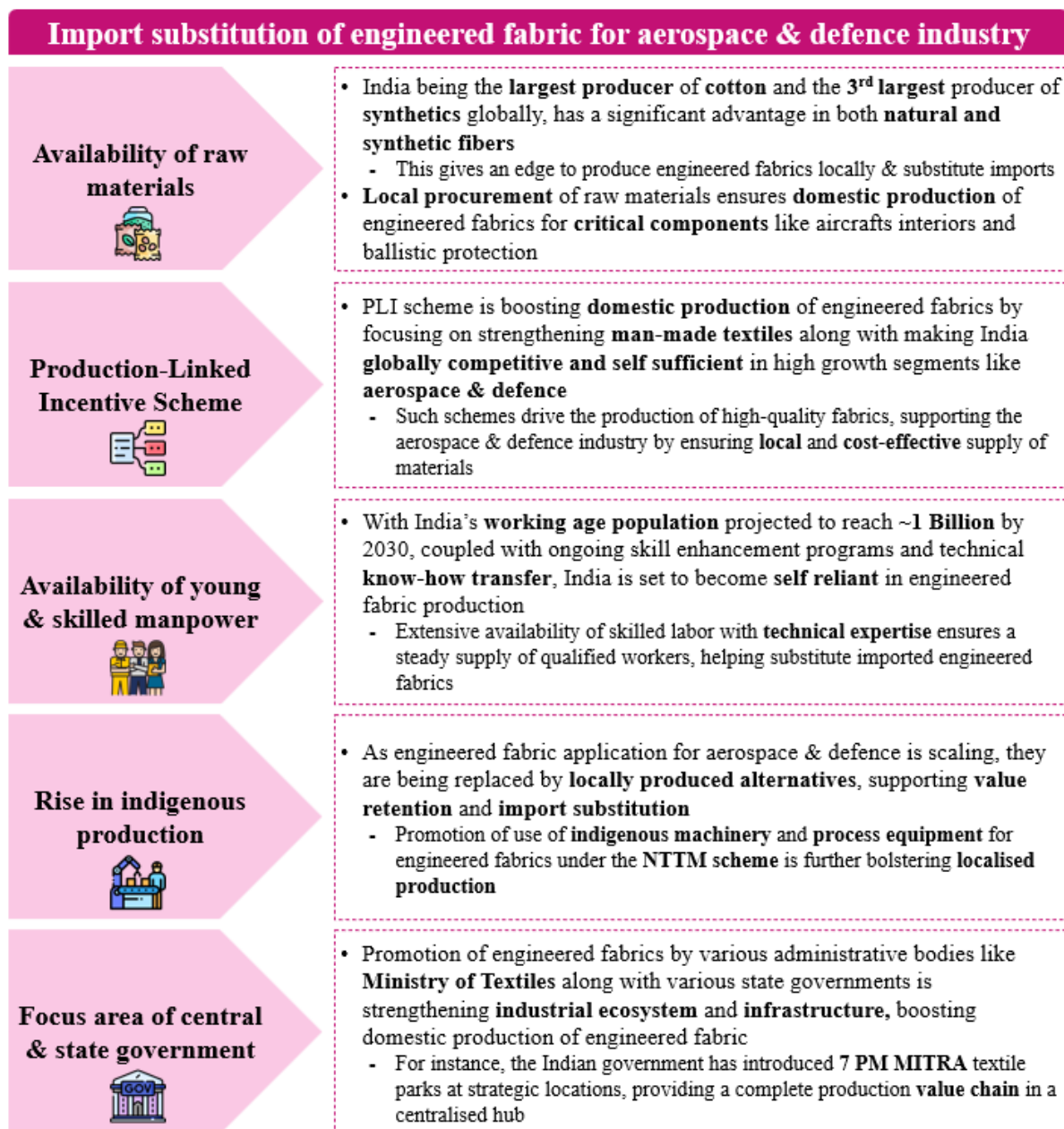
Export opportunities for the Indian engineered fabrics market in aerospace and defence

India is strategically positioned to seize significant opportunities in engineered fabric exports due to the following factors, amongst others:

- **Large-scale polyester production:** India is the second-largest producer of man-made fibres (MMFs), particularly polyester, worldwide. It is well-positioned to meet the growing demand for lightweight and durable fabrics essential in aerospace and defence applications. These fabrics, crucial for products ranging from aircraft interiors to military protective gear, offer strong export potential for India in engineered fabrics in global markets.
- **Government initiatives:** The government of India has introduced several initiatives to boost the export of engineered fabrics, which is vital for both the aerospace and defence sectors. The National Technical Textiles Mission (NTTM) scheme is a key initiative that focuses on research and development, promotion and market development, export promotion, and skill development. Under this scheme, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) has been assigned the role of "Export Promotion Council" to actively promote engineered fabrics in global markets. This initiative is particularly important for the aerospace and defence industries, where high-performance fabrics are increasingly in demand. Furthermore, the government has proposed to set up 7 Mega Investment Textiles Parks (PM-MITRA), aimed at creating a level playing field for domestic manufacturers to compete internationally. These efforts will help India strengthen its position in the global aerospace and defence supply chains, supporting both innovation and competitiveness.
- **Strategic partnerships:** As India strengthens its strategic partnerships with key countries like the United States, the United Kingdom, European nations, Israel, and Taiwan to supply aerospace and defence equipment like personal protective gear, it is poised to meet the increasing demand for high-performance engineered fabrics used in such applications. These economies, facing rising geopolitical tensions, generate consistent demand for specialised engineered fabrics and solutions such as composite fabrics and insulation materials. India's growing role as a supplier to these countries will significantly enhance its export opportunities in the global aerospace and defence industry.

Import substitution of engineered fabric for the Indian aerospace and defence industry

India is making significant strides in substituting imports of engineered fabrics for domestic aerospace and defence production, driven by several key factors. These include the availability of raw materials, which provide an edge in developing cost-effective, high-quality fabrics; production-linked schemes promoting localised manufacturing; a young and skilled workforce with technical expertise; increasing indigenous production; and strong government initiatives supporting the sector. Together, these elements pave the way toward greater self-reliance in engineered fabric production.



Case study for aerospace and defence solutions – SMPP Limited

SMPP Limited is an Indian designer and manufacturer of defence equipment including ammunition components, personal protection products and protection kits for land, air and sea platforms. Founded in 1985, SMPP Limited has evolved into a market leader for personal ballistic protection products made of composites, in terms of value of domestic government orders awarded in Fiscal 2024. SMPP Limited's customer base includes armed forces, the police, the paramilitary and other security forces. In the near future, SMPP Limited plans to establish a new facility which is anticipated to be the largest private-sector ammunition manufacturing site in India, covering an

area of 800 acres. The company achieved approximately ₹ 5 billion in revenue from the sale of products in Fiscal 2024, bring it to a CAGR of approximately 23% from Fiscal 2021-2024 in terms of revenue from the sale of products.

After SMPP Limited's incorporation in 1985, it received its first customer order in defence manufacturing for the supply of semi-combustible cartridge cases of 120 mm and 125 mm in 1991. Since then, it has expanded into manufacturing combustible cartridge cases and components requiring explosive raw material, and certain protection products such as bulletproof jackets, vests, helmets panels and plates. In 2018, SMPP Limited received an order for 186,138 bullet resistant jackets under a government contract, which it fulfilled in 2022. In 2023, its subsidiary was also issued an Arms License by the DPIIT to undertake manufacturing of 125 mm, 125 mm mortar, 120 mm tank, 81 mm, 155 mm, 130 mm, 105 mm, 40 mm and 30 mm ammunitions.

Overview of the industrial and automotive industry

Industrial and automotive applications are fundamental to global economic development and drive efficiency, innovation, and sustainability across various sectors. From manufacturing to construction, these applications integrate advanced technologies and processes to optimise production, improve quality, and reduce environmental impact. Mechanical Rubber Goods (MRGs), including drive belts, hoses, tapes (such as tapes for the leather and shoe industries, and tapes used for insulation), seals and gaskets, amongst others, play a critical role in industries such as automotive, construction, aerospace, and industrial machinery, ensuring durability and performance. As industries continue to evolve, the adoption of automation, smart systems, and sustainable practices is reshaping traditional operations, enabling businesses to enhance productivity and remain competitive in an increasingly dynamic market. Inflatables, which include products like airbags, aircraft evacuation slides, rescue boats, and inflatable habitats, are crucial air-holding structures. They play a vital role in safety, rescue, and operational support, where engineered fabrics ensure they are lightweight and can be compactly stored, yet offer the strength and reliability needed for rapid deployment and performance in critical situations.

In the automotive sector, industrial applications streamline manufacturing processes through precision engineering, robotics, and automated assembly lines, ensuring high-quality production while reducing costs. The shift toward EVs has further introduced new manufacturing techniques and material innovations to enhance vehicle performance, efficiency, and safety. Automotive tapes (including wire harness tapes), used for bonding, insulation, and vibration dampening, support lightweight vehicle design and improve assembly efficiency. Similarly, roof liners, which enhance vehicle aesthetics and reduce noise, are increasingly being developed using sustainable and lightweight materials. Snow socks, a winter traction device that cover tyres by replacing heavy metal chains with lightweight textile alternatives, are also gaining traction. Hoses, essential for fuel, coolant, and hydraulic systems, contribute to the efficiency of both ICEs and EVs. Additionally, peel-ply, widely used in composite manufacturing, is crucial in automotive and aerospace applications for improving adhesion and surface preparation in high-strength bonding.

Key growth drivers and trends of industrial and automotive applications

Industrial and automotive applications are witnessing key growth drivers and trends. The increased adoption of connected technologies and smart automation is boosting demand for engineered fabrics production in India. This is further supported by government regulations and infrastructure development aimed at enhancing domestic production. These government-led initiatives are themselves bolstered by the diversification of supply chains by major global manufacturers of end-products that use engineered fabrics, which increases the inflow of investments and the resilience of the domestic market whilst reducing import dependence. The industry is also seeing strong shifts towards sustainability and green innovations, along with new manufacturing techniques enabling an increased degree of product customisation and the use of advanced materials. For more details on these key growth drivers and trends, please see the following chart.

Key growth drivers & trends for industrial applications



Connected technologies & smart automation

- Automotive industry is shifting towards connected technologies by increasingly employing engineered fabrics for diverse applications like smart seating and upholstery, lighting and connectivity due to their lightweight, pressure resistant and conductive properties
- Engineered fabrics with embedded sensors are deployed to detect occupant pressure, posture & fatigue, supporting safety systems like airbags and seatbelt alerts

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Government regulations & infrastructure growth

- Government initiatives like “Make in India” aimed at indigenous production are significantly enhancing the domestic production of engineered fabrics in India
- Increased investment in textile parks and development of world-class infrastructure is significantly accelerating the domestic production
 - Diversification of supply chains by major global manufacturers of end-products using engineered fabrics is further increasing the investments, resilience and reducing import dependency



Sustainability & green innovations

- Eco-friendly materials such as biodegradable plastics, recycled metals, and bio-based composites are being adopted across industries to reduce environmental impact and promote circular economy practices
- Energy-efficient solutions, including renewable energy integration, advanced insulation in construction, and resource-efficient manufacturing techniques, are helping industries reduce carbon footprints and optimise energy consumption



Customisation & new manufacturing techniques

- 3D printing and flexible production systems are enabling mass customisation, reducing lead times, minimising material wastage, and supporting on-demand manufacturing across sectors like healthcare, automotive, and aerospace
- Collaborative robots (cobots) and AI-driven supply chain management are optimising industrial processes by improving worker safety, enhancing precision in assembly lines, and ensuring efficient inventory and logistics management



Advanced material usage

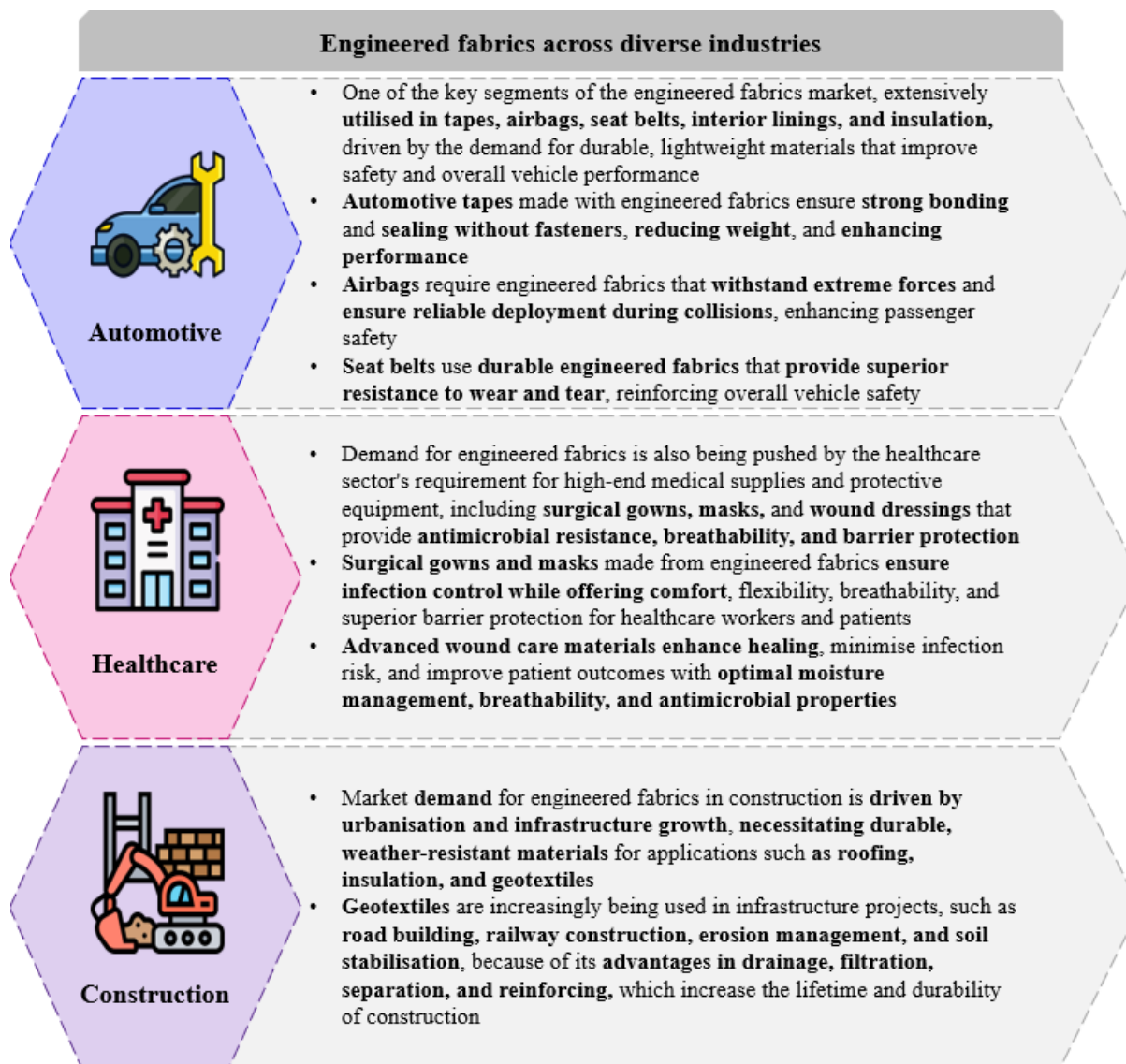
- Lightweight composites, including carbon fiber and advanced alloys, are improving fuel efficiency and durability in automotive, aerospace, and construction industries while reducing material costs and environmental impact
- Smart and self-healing materials, such as shape-memory polymers and bioengineered coatings, enhance performance in infrastructure, medical devices, and electronics by offering longer lifespans and reducing maintenance requirements

Overview of the engineered fabric market for industrial and automotive applications

The engineered fabric market for industrial and automotive applications is characterised by its focus on high-performance materials tailored to specific needs. The engineered fabrics market spans multiple sectors, including automotive, healthcare, and construction, with examples of the applications of engineered fabrics in these sectors as follows:

- The automotive industry incorporates these fabrics in tapes, airbags, seat belts, interior linings, drive belts, and insulation, driven by the need for lightweight, high-strength materials that enhance safety and vehicle performance.
- The healthcare industry relies on them for medical equipment coverings, surgical drapes, and wound dressings, benefiting from their antimicrobial properties, fluid resistance, and ease of cleaning.
- In the construction industry, engineered fabrics are used in roofing, insulation, and geotextiles, offering superior resistance to weathering, tearing, and abrasion.

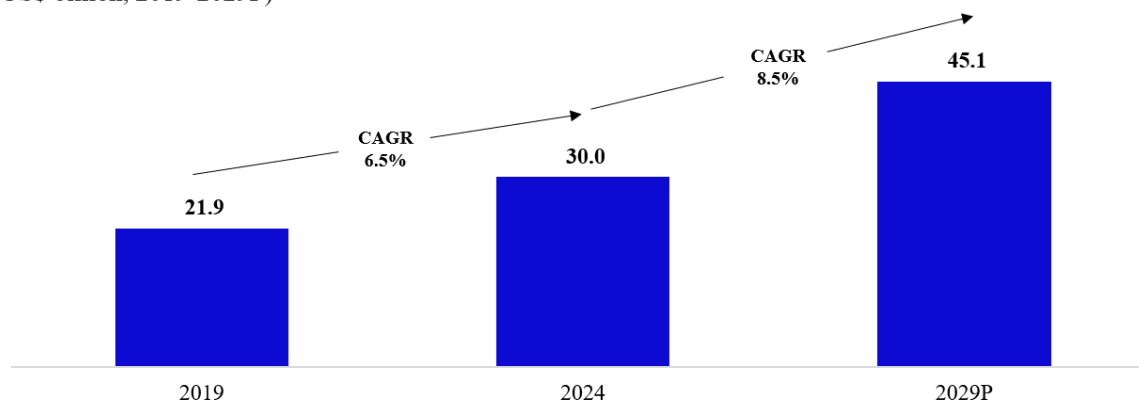
As technology advances, new applications for engineered fabrics continue to emerge, while increasing emphasis on sustainability further drives their role in meeting environmental goals across various sectors.



Global engineered fabric market size for industrial and automotive applications

The global market for engineered fabric for industrial and automotive applications grew from US\$ 21.9 billion in 2019 to US\$ 30.0 billion in 2024, reflecting a CAGR of 6.5%. It is further projected to reach US\$ 45.1 billion in 2029, growing at a CAGR of 8.5% between 2024-2029.

Global engineered fabric market for industrial & automobile (US\$ billion, 2019-2029P)

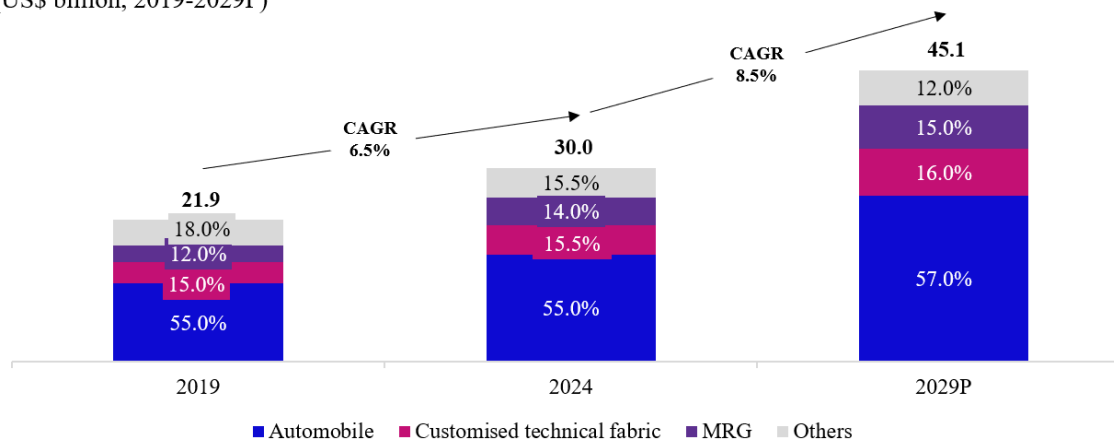


Source(s): ILLattice analysis

Global market segmentation of engineered fabric for industrial and automotive applications – By product

The engineered fabric market for industrial and automotive applications is segmented into automobiles, MRG and customised technical fabric based on product. Automobiles (including applications such as automotive wire harness tapes) contributed the majority share, which stood at 55.0% in 2024, whereas customised technical fabric stood at 15.5%, MRG fabric at 14.0% and other products (filtration fabrics, bolting cloth, coated abrasives, etc.) stood at 15.5%. By 2029, automobile fabric is poised to capture 57.0% of the market, with customised technical fabric and MRG fabric contributing 16.0% and 15.0%, respectively, while others stood at 12.0%. The market for inflatables is a global market where only a few companies enjoy a quasi-monopoly, making it ripe for disruption as customers look for alternate sources.

Global engineered fabric market for industrial & automobile – By product (US\$ billion, 2019-2029P)

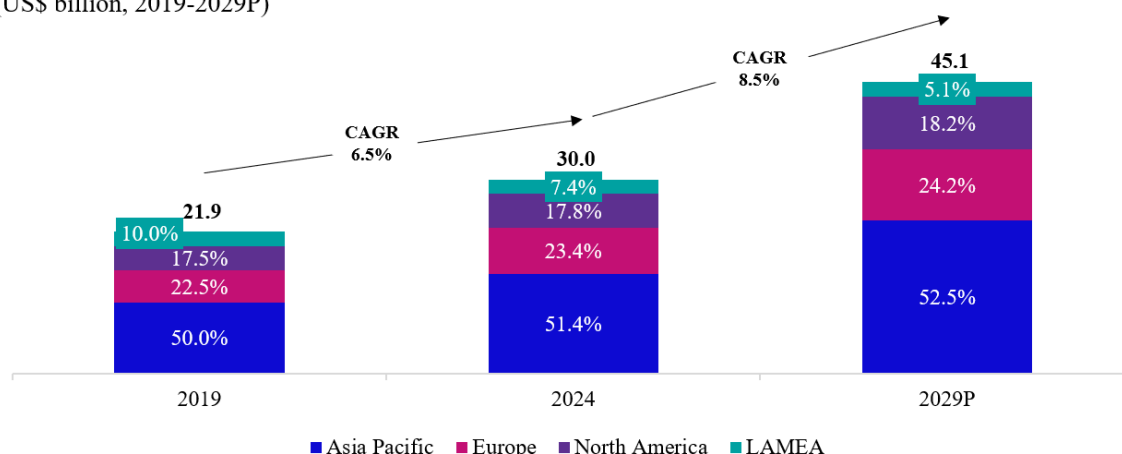


Source(s): ILLattice analysis

Global market segmentation of engineered fabric for industrial and automotive applications – By geography

The engineered fabric market for industrial is segmented into North America, Asia Pacific, Europe, and LAMEA based on geography. Asia Pacific contributed the majority share of 51.4% in 2024, followed by Europe at 23.4% and North America at 17.8%. LAMEA contributed 7.4% to the market. By 2029, Asia Pacific is poised to capture 52.5% of the market, with Europe and North America contributing 24.2% and 18.2%, respectively. The Asia Pacific region leads the global engineered fabric market due to its booming automotive and industrial sectors, strong manufacturing base, and significant urbanisation and economic growth.

Global engineered fabric market for industrial & automobile – By geography
(US\$ billion, 2019-2029P)

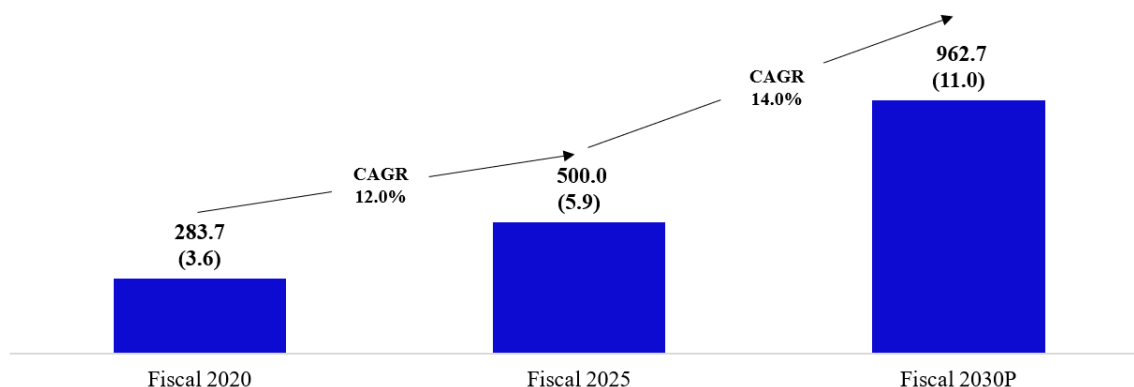


Source(s): 1Lattice analysis

Indian engineered fabric market size for industrial and automotive applications

The Indian engineered fabric market for industrial applications, as measured by domestic consumption (including imports) and excluding exports, grew from ₹ 283.7 billion (US\$ 3.6 billion) in Fiscal 2020, to ₹ 500.0 billion (US\$ 5.9 billion) in Fiscal 2025, reflecting a CAGR of 12.0%. It is further projected to reach ₹ 962.7 billion (US\$ 11.0 billion) in Fiscal 2030, growing at a CAGR of 14.0% between Fiscal 2025 - 2030.

Indian engineered fabric market for industrial & automotive
(₹ billion (US\$ billion), Fiscal 2020-2030P)

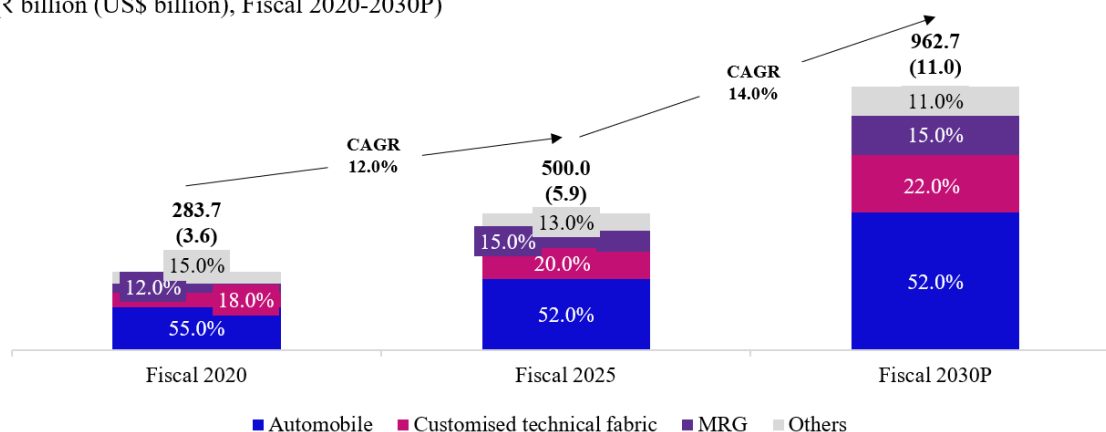


Note(s): US\$ 1 = ₹ 84.56
Source(s): 1Lattice analysis

Indian market segmentation of engineered fabric for industrial and automotive applications – By products

The engineered fabric market in India is segmented into automobiles, MRG and customised technical fabric based on product. Automobiles contributed to the majority share of domestic consumption (including imports and excluding exports), with a share of approximately 52.0% in Fiscal 2025, followed by customised technical fabric at approximately 20.0% and MRG at approximately 15.0%. In Fiscal 2030, the market share attributable to the automobile segment is poised to remain at approximately 52.0%, with that for customised technical fabric and MRG contributing approximately 22.0% and approximately 15.0%, respectively.

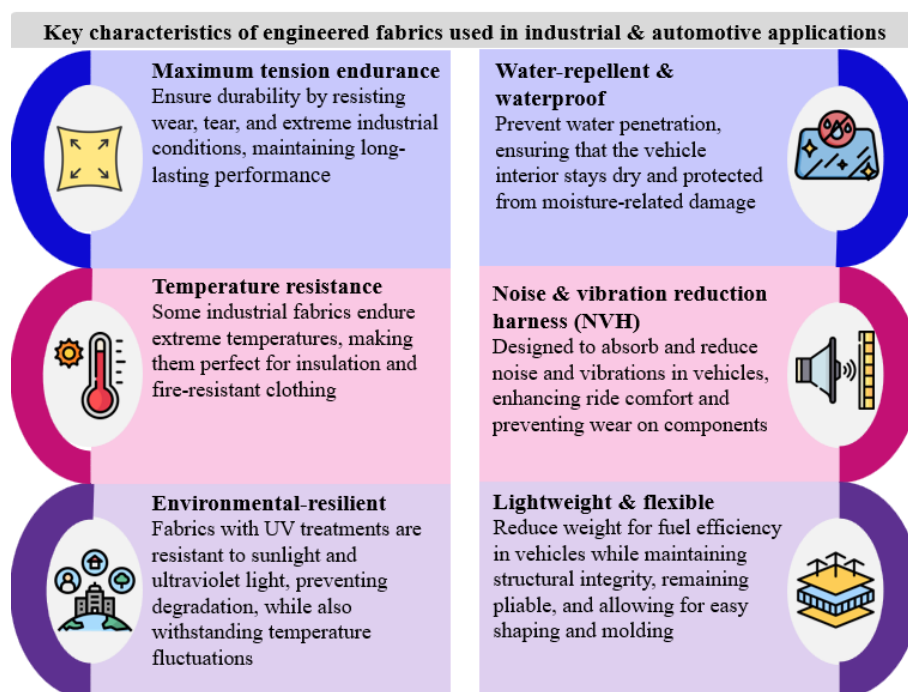
Indian engineered fabric market for industrial applications – By product (₹ billion (US\$ billion), Fiscal 2020-2030P)



Note(s): US\$ 1 = ₹ 84.56
Source(s): ILLattice analysis

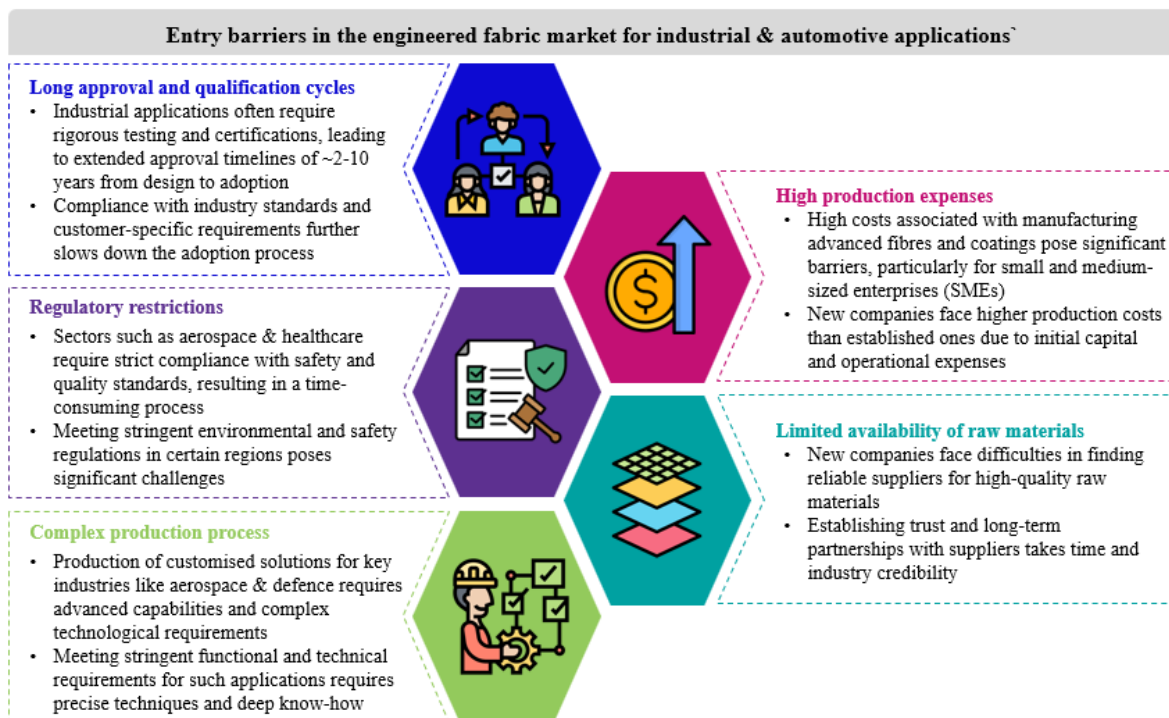
Key characteristics of engineered fabrics used in industrial and automotive applications

Engineered fabrics for industrial and automotive applications are designed with key characteristics such as high tensile strength for durability in extreme conditions, temperature resistance for insulation and fire resistance, and environmental resilience to withstand UV exposure and temperature fluctuations. These fabrics are lightweight and flexible, helping to reduce overall vehicle weight. Additionally, they are water-repellent and waterproof to prevent moisture damage. Noise and vibration reduction (NVH) designs improve ride comfort and minimise wear on vehicle components, ensuring enhanced performance and reliability across various industries.



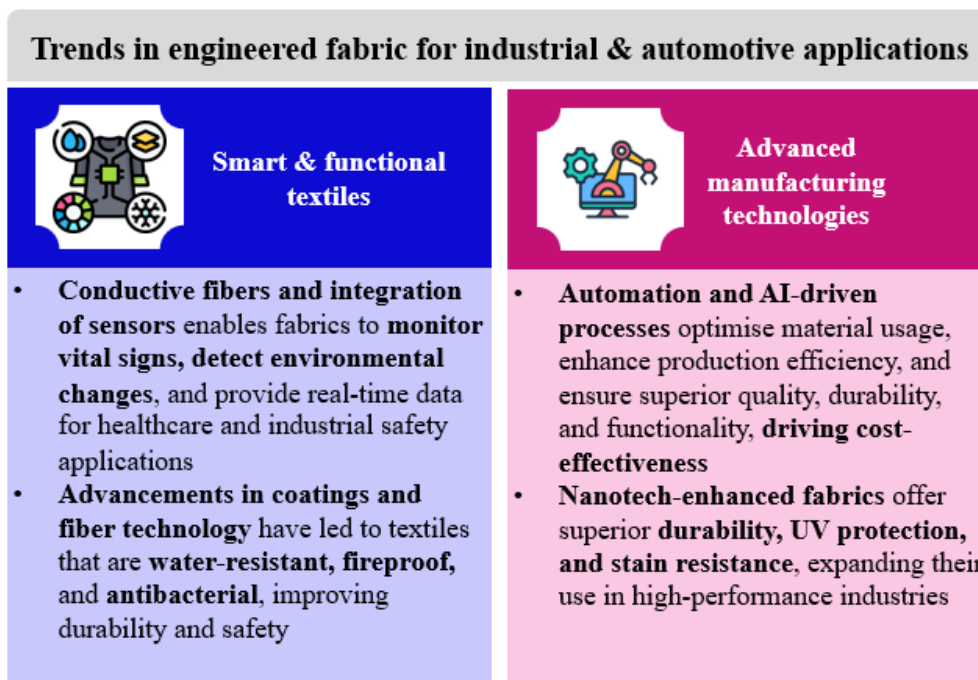
Entry barriers in the engineered fabric market for industrial and automotive applications

Key entry barriers in the engineered fabric market for industrial and automotive applications include long qualification and approval cycles, regulatory restrictions, high production expenses, complex production processes and the limited availability of raw materials. The latter three in particular hinder manufacturing efficiency and scalability. These factors present high entry barriers and significant obstacles for new businesses entering the industry. These factors also contribute to business stability and customer stickiness.



Key trends in the engineered fabric market for industrial and automotive applications

Key trends in the engineered fabric market for industrial and automotive applications include the emergence of smart and functional textiles. Advanced manufacturing technologies, including automation and nanotechnology, are improving efficiency, durability, and cost-effectiveness. Furthermore, the increasing customisation and personalisation of fabrics tailored to specific industry needs is driving new growth opportunities. The rising demand for high-performance materials with properties like flame resistance and waterproofing is fuelling innovation in sectors such as automotive and healthcare.



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 Customisation & personalisation • Businesses and consumers are demanding customisable fabrics that align with specific performance, aesthetic, and sustainability requirements • The ability to engineer fabrics for industry-specific needs is creating new growth opportunities for manufacturers	 Rising demand for high-performance materials • Industries are prioritising high-performance fabrics with capabilities like flame resistance, waterproofing, and chemical resistance to enhance safety and efficiency • Advancements in textile technology enable manufacturers to develop specialised fabrics tailored for applications in sectors like automotive, where lightweight durability is crucial

Export opportunities from India for engineered fabric for industrial and automotive applications

There are several promising opportunities for exporting engineered fabrics for industrial and automotive applications from India, driven by factors such as:

- **Diverse applications:** Engineered fabrics, designed for functions like protection, filtration, medical use, insulation, reinforcement, and sound absorption, are witnessing rising demand. With applications across healthcare, automotive, construction, and more, this high-margin, high-growth sector presents a strong opportunity for Indian manufacturers.
- **Supportive government regulations:** The National Technical Textiles Mission aims to position India as a global leader in technical textiles, with export promotion as one of its key components. This initiative targets an average annual export growth of 10-12%. To support this, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC), now MATEXIL, has been designated as the Export Promotion Council for technical textiles.
- **Rising global demand across industries:** The global engineered fabric market is undergoing a significant transformation, driven by innovations in material science, sustainability efforts, and rising demand in key sectors such as automotive and healthcare. Demand for medical textiles, speciality fabrics, industrial fabrics, protective textiles, and agricultural textiles is fuelled by the rapid growth of engineered fabrics in industries like automotive, healthcare, oil and petroleum, infrastructure, and construction. Looking ahead, the market is expected to experience a major shift with the increasing adoption of smart textiles and bio-based fabrics, offering enhanced functionality and environmental benefits. As industries increasingly seek efficient, durable, and eco-friendly solutions, the demand for high-performance textiles will continue to rise, creating new opportunities for manufacturers.

Import substitution for engineered fabric for domestic, industrial, and automotive applications

India is making significant strides in replacing imports of engineered fabrics with domestic production for industrial and automotive applications. These efforts, outlined below, position India as a global leader in technical textiles, driving innovation, self-reliance, and sustainable growth.

- **Advancements in research and development:** India has made significant strides in advancing research and development for engineered fabrics through a collaborative ‘pooled resource’ approach, involving premier institutions like CSIR laboratories, IITs, DRDO, ICAR, and others. Fundamental research focuses on developing high-performance fibres, sustainable materials, and advanced coating technologies, while application-based research targets specific industrial needs such as automotive textiles, medical textiles, protective gear, and geotextiles. This interdisciplinary framework, supported by government initiatives and oversight from the Mission Steering Group, enables India to innovate, reduce import dependency, and develop customised solutions for sectors like healthcare, agriculture, and infrastructure.

- **Government initiatives and policies:** The Indian government has introduced several initiatives, such as the National Technical Textiles Mission (NTTM), to boost the domestic production of engineered fabrics. These efforts include R&D for advanced fibres like carbon, aramid, nylon, UHMWPE, and their composites, as well as applied research in agro-textiles, geotextiles, medical textiles, mobile textiles, and sports textiles with a focus on sustainability. The government also promotes skill development, creates indigenous machinery in line with the “Make in India” initiative, and fosters innovation among young graduates through startups and ventures. To further enhance domestic production, the budget has exempted two types of shuttleless looms, Rapier Looms (below 650 meters per minute) and Air Jet Looms (below 1,000 meters per minute), from customs duty, reducing it from 7.5% to zero, which is expected to lower production costs and improve the quality of high-value textile products. Additionally, the Basic Customs Duty (BCD) on knitted fabrics has been revised, increasing it from “10% or 20%” to “20% or ₹ 115 per kg, whichever is higher,” aiming to curb cheap imports and provide relief to domestic manufacturers, particularly in textile hubs like Surat and Ludhiana.
- **Technological advancements:** Nanotechnology is transforming smart textiles by enhancing properties such as antimicrobial resistance, self-cleaning, UV protection, fire retardancy, and energy harvesting, with the potential for new applications across various industries, including sports and defence. In a significant move, the Indian government has approved an approximately ₹ 255 million (approximately US\$ 3 million) investment under the National Technical Textiles Mission (NTTM) to develop Phase Change Material (PCM)-based activewear in collaboration with IITs, focusing on climate-adaptive clothing for military personnel facing extreme weather conditions. Meanwhile, E-textiles are gaining traction in sports and fitness for bio-signal monitoring to improve performance and prevent injuries, though seamless integration remains challenging, with most designs still depending on detachable modules.

Case study for industrial and automotive applications – Garware Technical Fibres Limited

Founded in 1976, Garware Technical Fibres Limited is a leading Indian manufacturer of technical textiles, specialising in products like high-performance fishing nets, aquaculture cages, geosynthetics, and coated fabrics. It boasts a diverse solutions portfolio with its products spanning defence, transport, sports, shipping and offshore, and industrial applications, amongst others. The company reached ₹ 15.4 billion in revenue from operations in Fiscal 2025, which reflected a CAGR of 9.0% from Fiscal 2022-2025.

Garware Technical Fibres Limited is recognised as a Four Star Export House by the DGFT, Ministry of Commerce, Government of India. It has also been granted 28 patents, and has a product portfolio of over 20,000 SKUs.

Overview of the outdoor and lifestyle industry

The outdoor and lifestyle industry is driven by innovation, performance, and evolving consumer preferences across recreation, sports, and everyday essentials. From apparel and footwear to outdoor gear and accessories, this sector focuses on enhancing durability, comfort, and functionality. Advanced materials, ergonomic designs, and smart features are shaping products that cater to both active lifestyles and everyday convenience.

In outdoor recreation, developments in lightweight gear, high-performance fabrics, and weather-resistant materials enhance comfort and safety. Lifestyle products, including smart wearables, activewear, and travel essentials, integrate modern designs and advanced functionality to enhance user experience. Footwear is evolving with shock-absorbing soles and breathable materials for better support, while backpacks and travel gear incorporate smart storage solutions and durable finishes for long-lasting use. As consumer expectations rise, brands continue to refine their offerings with cutting-edge technology and superior artisanship, ensuring style, comfort, and practicality across various activities.

The outdoor and lifestyle industry encompasses a diverse range of products designed to withstand demanding environments while ensuring durability, comfort, and performance. These applications cater to outdoor enthusiasts, professionals, and adventure seekers, integrating materials that offer weather resistance, lightweight properties, and enhanced functionality.

Key applications:

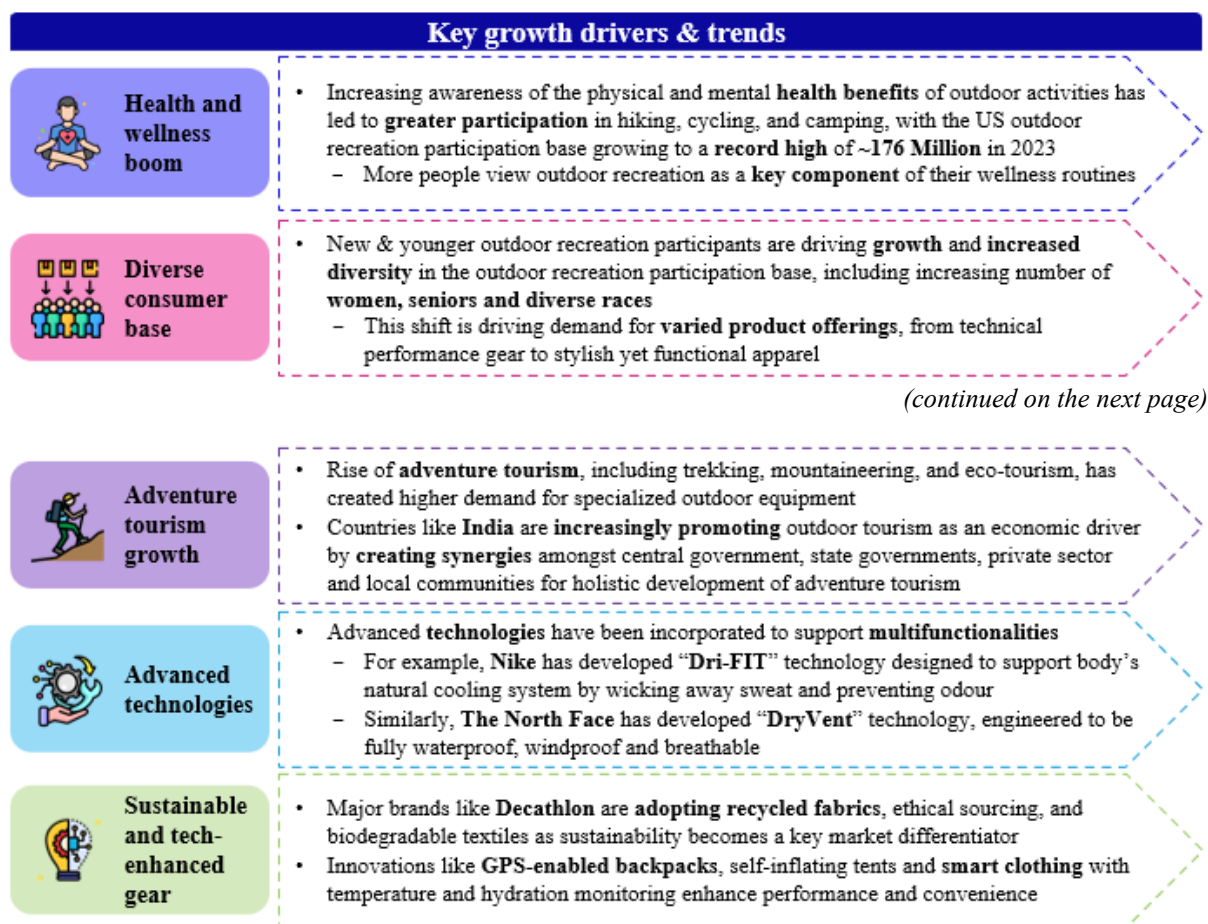
- **Apparels:** Performance garments made from engineered knits/wovens (polyester, nylon, merino blends) and laminated membranes (ePTFE/PU) with stretch fibres and functional finishes (Durable Water Repellent

(DWR), UV, antimicrobial), providing moisture management, weather protection, durability, and thermal regulation for activewear, uniforms, and PPE

- **Footwear:** Shoe uppers and components incorporating engineered meshes, 3D spacer knits, and PU-coated microfiber nonwovens, reinforced with Thermoplastic polyurethane (TPU) overlays and lined with waterproof-breathable or thermoregulating booties/liners, delivering fit, support, breathability, and protection for running, hiking, safety, and lifestyle use
- **Backpacks:** Outdoor gear made from fabrics like Cordura, nylon, mesh and recycled polyester, offering abrasion resistance, strength, and water resistance, widely used for hiking, trekking and travel purposes.
- **Sleeping bags:** Lightweight insulated bedding solutions designed for outdoor activities like camping, hiking and extreme weather conditions made from water-repellent fabrics with zip closures to provide insulation in outdoor settings with a general rating of around approximately (9)°C for winter bags and up to approximately 2°C for summer bags
- **Luggage:** Travel bags and suitcases made from durable fabrics such as polyester, nylon, and polycarbonate-reinforced textiles, which are lightweight materials offering strength, water resistance, and ease of handling for frequent travel applications
- **Tents:** Shelter solutions made from fabrics like polyester, nylon, canvas, and poly-cotton, offering waterproofing, UV resistance and structural stability, used in various outdoor activities ranging from lightweight backpacking to heavy-duty expeditions
- **Mattresses:** Portable sleeping surfaces made from PVC, textile-reinforced urethane, or rubber, available in inflatable and foam-based options to provide comfort, portability, and thermal insulation for various outdoor applications
- **Workwear (including high-visibility clothing):** Highly luminescent clothing made from special pigments and polyester blends, designed for industrial, construction, and outdoor work environments to offer durability, weather protection, and enhanced visibility for safety and compliance purposes.
- **Performance fabrics:** High-performance gear, footwear, and apparel made from materials like PU, PVC, nylon, and spandex, offering strength, abrasion resistance and durability, ensuring versatility and reliability in extreme conditions. Products include winter jackets, rainwear apparel, fashion jackets, high-altitude clothing, and athleisure, amongst others

Key growth drivers and trends for outdoor and lifestyle applications

The outdoor and lifestyle market is expanding due to a rising health-conscious population and its demand for quality products, along with a surge in adventure tourism, supported by government and business investments in outdoor infrastructure. Sustainability, tech-integrated gear, and the fusion of fashion with functionality shape industry trends. Social media also drives consumer interest. As brands innovate with smart features and eco-friendly materials, the market continues to grow, catering to both performance-driven and style-conscious consumers. In addition, while India has historically relied on imports from China and Taiwan for activewear fabrics, brands are now shifting supply chains (including manufacturing bases) to India, driven by local demand and the “China +1” strategy. Further, India benefits from demand from Bangladesh, Vietnam, Sri Lanka, and countries in Africa, which lack the capacity to manufacture engineered fabrics for the outdoor market.



Overview of the engineered fabric market for outdoor and lifestyle applications

Engineered fabrics are integral to outdoor and lifestyle applications, offering enhanced durability, functionality, and comfort. The engineered fabric market for outdoor and lifestyle applications is growing steadily, driven by technological innovations, a focus on sustainability, and the broadening of application areas. These factors collectively contribute to the market’s robust growth prospects in the coming years.

Material composition and properties

These fabrics are crafted from materials like polyester, nylon, and advanced composites. Polyester is favoured for its affordability and resistance to environmental degradation, making it suitable for outdoor use. Nylon is renowned for its strength and flexibility, contributing to the longevity of outdoor gear. Innovative materials, such as those developed by Outlast Technologies, incorporate phase change materials to regulate temperature, enhancing user comfort.

Functional attributes

Engineered fabrics are designed to withstand environmental challenges. They offer properties like water repellence, UV protection, and stain resistance, ensuring performance in diverse conditions. Breathability is also a key feature, allowing moisture to escape and enhancing user comfort during activities.

Technological advancements

Recent developments have led to fabrics with integrated cooling technologies, effectively reducing skin temperatures in hot climates. These innovations enhance comfort and safety for users in extreme heat conditions.

Sustainability initiatives

The industry increasingly focuses on sustainable practices, balancing durability with environmental impact. Manufacturers explore eco-friendly materials and processes to meet consumer demand for sustainable products.

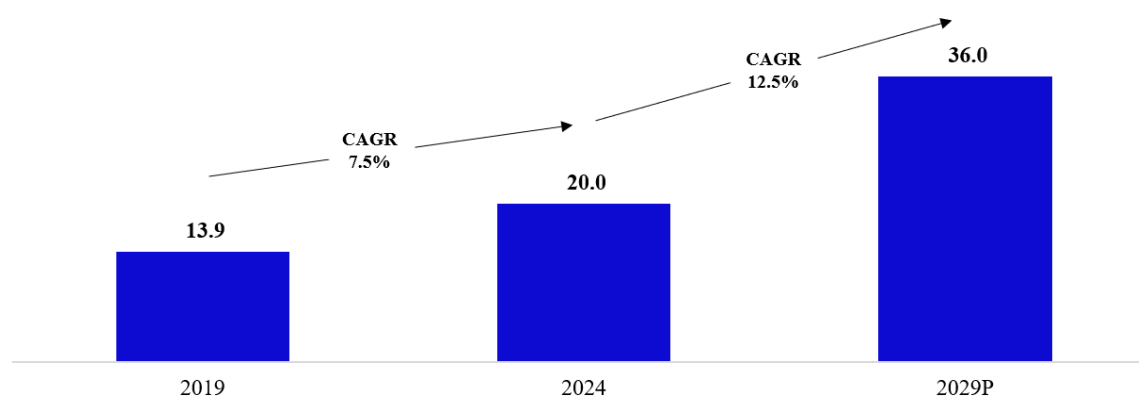
Applications in outdoor and lifestyle products

Engineered fabrics are integral to a wide range of products, including outdoor furniture, awnings, tents, and technical apparel. Their versatility and performance characteristics make them essential in both functional and aesthetic aspects of outdoor and lifestyle applications.

Global engineered fabric market for outdoor and lifestyle applications

The global engineered fabric market for outdoor and lifestyle applications grew from US\$ 13.9 billion in 2019 to US\$ 20.0 billion in 2024, reflecting a CAGR of 7.5%. It is further projected to reach US\$ 36.0 billion by 2029, growing at a CAGR of 12.5% between 2024 and 2029.

Global engineered fabric market for outdoor & lifestyle
(US\$ billion, 2019-2029P)

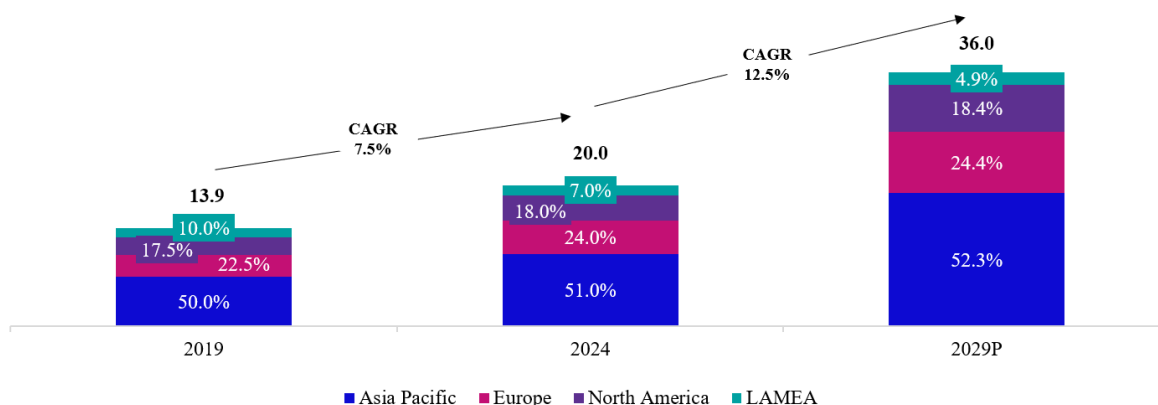


Source(s): 1Lattice analysis

Global market segmentation of engineered fabric for outdoor and lifestyle applications – By geography

The engineered fabric market for outdoor and lifestyle applications is segmented into Asia Pacific, Europe, North America, and LAMEA based on geography. Asia Pacific contributed the majority share of 51.0% in 2024, followed by Europe at 24.0% and North America at 18.0%. LAMEA contributed 7.0% to the market. By 2029, Asia Pacific is poised to capture 52.3% of the market, with Europe and North America contributing 24.4% and 18.4%, respectively.

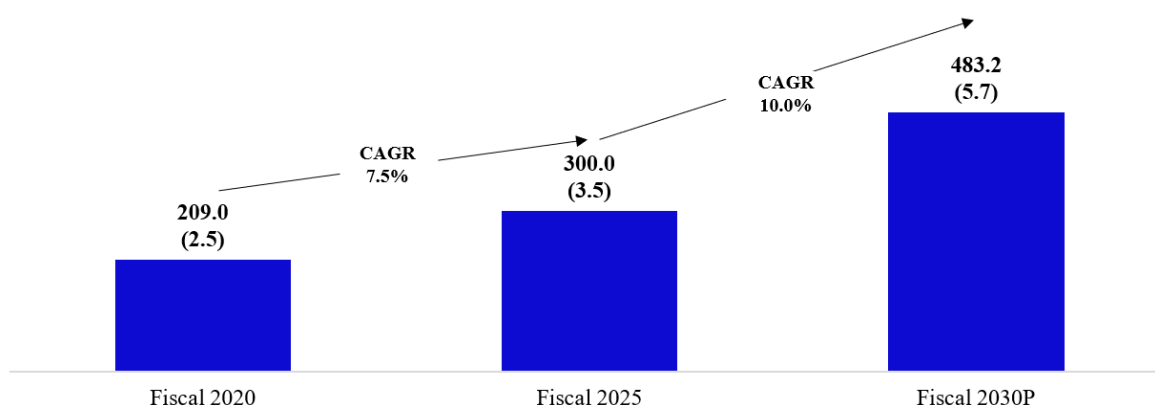
Global engineered fabric market for outdoor & lifestyle applications – By geography
(US\$ billion, 2019-2029P)



Indian engineered fabric market for outdoor and lifestyle applications

The Indian engineered fabric market for outdoor and lifestyle applications, as measured by domestic consumption (including imports) and excluding exports, grew from ₹ 209.0 billion (US\$ 2.5 billion) in Fiscal 2020 to ₹ 300.0 billion (US\$ 3.5 billion) in Fiscal 2025, reflecting a CAGR of 7.5%. By 2030, it is projected to reach ₹ 483.2 billion (US\$ 5.7 billion), growing at a CAGR of 10.0%.

Indian engineered fabric market for outdoor & lifestyle applications
(₹ billion (US\$ billion), Fiscal 2020-2030P)



Key characteristics of engineered fabric for outdoor and lifestyle applications

Engineered fabrics for outdoor and lifestyle applications offer key characteristics like water resistance and breathability, durability and abrasion resistance, and environmental resistance. They provide strength while remaining lightweight and can withstand abrasion, mechanical stress, and extreme temperatures. They are lightweight and versatile, which, coupled with their chemical compatibility and stress endurance, make them ideal for diverse applications.

 Water resistance and breathability	- Engineered fabrics often feature water-repellent coatings like DWR¹, ensuring protection against rain and moisture while also maintaining breathability - These fabrics allow air and moisture to pass through and thus prevent overheating, ensuring breathability during physical activities
 Environmental resistance	- Engineered fabrics are designed to block harmful UV rays, ensuring protection during outdoor activities - Advanced coated fabrics are designed to withstand extreme temperatures, making them suitable for high-temperature environments
 Lightweight and versatile	- Engineered fabrics are significantly lighter than traditional materials, enhancing overall comfort and mobility - Such fabrics can be adapted for a wide range of applications, from sportswear to outdoor gear and lifestyle clothing
 Durability and abrasion resistance	- Engineered fabrics are designed to withstand harsh conditions, resist abrasion and maintain their integrity over time, reducing the need for frequent replacements - Such characteristics are essential for applications where fabrics are exposed to abrasive materials, ensuring a longer lifespan
 Chemical compatibility and stress endurance	- Engineered fabrics are important for applications involving contact with chemicals, ensuring the fabric does not degrade or react adversely - These fabrics are designed to withstand high mechanical stress, making them suitable for applications like inflatable structures and architectural shading

Note(s): ¹Durable Water Repellent

Entry barriers in the market

Entering the engineered fabric market for outdoor and lifestyle applications presents significant challenges due to high technical, financial, and regulatory barriers. New entrants must master complex manufacturing processes and meet stringent performance standards, overcoming several hurdles to compete with established players. Below are the key entry barriers in this segment.

 High initial capital expenditures Significant upfront investments in advanced manufacturing technologies, such as coating, lamination, and composite layering, are required to produce engineered fabrics that meet stringent outdoor performance standards	 Complex manufacturing & production process Mastering intricate processes to manufacture critical fabrics like fine denier is complex in nature due to the susceptibility of fine yarns to breakage, tension inconsistencies & weaving defects	 Deep R&D and design capabilities Limited R&D resources hinder innovation in high-performance engineered fabrics with essential properties like waterproofing, UV resistance, and breathability, making it challenging to meet outdoor and lifestyle brand requirements	 Brand recognition and dependability New entrants must establish a strong reputation and gain the trust of outdoor and lifestyle brands that prioritize reliability, performance consistency, and field-tested materials from proven suppliers

Trends in engineered fabric for outdoor and lifestyle applications

Engineered fabrics in outdoor and lifestyle applications are evolving rapidly, driven by the need for sustainability, durability, and enhanced user experience. Manufacturers are increasingly adopting eco-friendly materials, integrating smart features, and developing advanced performance technologies that ensure comfort, reliability, and style. These innovations are reshaping outdoor gear and lifestyle products, making them more functional, adaptive, and consumer centric.

Key trends	Sustainability and eco-friendly materials - Manufacturers are prioritising recycled materials and biodegradable options while reducing water and energy consumption in fabric production - Advanced fabric technologies incorporate solution-dyed fibers and low-impact dyes to minimise environmental footprint without compromising performance - Textile manufacturers are adopting waterless dyeing processes and bio-based dyes, reducing chemical waste and maintaining fabric longevity for outdoor applications
	Enhanced durability and performance - Technical textiles designed for extreme conditions improve longevity, reducing frequent replacements and conserving resources - Indian manufacturers are integrating high-performance fibers like high-tenacity polyester and Ultra-high Molecular Weight Polyethylene (UHMWPE) to enhance fabric strength - These high-durability fabrics offer better resistance to wear, UV exposure, and environmental stress, making them ideal for outdoor gear like tents, sleeping bags and backpacks - Advances in material engineering have led to fabrics with superior resistance to extreme temperatures, abrasion, and moisture, ensuring reliability in rugged conditions
	Integration of smart features Smart fabrics with embedded sensors track vital signs like heart rate, blood pressure, and oxygen levels in real time - Conductive threads and advanced sensors are enabling smart clothing that monitors temperature, hydration levels, and UV exposure, enhancing adaptability to changing weather conditions - Leading Indian institution "IIT Guwahati" has developed a water-repellent conductive textile that generates heat from electricity and sunlight. This innovation is particularly useful for extreme outdoor environments, providing better insulation and reducing the risk of hypothermia
	(continued on the next page)
	Advanced cooling technologies - Fabrics with nanoparticle-based radiative cooling release body heat instead of trapping it, enhancing comfort in hot climates - Sweat-wicking and phase-change materials (PCMs) are being integrated into engineered fabrics to regulate body temperature
	Versatile and stylish designs - Outdoor fabrics now combine durability with modern aesthetics for seamless indoor-outdoor living - Collections feature stylish, functional designs that cater to both performance and personalisation

Export opportunities from India for engineered fabric for outdoor and lifestyle applications

India's engineered fabric sector, particularly in outdoor and lifestyle applications, is experiencing significant growth, presenting substantial export opportunities due to the following reasons:

Government initiatives and market growth

The Indian government has launched the National Technical Textiles Mission (NTTM) to position India as a global leader in technical textiles. This mission aims to increase exports from US\$ 2.5 billion (2023) to approximately US\$ 10 billion by 2030.

Production Linked Incentive (PLI) scheme

To encourage domestic manufacturing, the government introduced the PLI scheme for textiles, which includes technical textiles. As of July 2023, 17 applications dedicated solely to technical textiles were approved, with a projected investment of ₹ 63.5 billion (\$ 744.2 million).

Export performance and opportunities

India's exports of technical textile products increased by 28.4% from US\$ 2.2 billion in Fiscal 2021 to US\$ 2.8 billion in Fiscal 2022. Sportech (including sport and leisure, active wear, outdoor and sport articles) saw notable growth, with exports increasing by 21% between 2022 and 2023.

Strategic advantages

The political situation in competing countries like Bangladesh has led global retailers to consider India as a more stable sourcing destination. This shift presents opportunities for Indian manufacturers to capture a larger share of the global technical textiles market.

Strategic focus areas

To capitalise on these export opportunities, Indian manufacturers should focus on:

- **Innovation and R&D:** Investing in research to develop high-performance fibres and innovative textile solutions tailored to outdoor and lifestyle applications.
- **Sustainability practices:** Aligning with global sustainability trends by adopting eco-friendly manufacturing processes and materials, thereby appealing to environmentally conscious consumers and markets.
- **Compliance with international standards:** Ensuring products meet international quality and safety standards to enhance acceptance in global markets.

By leveraging government support, aligning with global market trends, and focusing on innovation and sustainability, India's engineered fabric sector is well-positioned to boost exports in the outdoor and lifestyle segments significantly.

Import substitution for engineered fabric for domestic outdoor and lifestyle applications

India is making strong strides towards achieving import substitution through a series of strategic efforts. These include rapidly upskilling and training its workforce to ensure high-quality labour, scaling infrastructure to enhance domestic production capabilities, and promoting indigenous manufacturing to replace imports. Moreover, the country's cost competitiveness, driven by the wide availability of raw materials at competitive prices, enables the substitution of imports of engineered fabrics for outdoor and lifestyle applications, paving the way for greater self-sufficiency.

Import substitution of engineered fabric for outdoor & lifestyle applications



Case study for industrial applications - Formosa Taffeta Co., Ltd.

Formosa Taffeta Co., Ltd. was founded in 1973 and is headquartered in Douliu, Taiwan. Over the years, the company has evolved into a leading textile manufacturer, offering advanced textile solutions to meet diverse industry needs. Its products include eco-friendly fabrics, sports and outdoor fabrics, safety and lifestyle fabrics, umbrella fabrics, carbon fabrics, spun yarn, tyre cord, and polyethylene (PE) plastic bags. The company reached approximately US\$ 0.9 billion in sales revenue in 2024, which reflected a CAGR of approximately (8.7%) from 2021-2024.

After its establishment in 1973, Formosa Taffeta Co., Ltd. established an umbrella bone plant in 1979 and subsequently a tyre cord plant in 1980. Formosa Taffeta Co., Ltd. was first listed on the Taiwan Stock Exchange in 1985. It established a second plant in Taiwan in 1992. Thereafter, it entered the oil product business in 1998. From 1999 to 2016, Formosa Taffeta Co., Ltd. established five more plants, including plants in Vietnam and Dong-Nai for, amongst others, weaving and the manufacturing of high performance breathable waterproof coating and laminated fabrics.

Company overview and financial benchmarking

Company and strengths

Kusumgar Limited is a specialist in the engineered fabric industry with a history of successfully delivering bespoke solutions to customers.

The company manufactures specialised products using advanced technical processes, making it difficult to replicate comparable products. This is further bolstered by its unique, diverse and comprehensive machinery and equipment for the manufacture of an assortment of fabrics and solutions, which is a capability shared by only a

few of its industry peers due to the demanding technical and manufacturing requirements of the industry. It would take a competitor considerable time to reach Kusumgar Limited's level of technical knowledge and manufacturing capability. Kusumgar Limited has been a pioneer in the engineered fabrics industry for certain unique fabric configurations, such as parachute fabric. Kusumgar Limited is also recognised as one of the major players in military parachute fabrics outside the United States and China, and as one of the major manufacturers domestically of high-performance technical fabrics for parachutes, heddle belts and spindle tapes, with a limited number of companies selling such products in comparable quantities. In the mechanical rubber goods business line, Kusumgar Limited is selling hoses to Indian companies and is looking to expand globally and is identifying other niches and developing solutions for impressions/other mechanical rubber goods. With the limited domestic competition in the engineered fabrics industry, Kusumgar Limited is well-placed to both capture market share and increase the wallet share from existing customers.

Kusumgar Limited has also become a supplier for leading global brands, supplying materials to designated fabricators. A strong focus on sustainability is reflected in the company's eco-friendly alternatives, including fabrics made from recycled or low-impact materials, aligning with the automotive industry's transition toward greener technologies. Sustainable operations are further reinforced using solar and biomass energy and the adoption of eco-friendly finishing techniques, underlining its commitment to social and environmental stewardship.

Kusumgar Limited uses synthetic fibres like nylon, polyester, and aramids, each for specific applications. Their fabrics range from 15D to 1000D, where "D" stands for denier, a unit that measures the thickness of the yarn. A lower denier (e.g., 15D) indicates a finer, lighter fabric often used for ultra-lightweight applications, while a higher denier (e.g., 1000D) represents a thicker, more durable fabric suitable for heavy-duty use. They also offer coating and lamination methods tailored for high-performance needs.

Financial benchmarking

Kusumgar Limited, founded in 1970, develops speciality technical textiles for demanding applications ranging from defence and aerospace to inflatables, automotive, MRG and outdoor, while positioning itself as a customised, total-solutions partner. Its integrated capabilities span weaving and finishing through coating and lamination, supported by in-house R&D and quality assurance. For Fiscals 2025, 2024 and 2023, Kusumgar Limited had the highest, highest and second highest EBITDA Margin among the benchmarked peers listed on Indian stock exchanges, respectively.

Garware Technical Fibres Limited established in 1976, provides application-focused technical-textile solutions across aquaculture, fisheries, sports, geosynthetics, agriculture, industrial applications, coated fabrics, material handling, bird-net protection, shipping and offshore, safety, defence and government, and yarns and threads. It has a global footprint.

Arvind Limited, founded in 1931, operates across multiple businesses, including fabric and apparel, brands and retail, real estate, engineering, environmental solutions, advanced materials, telecom, and garmenting.

SRF Limited, incorporated in 1970 as Shri Ram Fibres, is a chemicals-based, multi-business entity engaged in manufacturing industrial and speciality intermediates, with businesses in fluorochemicals, speciality chemicals, packaging films, and technical textiles.

Parameters	Company	FY25	FY24	FY23
Revenue from operations (INR in million)	Kusumgar Limited	7,789.97	4,679.08	3,016.48
	Garware Technical Fibres Limited	15,401.13	13,256.11	13,055.49
	Arvind Limited	83,288.10	77,377.50	83,824.80
	SRF Limited	1,46,930.70	1,31,385.20	1,48,702.50
EBITDA (INR in million)	Kusumgar Limited	1,883.89	1,318.47	678.61
	Garware Technical Fibres Limited	3,187.66	3,184.10	NA
	Arvind Limited	9,185.90	8,860.40	8,450.00
	SRF Limited	29,703.30	27,440.00	37,080.00

Parameters	Company	FY25	FY24	FY23
EBITDA Margin (%)	Kusumgar Limited	24.18%	28.18%	22.50%
	Garware Technical Fibres Limited	20.70%	24.02%	NA
	Arvind Limited	11.00%	11.40%	9.56%
	SRF Limited	20.22%	20.89%	24.94%
Profit After Tax (INR in million)	Kusumgar Limited	1,119.88	843.96	372.17
	Garware Technical Fibres Limited	2,315.48	2,102.68	1,722.00
	Arvind Limited	3,673.80	3,526.30	4,131.70
	SRF Limited	12,507.80	13,357.10	21,623.40
PAT Margin (%)	Kusumgar Limited	14.17%	17.78%	12.25%
	Garware Technical Fibres Limited	15.00%	15.90%	13.20%
	Arvind Limited	4.90%	4.40%	4.90%
	SRF Limited	8.44%	10.10%	14.47%
Net Debt (INR in million)	Kusumgar Limited	2,053.14	(667.60)	362.52
	Garware Technical Fibres Limited	2,738.45	1,721.46	2,809.30
	Arvind Limited	12,600.50	12,498.50	13,271.90
	SRF Limited	36,120.80	42,004.10	33,792.90
Net Debt to EBITDA Ratio	Kusumgar Limited	1.09	(0.51)	0.53
	Garware Technical Fibres Limited	0.86	0.54	NA
	Arvind Limited	1.37	1.41	1.57
	SRF Limited	1.19	1.49	0.88
Return on Equity (ROE) (%)	Kusumgar Limited	56.26	86.13	100.61
	Garware Technical Fibres Limited	18.60	17.00	16.90
	Arvind Limited	9.60	9.70	11.10
	SRF Limited	10.38	12.25	22.89
Return on Capital Employed (ROCE) (%)	Kusumgar Limited	42.89	55.87	64.81
	Garware Technical Fibres Limited	24.10	22.50	20.80
	Arvind Limited	14.35	14.90	14.55
	SRF Limited	12.90	13.30	21.89
Working Capital Cycle (in days)	Kusumgar Limited	14	(10)	(44)
	Garware Technical Fibres Limited	99	86	83
	Arvind Limited	14	15	15
	SRF Limited	11	14	20
Fixed Assets Turnover Ratio	Kusumgar Limited	5.05	4.27	3.82
	Garware Technical Fibres Limited	5.88	5.36	5.48
	Arvind Limited	2.61	2.48	2.65
	SRF Limited	1.12	1.17	1.68

Note(s):

1. Revenue from operations means the revenue from operations for the year/period.
2. EBITDA for Kusumgar Limited is calculated as profit before tax, plus depreciation and amortisation expense, plus finance costs, less other income.

EBITDA for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.

- EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
 - PAT is the profit for the year/period.
 - PAT Margin for Kusumgar Limited and SRF Limited is calculated as profit for the year expressed as a percentage of total income. PAT Margin for Garware Technical Fibres Limited and Arvind Limited is as per their respective company filings.
 - Net Debt for Kusumgar Limited is calculated as the total of non-current borrowings and current borrowings, minus the total of cash and cash equivalents and bank balances other than cash and cash equivalents (or other bank balances, as applicable) as at the end of the Fiscal.
- Net debt for Garware Technical Fibres Limited, Arvind Limited, and SRF Limited is as per their respective public company filings.
- Net Debt to EBITDA Ratio for Kusumgar Limited, Garware Technical Fibres Limited, and Arvind Limited is calculated as Net Debt divided by EBITDA.
- Net Debt to EBITDA Ratio for SRF Limited is as per their respective public company filings.
- Return on Equity (ROE) for Kusumgar Limited and SRF Limited is calculated as profit for the year divided by Average Total Equity. Average Total Equity is calculated as the sum of total equity as at the beginning of the Fiscal and total equity as at the end of the Fiscal, divided by two ("Average Total Equity").
- Return on Equity (ROE) for Garware Technical Fibres Limited and Arvind Limited is as per their respective public company filings.
- Return on Capital Employed (ROCE) for Kusumgar Limited, Arvind Limited and SRF Limited is calculated as EBIT divided by capital employed. Capital employed is calculated as total assets less current liabilities as at the end of the Fiscal Year. EBIT is calculated as profit before tax (or in respect of Arvind Limited profit before exceptional items and tax), plus finance costs.
- Return on Capital Employed (ROCE) for Garware Technical Fibres Limited is as per its public company filings.
- Working Capital Cycle (in days) is calculated by dividing the number of days in the applicable Fiscal by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital. Net working capital is calculated as total current assets less total current liabilities ("Net Working Capital"). Average Net Working Capital is calculated as (Net Working Capital as at beginning of the Fiscal plus Net Working Capital as at the end of the Fiscal) divided by two ("Average Net Working Capital").
 - Fixed Asset Turnover Ratio is calculated as revenue from operations divided by Average Fixed Assets. Fixed Assets is property, plant and equipment ("Fixed Assets"). Average Fixed Assets is calculated as (Fixed Assets as at beginning of the Fiscal plus Fixed Assets as at end of the Fiscal) divided by two ("Average Fixed Assets").
 - The financial information and ratios for each of the companies above are on a consolidated basis.

Source(s):

Financials for Kusumgar Limited are taken from the restated financial statements contained in the draft red herring prospectus issued by Kusumgar Limited in September 2025.

Financials for Garware Technical Fibres Limited are taken from the consolidated financial information of Garware Technical Fibres Limited as set out in its public company filings.

Financials for Arvind Limited are taken from the consolidated financial information of Arvind Limited as set out in its public company filings.

Financials for SRF Limited are taken from the consolidated financial information of SRF Limited as set out in its public company filings.

Operational benchmarking

	Capacity			Revenue split by geography						Revenue split by segment (INR in million)											
	Capacity Utilization			Domestic revenue (%)			Export revenue (%)			Aerospace and Defence fabrics			Aerospace and Defence solutions			Automotive and industrial fabrics			Outdoor and lifestyle fabrics		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
	82.77%	94.33%	42.32%	61.19%	74.38%	76.78%	38.81%	25.62%	23.22%	1,440.52	3,134.88	3,700.92	46.93	8.64	2,219.02	1,131.13	1,113.86	1,126.34	311.61	291.65	569.00
	NA	NA	NA	38.21%	39.69%	37.98%	61.79%	60.31%	62.02%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	NA	NA	NA	55.91%	58.89%	59.05%	44.09%	41.11%	40.95%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	NA	NA	NA	78.52%	45.40%	49.85%	21.48%	54.60%	50.15%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note(s):

- Capacity utilization for Kusumgar Limited is the aggregate capacity utilisation across all processing, dyeing, finishing, printing and coating factories as at the end of and for the relevant year ended March 31, based on the capacity utilisation for each manufacturing unit as mentioned in the company disclosures.
- Domestic revenue (%) for Kusumgar Limited is the revenue from contracts with customers within India as a percentage of total revenue from contracts with customers.
 - Domestic revenue (%) for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.
- Export revenue (%) for Kusumgar Limited is the revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers.

- *Export revenue (%) for Garware Technical Fibres Limited, Arvind Limited and SRF Limited is as per their respective public company filings.*
- 4. *Revenue from Aerospace and Defence Fabrics for Kusumgar Limited is the revenue from contracts with customers from the Aerospace and Defence Fabrics market segment for the Fiscal Year.*
- 5. *Revenue from Aerospace and Defence Solutions for Kusumgar Limited is the revenue from contracts with customers from the Aerospace and Defence Solutions market segment for the Fiscal Year.*
- 6. *Revenue from Automotive and Industrial Fabrics for Kusumgar Limited is the revenue from contracts with customers from the Automotive and Industrial Fabrics market segment for the Fiscal Year.*
- 7. *Revenue from Outdoor and Lifestyle Fabrics for Kusumgar Limited is the revenue from contracts with customers from the Outdoor and Lifestyle Fabrics market segment for the Fiscal Year.*

Threats and challenges to the engineered fabrics industry

Some of the key challenges faced by the industry are:

- **Raw material dependence and price volatility:** Heavy reliance on petrochemical-based inputs (polyester, polypropylene, nylon) exposes the industry to crude oil price fluctuations, international trade policies (such as US tariff implications), changes in global demand, changes in environmental regulations and supply chain disruptions (such as during COVID-19 or geopolitical tensions), which impact availability and cost stability.
- **Import dependence for machinery:** The engineered fabrics industry is heavily reliant on imported high-end machinery, leading to higher costs and supply chain risks. Limited domestic manufacturing capacity hampers competitiveness and slows innovation.
- **Technology and innovation pressure:** Continuous demand for lighter, stronger, multifunctional fabrics requires high R&D spend. Rapid technology shifts (nanofibers, smart textiles, bio-based polymers) could render existing capacities obsolete.
- **Regulatory and environmental challenges:** Increasing scrutiny on single use engineered fabrics (e.g., PPE, hygiene products) due to waste management and microplastic concerns. Stricter environmental norms on emissions, wastewater, and plastic use raise compliance costs.
- **Intense competition and pricing pressure:** The presence of large global players with scale and advanced R&D makes it difficult for smaller firms to compete. Alongside this, customer focus on cost efficiency drives strong pricing pressure, squeezing margins and limiting reinvestment in innovation.
- **Evolving customer preferences:** Inability to respond swiftly to changing customer needs and industry trends can adversely impact business performance. Continuous investment in innovation, technology, and talent is essential to deliver differentiated, high-quality products that meet evolving expectations and sustain customer relationships.

OUR BUSINESS

To obtain a complete understanding of our business, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Restated Financial Information” and “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on pages 32, 132, 254 and 320, respectively.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements. For details, see “Forward-Looking Statements” on page 20.

All references in this section to a fiscal year, Fiscal Year, FY or Fiscal are to the 12-month period ended on March 31 of that calendar year.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this section. Such measures and indicators are not standardized terms and hence a direct comparison of these measures and indicators between companies may not be possible. For further details, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Non-Generally Accepted Accounting Principles” on page 18.

*Unless otherwise indicated, industry and market data used in this section have been derived from the industry report titled “Engineered Fabrics Industry Report” dated September 26, 2025 (the “**ILattice Report**”) prepared and issued by Lattice Technologies Private Limited (“**Lattice**”). Our Company commissioned Lattice to prepare the ILattice Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated February 3, 2025. The data included herein includes excerpts from the ILattice Report and may have been re-ordered by us for the purpose of presentation. There are no portions of or data or information in the ILattice Report that may be relevant for the proposed Offer that has been omitted or changed in any manner. For more details on the ILattice Report, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data” on page 18. A copy of the ILattice Report is available on our Company’s website at <https://www.kusumgar.com/investor-relations/home/> from the date of this Draft Red Herring Prospectus until the Bid / Offer Closing Date.*

Overview

We are a manufacturer of woven, coated and laminated synthetic fabrics, referred to as engineered fabrics. We offer engineered fabrics and solutions focusing on polyamides and polyester filaments and polyurethane chemistry that cater to the high-performance requirements of our customers. Our expertise is manufacturing fabrics where critical performance parameters include tensile strength, tear strength, abrasion resistance, comfort, air-permeability, and water proofing, among others. We have leveraged our process knowledge and product development expertise to manufacture over 1,000 unique fabric configurations (referred to as stock keeping units, or “SKUs”) as at March 31, 2025, to build a niche around synthetic functional and performance fabrics, addressing growing demand in the aerospace and defence, industrial and automotive, and outdoor and lifestyle segments.

In recent years, we have built on our expertise and industry knowledge to expand into manufacturing finished products for aerospace and military applications, such as parachute systems, stealth solutions, and rapid deployment systems.

The engineered fabrics industry is an industry that requires precision and a high level of technical know-how (source: *ILattice Report*). We leverage our technical strengths and partnerships to focus on high-technology applications. Our business model drives profitable growth, and we believe we are poised for continued growth, driven by exports, global supply chain shifts, modernisation and indigenisation of military equipment, expanded product lines and technological innovations.

The global engineered fabrics industry has grown from US\$41.6 billion in 2019 to US\$62.5 billion in 2024 with a CAGR of 8.5% from 2019-2024, and is projected to reach US\$103.4 billion in 2029, representing a CAGR of 10.6% from 2024-2029 (source: *ILattice Report*). The industrial and automobile segment accounted for 48.0% of the global engineered fabrics industry value in 2024, while the outdoor and lifestyle segment held 32.0%. The defence and aerospace segment made up 8.0%. By 2029, the share of outdoor and lifestyle is expected to increase to 34.8%, while the share of defence and aerospace is expected to remain about the same at 7.8%, and the share of the industrial and automobile segment is projected to decrease to 43.6% (source: *ILattice Report*). We manufacture products primarily for four market segments: (i) Aerospace and Defence Fabrics; (ii) Aerospace and

Defence Solutions; (iii) Industrial and Automotive Fabrics; and (iv) Outdoor and Lifestyle Fabrics, each of which has high entry barriers (*source: ILattice Report*).

Aerospace and Defence Fabrics: Fabrics used in aerospace and defence applications must meet exact specifications, which require a high level of technical manufacturing expertise (*source: ILattice Report*). We work closely with end-users to understand their needs and to create fabrics optimized for their strength-to-weight ratio, durability, comfort, and other performance parameters. We develop bespoke products for our customers as per their unique requirements. We are development and manufacturing partners of aerospace and defence fabrics for an Indian government customer, and we export our aerospace and defence fabrics to countries all over the world. We supply fabrics for the following aerospace and defence applications: (i) parachutes and other aerial systems; (ii) tactical clothing and specialty gear; and (iii) stealth systems and rapid deployment systems.

Aerospace and Defence Solutions: Using the expertise gained from fabric manufacturing, we have selectively expanded into manufacturing end-user solutions for domestic and export customers in the aerospace and defence markets. We divide these end-user solutions into three business lines: (i) aerial systems, such as parachute systems; (ii) stealth systems, such as camouflage nets; and (iii) rapid deployment systems, such as decoys and shelters. In addition, we also enter into maintenance and repair service agreements with certain clients.

Industrial and Automotive Fabrics: We manufacture fabrics for a variety of industrial applications, including the automotive sector. We divide our Industrial and Automotive Fabrics segment into four business lines: (i) fabrics for tapes; (ii) custom fabric solutions; (iii) mechanical rubber goods (MRG) fabrics; and (iv) inflatable fabrics.

Outdoor and Lifestyle Fabrics: Our Outdoor and Lifestyle Fabrics segment caters to the global market for synthetic performance wear (“activewear”), such as “athleisure”, winter wear, rainwear, and fashion jackets, and personal gear (“hardlines”), such as backpacks, luggage, sleeping bags, and tents. Brands nominate us to serve as the fabric supplier to specific garment manufacturers.

The following table sets forth our revenue from contracts with customers from our four primary market segments and from sales falling outside those market segments for the fiscal years indicated.

Particulars	2025		2024		2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Fabrics	3,700.92	48.06%	3,134.88	68.79%	1,440.52	48.77%
Aerospace and Defence Solutions	2,219.02	28.81%	8.64	0.19%	46.93	1.59%
Industrial and Automotive Fabrics	1,126.34	14.63%	1,113.86	24.44%	1,131.12	38.30%
Outdoor and Lifestyle Fabrics	569.00	7.39%	291.65	6.40%	311.61	10.55%
Other Sales	85.67	1.11%	7.92	0.17%	23.33	0.79%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

We primarily sell to customers in India. The table below sets forth our revenue from contracts with customers from within India and outside India for the fiscal years indicated:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Within India	5,912.88	76.78%	3,389.51	74.38%	1,807.25	61.19%
Outside India	1,788.07	23.22%	1,167.43	25.62%	1,146.27	38.81%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Our vertically integrated manufacturing operations, including preparatory, weaving, dyeing, printing, finishing, coating, lamination, and fabrication, are supported by modern infrastructure, advanced technology and research and development (“R&D”) capabilities. We have six manufacturing facilities, all of which are in Gujarat, India,

and one fabrication unit in Uttar Pradesh, India. Our integrated setup allows us greater control over quality and delivery.

We are led by our Promoters, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar, and Sapna Siddharth Kusumgar. Yogesh Kantilal Kusumgar is one of our Promoters. He has over 25 years of experience in the field of technical textiles. Siddharth Yogesh Kusumgar is one of our Promoters and is also the Chairman and Managing Director of our Company. He has over 25 years of experience in the field of technical textiles. Sapna Siddharth Kusumgar is one of our Promoters and is also the Joint Managing Director of our Company. She has over 20 years of experience in the fields of human resources, administration, and technical textiles.

Our revenue from operations increased from ₹3,016.48 million for Fiscal 2023 to ₹7,789.97 million for Fiscal 2025, representing a CAGR of 60.70%. Our EBITDA (as defined in the following table) increased from ₹678.61 million for Fiscal 2023 to ₹1,883.89 million for Fiscal 2025, representing a CAGR of 66.62%. Our profit for the year increased from ₹372.17 million for Fiscal 2023 to ₹1,119.88 million for Fiscal 2025, representing a CAGR of 73.47%.

The following table sets forth certain key financial measures as at the dates and for the fiscal years indicated:

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	₹ in million, except as noted	₹ in million, except as noted	₹ in million, except as noted
Revenue from operations	7,789.97	4,679.08	3,016.48
EBITDA ^{(1)(*)}	1,883.89	1,318.47	678.61
EBITDA Margin ^{(2)(*)} (%)	24.18%	28.18%	22.50%
Profit for the year (“PAT”)	1,119.88	843.96	372.17
Net Debt ^{(3)(*)}	2,053.14	(667.60)	362.52
Net Debt to EBITDA Ratio	1.09	(0.51)	0.53
Return on Equity ^{(4)(*)} (%)	56.26%	86.13%	100.61%
Return on Capital Employed ^{(5)(*)} (%)	42.89%	55.87%	64.81%
Fixed Assets Turnover Ratio ^{(6)(*)}	5.05	4.27	3.82
Working Capital Cycle ⁽⁷⁾ (days)	14	(10)	(44)
PAT Margin ^{(8)(*)} (%)	14.17%	17.78%	12.25%

Notes:

(1) EBITDA is calculated as profit before tax, plus depreciation and amortization expense, plus finance costs, less other income (“**EBITDA**”).

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations (“**EBITDA Margin**”).

(3) Net Debt is calculated as the sum of current borrowings plus non-current borrowings, less (i) cash and cash equivalents and (ii) bank balances other than cash and cash equivalents (“**Net Debt**”).

(4) Return on Equity (“**Return on Equity**” or “**ROE**”) is calculated as profit for the year divided by Average Total Equity, expressed as a percentage. Average Total Equity is calculated as the sum of (i) total equity as at beginning of the Fiscal Year and (ii) total equity as at end of the Fiscal Year, divided by two (“**Average Total Equity**”).

(5) Return on Capital Employed is calculated as EBIT divided by Capital Employed as at the end of the Fiscal Year, expressed as a percentage (“**Return on Capital Employed**” or “**ROCE**”). EBIT is calculated as profit before tax plus finance costs (“**EBIT**”). Capital Employed is calculated as total assets less current liabilities as at the end of the Fiscal Year (“**Capital Employed**”).

(6) Fixed Assets Turnover Ratio is calculated as revenue from operations divided by Average Fixed Assets (“**Fixed Assets Turnover Ratio**”). Fixed Assets is property, plant and equipment (“**Fixed Assets**”). Average Fixed Assets is calculated as (Fixed Assets as at beginning of the Fiscal Year plus Fixed Assets as at end of the Fiscal Year) divided by two (“**Average Fixed Assets**”).

(7) Working Capital Cycle (in days) is calculated by dividing the number of days in the applicable Fiscal Year by the working capital ratio, which is calculated as revenue from operations divided by Average Net Working Capital (“**Working Capital Cycle**”). Net working capital is calculated as total current assets less total current liabilities (“**Net Working Capital**”). Average Net Working Capital is calculated as (Net Working Capital as at beginning of the Fiscal Year plus Net Working Capital as at the end of the Fiscal Year) divided by two (“**Average Net Working Capital**”).

(8) PAT Margin is calculated as profit for the year expressed as a percentage of total income (“**PAT Margin**”).

(*) Non-GAAP financial measure. For a table reconciling this Non-GAAP financial measure to an Ind AS financial measure, see “Management’s Discussions and Analysis of Financial Condition and Results of Operations - Key Performance Indicators and Certain Non-GAAP Measures” on page 325.

The following table sets forth certain key operating measures as at the dates and for the fiscal years indicated:

Particulars	As at and for the year ended March 31,		
	2025 (₹ in million, except as noted)	2024 (₹ in million, except as noted)	2023 (₹ in million, except as noted)
Capacity utilisation at processing, dyeing, finishing, printing and coating factories ⁽¹⁾ (%)	42.32%	94.33%	82.77%
Revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers (%)	23.22%	25.62%	38.81%
Revenue from Aerospace and Defence Fabrics ⁽²⁾	3,700.92	3,134.88	1,440.52
Revenue from Aerospace and Defence Solutions ⁽³⁾	2,219.02	8.64	46.93
Revenue from Automotive and Industrial Fabrics ⁽⁴⁾	1,126.34	1,113.86	1,131.12
Revenue from Outdoor and Lifestyle Fabrics ⁽⁵⁾	569.00	291.65	311.61

Notes:

(1) Capacity utilisation is the aggregate capacity utilisation across all processing, dyeing, finishing, printing and coating factories as at the end of and for the relevant year ended March 31, based on the capacity utilisation for each manufacturing unit as certified by Dr. M.K. Talukdar, Chartered Engineer, pursuant to the certificate dated September 27, 2025.

(2) Revenue from Aerospace and Defence Fabrics is the revenue from contracts with customers from the Aerospace and Defence Fabrics market segment for the Fiscal Year.

(4) Revenue from Aerospace and Defence Solutions is the revenue from contracts with customers from the Aerospace and Defence Solutions market segment for the Fiscal Year.

(5) Revenue from Automotive and Industrial Fabrics is the revenue from contracts with customers from the Automotive and Industrial Fabrics market segment for the Fiscal Year.

(6) Revenue from Outdoor and Lifestyle Fabrics is the revenue from contracts with customers from the Outdoor and Lifestyle Fabrics market segment for the Fiscal Year.

Strengths

We operate in markets with high entry barriers.

Since 1970, we have developed and manufactured over 1,000 unique engineered fabrics. Market entry barriers for our products are high and include (i) technical knowledge, (ii) long product approval cycles, (iii) customized solutions, (iv) partnerships with leading brands and manufacturers, (v) customer loyalty for life-preserving features, and (vi) manufacturer size and infrastructure, each of which is described in further detail below.

The primary entry barrier in the engineered fabrics industry is technical knowledge and manufacturing know-how (*source: ILattice Report*). We manufacture specialized products using technical processes which protect our business by making it difficult for competitors to manufacture comparable products (*source: ILattice Report*). It would take a competitor considerable time to reach our level of technical knowledge and manufacturing capability (*source: ILattice Report*). Our most salient technical strengths are: (i) our light fabrics made of fine denier yarns; (ii) our ability to handle Nylon 6 and Nylon 66; (iii) our complex fabric engineering; (iv) our coating and lamination capabilities; and (v) our integrated fabric value chain. For further details, see “– *Strengths - Our technical capabilities allow us to develop and supply unique solutions for our customers*” and “– *Our Offerings - Manufacturing Capabilities*” on pages 183 and 192, respectively.

A second entry barrier for our products is long product approval cycles. For example, the market for defence fabrics and solutions, both in India and globally, is a custom solution market in which product introduction involves working closely with the customer over a design and adoption period which can last from two to 10 years (*source: ILattice Report*). Such long periods for product development favour us as a solution provider because we can design the specifications of the final product in such a way that it then becomes difficult for others to replicate. The products in our Industrial and Automotive Fabrics segment similarly go through lengthy qualification and approval cycles which increase the stability of this business (typically the longer the cycle, the safer the business).

A third entry barrier is our ability to manufacture customized solutions, tailored according to customer specifications. Our success in delivering such bespoke solutions to customers makes them less likely to switch to other suppliers (*source: ILattice Report*). For further details of long-standing customer relationships see “*Our Business – Strengths – We have a diversified presence across multiple end-use segments, each of which has independent growth drivers*” on page 183.

A fourth entry barrier is the sensitive, life-preserving features required in our fabrics for certain applications. Examples include parachute fabrics and parachutes, bullet proof jackets, high altitude clothing and extreme cold weather gear. Such products must precisely meet the design specifications because any defect could potentially be fatal. Once customers for such products develop trust in us, they typically remain loyal. For example, we have

been the primary supplier of fabric for parachutes for an Indian government customer since 1976.

A fifth entry barrier involves partnerships with leading brands and manufacturers who often share their intellectual property and customer relationships with us. Such relationships take time to develop and are not easily replicated. For example, we have a technical partnership with a U.S. company for the manufacture and sale of their patented and trademarked camouflage fabric. For further information on our various partnerships, see “*Our Business – Strengths – Our track record has given us access to technology and markets through partnerships*” on page 184.

A sixth entry barrier is size and infrastructure. We have unique, diverse and comprehensive machinery and equipment for the manufacture of an assortment of fabrics and solutions. Furthermore, certain customers, in particular government entities, limit who can participate in their projects or take their orders to companies with certain qualifying criteria, such as size, capabilities, and certifications (*source: 1Lattice Report*). For a list of our certifications, see “– *Certifications*” on page 199.

Our technical capabilities allow us to develop and supply unique solutions for our customers.

We offer synthetic engineered fabrics and solutions that cater to the high-performance requirements of our customers. We have strategically focused on building a niche around synthetic functional and performance fabrics, addressing growing demand in the aerospace and defence, industrial and outdoor sectors. Our core expertise lies in working with polyamide and polyester filaments and polyurethane chemistry. Our most salient technical strengths are: (i) our light fabrics made of fine denier yarns; (ii) our ability to handle Nylon 6 and Nylon 66; (iii) our complex fabric engineering; (iv) our coating and lamination capabilities; and (v) our integrated fabric value chain.

- **Light fabrics made of fine denier yarns:** We have developed methods in fine denier weaving, starting with optimized warping and sizing, to manage yarn tension. Our looms use electronic warp tension control and precise beat-up mechanisms to reduce breakage and defects. We precisely control dyeing, heat setting, and coating to maintain fabric properties.
- **Handling Nylon 6 and Nylon 66:** We manage temperature and tension during dyeing and heat-setting to prevent damage and ensure even colour. Specialized finishing methods improve crease resistance and maintain fabric appearance. These processes enable consistent production of Nylon 6 and Nylon 66 fabrics.
- **Complex fabric engineering:** Developing engineered fabrics requires selecting correct yarns, weave structures, and fabric types (*source: 1Lattice Report*). Our expertise in yarns, weaves, and finishes lets us deliver textiles for automotive, aerospace, and industrial applications.
- **Coating and lamination capabilities:** Using materials like polyurethane, thermoplastic polyurethane (TPU), silicones, and polytetrafluoroethylene (PTFE), we create fabrics that withstand harsh conditions while maintaining comfort. By combining polymer advances with coating and lamination, we deliver textiles meeting diverse industry demands.
- **Integrated fabric value chain:** By controlling the entire process- from yarn selection and weaving to coating, lamination, and final product fabrication - we ensure consistency, reliability, and traceability at every stage. This control gives us the ability to precisely manage quality and to optimise costs by driving efficiencies, eliminating redundancies, and leveraging scale, since we are not dependent on external suppliers or intermediaries.

For further details, see “–*Technical Capabilities*” on page 193.

We have a diversified presence across multiple end-use segments, each of which has independent growth drivers.

We manufacture products primarily for four diverse market segments: (i) Aerospace and Defence Fabrics; (ii) Aerospace and Defence Solutions; (iii) Industrial and Automotive Fabrics; and (iv) Outdoor and Lifestyle Fabrics. For further information on each of our segments, see “*Our Business – Our Offerings*” on page 188.

The following table sets forth our revenue from contracts with customers from our four primary market segments and from sales falling outside those market segments for the fiscal years indicated.

Particulars	2025		2024		2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Fabrics	3,700.92	48.06%	3,134.88	68.79%	1,440.52	48.77%
Aerospace and Defence Solutions	2,219.02	28.81%	8.64	0.19%	46.93	1.59%
Industrial and Automotive Fabrics	1,126.34	14.63%	1,113.86	24.44%	1,131.12	38.30%
Outdoor and Lifestyle Fabrics	569.00	7.39%	291.65	6.40%	311.61	10.55%
Other Sales	85.67	1.11%	7.92	0.17%	23.33	0.79%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

For details on the growth drivers for the aerospace and defence industry (including both fabrics and solutions), see “-Our Strategies-Continue to follow a “build, retain, extend” framework with respect to our aerospace and defence business” on page 186 and “Industry Overview – Key growth drivers and trends in the aerospace and defence industry” on page 146.

For details on the growth drivers for industrial and automotive fabric, see “- Industry Overview – Key growth drivers and trends of industrial and automotive applications” on page 158.

For details of the growth drivers for outdoor and lifestyle fabrics, see “-Strategies-Continue to work closely with global brands to grow our Outdoor and Lifestyle Fabrics business” on page 186 and “- Industry Overview – Key growth drivers and trends for outdoor and lifestyle applications” on page 167.

We have long-standing relationships with key customers

We have long-standing relationships with our key customers, which allows us to increase our wallet share. In Fiscal 2025, our top six customers accounted for ₹6,011.50 million, or 78.06%, of our revenue from contracts with customers. The table below shows the length of our relationship with our top six customers for Fiscal 2025 and our revenue from those customers in the fiscal years indicated.

Customer	Years of relationship as at March 31, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
		Revenue (₹ in million)		
Customer 1*	2	2,225.88	-	-
Customer 2*	3	1,986.88	2,153.40	-
Customer 3*	8	679.74	427.08	295.03
Customer 4*	20	446.04	176.57	177.48
Customer 5*	8	376.94	97.32	52.29
Decathlon*	6	296.02	180.73	206.55

Note:

* Customers 1, 2, 3, 4 and 5 have not provided consent to disclose their names in this Draft Red Herring Prospectus. We have received consent from Decathlon Sports India Private Limited (“**Decathlon**”), a wholly-owned subsidiary of Decathlon S.A., a French sportswear and athletic equipment retailer, to name Decathlon as a customer in this Draft Red Herring Prospectus. We have certain agreements with Decathlon, but do not contract directly with Decathlon for production of our products. We contract with fabricators who supply finished products to Decathlon subsidiaries. These Decathlon fabricators, in aggregate, were one of our top six customers in Fiscals 2025, 2024 and 2023.

Our track record has given us access to technology and markets through partnerships.

We have partnerships which increase the value of our business by creating moats around business opportunities. These relationships also help ensure a continuous stream of opportunities. For example, we were invited by an Indian government customer to develop a new fabric for 90-litre rucksacks and after several years of design and testing our product was awarded the entire fabric order. See “- Case Studies – Case Study: 90-Litre Rucksack” on page 199. A further example is an airborne solutions company headquartered in the United States, where our relationship has evolved into a partnership where we manufacture their products and supply them to an Indian government customer under a licence agreement. See “- Case Studies - Case Study: Customer A – a global leader in parachute systems” on page 197. The table below highlights certain of our partnerships that have contributed to our success:

Description	Type of Partnership	Description
Airborne solutions company headquartered in the United States	Technical/Sales and marketing	Technology and market access for parachute systems
A textile manufacturer based in Taiwan, specializing in sports and outdoor fabrics	Technical/Sales and marketing	Technology and market access for outdoor fabrics
A manufacturer specializing in advanced technical fabrics and chemicals headquartered in Italy	Technical	Manufacture ballistic fabrics and marketing and sales rights of their fabrics in India
A U.S.-based tactical gear company known for its camouflage solutions and combat apparel	Technical/Sales and marketing	Manufacture and sales of their patented and trademarked camouflage fabric
A U.S.-based textile company	Sales and marketing	Sales of our fabrics in North America
A Swiss-based defence products company	Sales and marketing	Sales partnership for camouflage solutions
A U.S.-based polymer and fibre manufacturer specializing in nylon and spandex	Raw material	Licensed partner for a trademarked fabric
A Taiwanese nylon fibre producer offering eco-friendly and functional yarns	Raw material	Development of custom yarns to meet customer demands
A Taiwanese specialty yarn manufacturer	Raw material	Development of custom yarns to meet customer demands
A Japanese conglomerate specializing in synthetic fibres and advanced materials	Business	Joint investment partner
A government agency for defence research and development, including military textiles	Co-development	Undertaking development and indigenisation projects
A consulting firm offering strategic and operational advisory service	Equipment service, repair and maintenance partnerships	Provide, maintain, service and repair parachute systems
North American leader in shelter systems	Marketing	Manufacture, integrate and supply shelter systems for India

Through licensing and co-development arrangements, we gain access to proprietary technologies and specialized know-how that accelerate our product development cycles and allow us to participate in the programs of our partners which are often global in scope and highly sophisticated. These partnerships enhance our credibility with both government and private sector customers, opening doors to new tenders and programs that may otherwise be inaccessible to other players. Furthermore, by embedding our fabrics and solutions into the partner's design architecture, we effectively lock in long-term demand, thus ensuring business moats and making our products difficult for others to replicate. Our ecosystem of partnerships also acts as an early-alert system for new requirements, helping us to respond faster than our global competitors.

We have experienced and visionary Promoters supported by a professional management team. Our culture promotes innovation and quality.

Yogesh Kantilal Kusumgar is one of our Promoters. He has over 25 years of experience in the field of technical textiles. Siddharth Yogesh Kusumgar is one of our Promoters and is also the Chairman and Managing Director of our Company. He has over 25 years of experience in the field of technical textiles. Sapna Siddharth Kusumgar is our Promoter and is also the Joint Managing Director of our Company. She has over 20 years of experience in the fields of human resources, administration, and technical textiles. Ankur Kothari is an Executive Director and Chief Executive Officer of our Company. He has over 15 years of experience in consulting and operating roles. Anil Kumar Gupta is the President-Operations of our Company. He has over 20 years of experience in operations. Munendra Singh is our Senior General Manager. He has over 15 years of experience in product development and technology. For further details, see “*Our Promoters and Promoter Group*” on page 247 and “*Our Management*” on page 226.

Our culture promotes innovation and quality. We inculcate in our employees the importance of continuous improvement, relentless innovation and maintaining quality. We recruit technical staff from universities and companies in India, who bring in innovative ideas and develop unique products using the latest technologies, such as coated fabrics, high-performance laminates, and specialized weaving techniques tailored for defence, industrial, and outdoor applications. We invest in new technologies to develop products for new applications. Products we have developed that demonstrate our capability to innovate include extreme cold weather systems, parachutes, rainwear, high-end industrial products, and military gear. We have well-established systems in place through which our management controls and monitors the fabric manufacturing process to ensure the high quality of our fabrics.

Strategies

Continue to follow a “build, retain, extend” framework with respect to our aerospace and defence business.

We will continue to grow our aerospace and defence business by manufacturing customized solutions for specific customers (“build”), retaining these relationships through ongoing tailored offerings (“retain”), and extending our expertise to develop similar products for a broader customer base (“extend”). This strategy benefits from growing domestic and international markets.

The global market for engineered fabric for aerospace and defence grew from US\$3.4 billion in 2019 to US\$5.0 billion in 2024, reflecting a CAGR of 8.0%. It is further projected to reach US\$8.1 billion in 2029, growing at a CAGR of 10.0% between 2024-2029 (*source: ILattice Report*), while the Indian market for aerospace and defence-related engineered fabrics grew from ₹22.8 billion (US\$0.3 billion) in Fiscal 2020 to ₹50.0 billion (US\$0.6 billion) in Fiscal 2025, reflecting a CAGR of 17.0%, and is projected to further grow to ₹124.4 billion (US\$1.5 billion) in Fiscal 2030, reflecting a CAGR of 20.0% (*source: ILattice Report*). The global market for aerospace and defence engineered fabric solutions grew from US\$4,250.0 million in 2019 to US\$4,650.0 million in 2024, reflecting a CAGR of 1.8%, and is further projected to reach US\$5,250.0 million in 2029, growing at a CAGR of 2.5% between 2024-2029 (*source: ILattice Report*).

Growth in the market for aerospace and defence-related fabrics in India is being driven primarily by Indian government requirements to procure defence-related products domestically, while global growth is driven by increased spending by key players, such as European countries whose increased defence spending is a response to geopolitical factors (*source: ILattice Report*). Global economic growth and diversification of supply chains out of China (the so-called “China + 1” phenomenon) are also driving increases in addressable market size (*source: ILattice Report*). To support the export of defence-related fabrics, we have built sales teams and appointed representatives for the Europe, Middle East and North American markets.

We are one of the major players in military parachute fabrics outside the United States and China (*source: ILattice Report*), and we have the potential to capture larger market share in the coming years. The Indian market for engineered fabrics for aerospace, of which military parachutes made up 52.0% of the market in Fiscal 2025, is expected to grow at a CAGR of 25.5% from Fiscal 2025 to Fiscal 2030, and the global market, of which military parachutes accounted for 60.0% of the market in calendar year 2024, is expected to grow at a CAGR of 11.8% from 2024 to 2029 (*source: ILattice Report*). In our aerospace business, we are exploring the feasibility of expanding into paragliders, sails, hot air and helium balloons, aerostats and other similar products.

In addition to fabrics, we intend to sell our own aerospace and defence systems in India and globally. In India, we have executed and have existing orders for parachutes and camouflage systems. We are also exploring new high value-added products. Globally, we are scouting for partners to distribute our parachutes, decoys, shelters, and camouflage nets, and we will continue to leverage existing relationships to continue to supply fabrics to key partners.

Continue to work closely with global brands to grow our Outdoor and Lifestyle Fabrics business.

Our Outdoor and Lifestyle Fabrics business caters to activewear, luggage and backpacks. The global engineered fabric market for outdoor and lifestyle applications grew from US\$13.9 billion in 2019 to US\$ 20.0 billion in 2024, reflecting a CAGR of 7.5%, and is further projected to reach US\$36.0 billion in 2029, growing at a CAGR of 12.5% between 2024 and 2029 (*source: ILattice Report*). India has historically relied on imports from China and Taiwan for activewear fabrics, but brands are now shifting supply chains to India, driven by local demand and the “China +1” strategy (*source: ILattice Report*). Similarly, in hardlines (luggage and backpacks), the demand for durable, lightweight, and coated materials is increasing as brands look for reliable Indian suppliers. Our expertise in high-performance materials positions us as a key player in this transition. We have become an approved supplier for leading global brands, including sportswear retailer Decathlon, supplying materials to designated fabricators, while negotiating pricing with brands. This model enhances our ability to negotiate better pricing. With limited domestic competition in engineered fabrics (*source: ILattice Report*), we are well-placed to both capture market share and to increase the wallet share from existing customers. Additionally, India benefits from demand from Bangladesh, Vietnam, Sri Lanka, and countries in Africa, which lack the capacity to manufacture engineered fabrics for the outdoor market (*source: ILattice Report*), which further strengthens our position.

Steadily grow our Industrial and Automotive Fabrics business by increasing wallet share and providing customized solutions.

We plan to achieve steady growth in our Industrial and Automotive Fabrics businesses by leveraging the lengthy qualification and approval cycles typical of these products (*source: 1Lattice Report*), which contribute to business stability and customer stickiness. Most of our SKUs in this segment are customized for each customer or each industry. Our approach to margin stability in this business is to prioritise customers who exhibit low cost-sensitivity. In Fiscal 2025, ₹840.29 million of our revenue, or 74.60% of our total revenue of ₹1,126.34 million from this segment, was tied, directly or indirectly, to exports of industrial and automotive fabrics. We have distinct competitive advantages compared to our western competitors in terms of cost. For a description of the risks related to our reliance on exports, including the risks flowing from the recent imposition of tariffs by the United States government, see “*Risk Factors – 8. Our exports accounted for 23.22% of revenue from contracts with customers for Fiscal 2025. Any changes in government regulations or policies affecting international trade may have an adverse effect on our business, results of operations and financial condition*” on page 38.

In our tapes business line, we are third and fourth-tier suppliers to automotive original equipment manufacturers (OEM) in the automotive industry supply chain. Also in our tapes business line, we work with large Indian and global players in the shoe, leather and electric insulation industries. We are expanding our tapes offerings to the medical industry by developing custom solutions for medical tapes for use by local customers. In our mechanical rubber goods business line, we are (i) selling hoses to Indian companies and are looking to expand globally; (ii) a major player in heddle belts and spindle tapes (*source: 1Lattice Report*); and (iii) identifying other niches and developing solutions for impressions/other mechanical rubber goods. In the custom industrial solutions business line, we are designing custom solutions for various customers.

Inflatables is a global market dominated by a few companies and is ripe for disruption (*source: 1Lattice Report*). Customers are looking for alternate sources due to the quasi-monopoly of the few existing suppliers (*source: 1Lattice Report*). We have the know-how to manufacture base fabrics, and we are building coating and lamination capabilities to meet customer specifications. In our inflatables business line, which largely serves the aerospace industry, our base fabrics business will continue to supply various coaters and laminators globally.

In our coated/laminated fabrics business line, we have an opportunity to take market share from existing European and American incumbents through competitive pricing, despite long development and approval cycles.

Continue to focus on manufacturing products and solutions with high gross margins and high entry barriers to continue to drive profitable growth.

Many of our products and solutions have high gross margins, including aerospace and defence fabrics, custom industrial fabrics, parachute solutions, and most products using Nylon 6 and Nylon 66. These high gross margin products are reflected in our high EBITDA Margins and increasing profit for the year. For Fiscals 2025, 2024 and 2023, we had the highest, highest and second highest EBITDA Margin among our peers listed on Indian stock exchanges, respectively (*source: 1Lattice Report*). A higher EBITDA Margin reflects strong operational efficiency, cost control, and pricing power. The table below sets forth our EBITDA Margin, PAT Margin and profit for the year for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million, except as noted	₹ in million, except as noted	₹ in million, except as noted
EBITDA Margin (%)	24.18%	28.18%	22.50%
Profit for the year	1,119.88	843.96	372.17
PAT Margin (%)	14.17%	17.78%	12.25%

For details on the high entry barriers in the markets in which we operate, see “- *Strengths - We operate in markets with high entry barriers*” on page 182.

We intend to continue to manufacture products and solutions with high gross margins and high entry barriers to keep driving profitable growth.

Continue to invest in our capabilities and people to support growth, research and development, and efficiency improvement.

We will continue to invest in our capabilities and people to support growth, research and development, and

efficiency improvement. We will continue to recruit new industry and product-related experts and to promote our culture of continuous improvement and relentless innovation. This new expertise will combine with our existing teams to enhance research and development efforts leading to new products, novel product-specific technologies and increased conversion rates. For further details see “– *Strengths – Our technical capabilities allow us to develop and supply unique solutions for our customers*” on page 183 and “– *Strengths – We have experienced and visionary Promoters supported by a professional management team. Our culture promotes innovation and quality*” on page 185.

We outsource certain processes, including weaving, knitting, finishing and fabrication, wherever there is limited differentiation. We will continue to use such outsourcing where feasible and economical to improve the efficiency of our own assets. We will continue to update our machines to the best technology available and to automate wherever possible. We intend to reduce costs by closely monitoring our various machines’ overall equipment effectiveness (OEE), which is a manufacturing metric that measures how well equipment is utilized compared to its full potential, considering three factors: availability (time the equipment is running); performance (speed compared to its maximum); and quality (percentage of good products). By multiplying these factors, overall equipment effectiveness provides a percentage score that identifies the amount of time manufacturing equipment is truly productive, helping to increase profitability by pinpointing inefficiencies and reducing costs. We also avail of various central government and state government schemes that provide incentives and subsidies to textile manufacturers including support for interest payments on loans, capital, and power tariff support. See “*Business – Government Incentives*” on page 196.

OUR OFFERINGS

The following table sets forth our revenue from contracts with customers from our (i) Aerospace and Defence Fabrics, (ii) Aerospace and Defence Solutions, (iii) Industrial and Automotive Fabrics and (iv) Outdoor and Lifestyle Fabrics market segments, and from sales falling outside those market segments, for the fiscal years indicated.

Particulars	2025		2024		2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Fabrics	3,700.92	48.06%	3,134.88	68.79%	1,440.52	48.77%
Aerospace and Defence Solutions	2,219.02	28.81%	8.64	0.19%	46.93	1.59%
Industrial and Automotive Fabrics	1,126.34	14.63%	1,113.86	24.44%	1,131.12	38.30%
Outdoor and Lifestyle Fabrics	569.00	7.39%	291.65	6.40%	311.61	10.55%
Other Sales	85.67	1.11%	7.92	0.17%	23.33	0.79%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Aerospace and Defence Fabrics

Fabrics used in aerospace and defence applications must meet exact and often technically difficult specifications (*source: ILattice Report*). We work closely with end-users to understand their needs and to create fabrics optimized for durability, comfort and performance. We are development and manufacturing partners of aerospace and defence fabrics for an Indian government customer. Since April 1, 2022, we have exported our aerospace and defence fabrics to countries in Asia, Europe and the Americas.

Military fabrics require exacting and demanding specifications for hazardous conditions optimised for durability, comfort and performance (*source: ILattice Report*). As longstanding partners to an Indian government customer in the national defence space, we run programs for the development of improved products as well as indigenisation.

We specialize in providing high-performance aeronautical fabrics that meet rigorous quality and design requirements for various applications. We understand the importance of reliability and safety in the aeronautical industry. Therefore, we prioritize delivering high-quality fabrics that meet and exceed industry standards. We aim to provide the best-in-class aeronautical fabrics that are engineered to perform in even the most extreme conditions. Our fabrics range from 25 grams per square metre (“**GSM**”) to 500 GSM. These fabrics are made from Polyamide 66 High Tenacity yarns, combined with specialty finishes and coatings for various critical

applications. Key applications for our aeronautical fabrics include parachutes, paragliders, hot air balloons, sails, kites, and aerostats.

We supply fabrics for the following aerospace and defence applications:

Parachute Fabrics: According to Lattice, we are recognised as a major manufacturer within India of high-performance technical fabrics for parachutes (*source: ILattice Report*). We provide parachute fabric for (i) cargo drop parachutes, (ii) tactical assault parachute systems, (iii) high altitude parachute penetration systems, (iv) drogue parachutes, (v) recovery parachute systems, and (vi) space module recovery parachutes (entry descent and landing systems), among others. We engineer our parachute fabrics for reliability and precision by using synthetic fibres that deliver optimal strength-to-weight ratios, high tear resistance, and precise air permeability control. Our manufacturing setup, experience and understanding of the properties required for parachute systems enables us to produce fabrics using fine denier yarns and complex constructions. We impart special finishes on our fabrics, thus ensuring our materials align with customer specifications. We rigorously test our materials to meet the most stringent military and aerospace standards.

Tactical Clothing and Specialty Gear Fabrics: We manufacture high-performance fabric solutions for tactical clothing and specialty gear, which we engineer to withstand the demanding conditions faced by defence, law enforcement, and security forces. The characteristics of our materials include durability, flexibility, stealth, abrasion resistance, flame retardancy, water repellence, and moisture management. We craft our fabrics for extreme environments, and we design them to provide comfort and protection without compromising performance and mobility. We focus on engineering the fabric to perform reliably under the most extreme conditions. End use examples of our fabrics are: (i) rain wear; (ii) cold weather clothing; (iii) modular lightweight load-carrying equipment (known as MOLLE, it is a military and tactical gear system that allows users to customize their load by attaching pouches, holsters, and other accessories to a webbing grid); (iv) ruck sacks; (v) kit bags; and (vi) sleeping bags.

Stealth Systems: We have developed, and are continuing to develop, engineered fabric solutions to reduce detectability across multiple spectrums. Our high-performance materials incorporate radar-scattering and infrared reflectance properties, enabling stealth for soldiers and equipment. Through the integration of customized yarns, innovative coatings and laminations, our fabrics offer light weight yet robust solutions. Some end use examples of our stealth systems fabrics are: (i) two-dimensional camouflage nets; (ii) three-dimensional camouflage nets; (iii) ghillie (camouflage) suits; and (iv) decoys.

Aerospace and Defence Solutions

Using the expertise gained from fabric manufacturing, we have selectively expanded into manufacturing end-user solutions for domestic and export customers in the aerospace and defence markets. While our technical fabrics serve as high-performance materials used in various applications, our solutions are engineered systems or products that incorporate these fabrics along with other components, technologies, and functionalities to meet specific operational needs. We divide these end-user solutions into three business lines: (i) aerial systems; (ii) stealth systems; and (iii) rapid deployment systems, each of which is described further below. In addition, as a fourth business line within our Aerospace and Defence Solutions segment, we enter into maintenance and repair service agreements with certain of our clients.

Aerial Systems: We specialise in manufacturing a wide range of high-performance parachute systems tailored for military applications. Our aerial systems offerings include:

- **Tactical Assault Parachute Systems:** Our man drop parachutes include free fall parachute systems and round canopy troop parachute systems. Our free fall high altitude penetrator parachute systems support solo and tandem jumps up to 30,000 feet above mean sea level (MSL) with versatile ram-air canopies. These systems are designed for special operations missions. Our round canopy troop parachute systems deliver airborne soldiers and individual equipment safely from an aircraft in flight for vertical assaults;
- **Cargo Drop Parachutes:** Our cargo drop parachutes include supply drop parachutes and heavy cargo drop parachute systems. Our supply drop parachutes are used for dropping cargo loads from heights of 750 feet to 15,000 feet at wind speeds ranging from 120 knots to 150 knots. Our heavy cargo drop parachute systems are designed to handle much larger weights and are often used to deliver supplies, equipment, or food to remote or inaccessible locations;

- **Drogue Parachutes:** Our drogue parachutes, also known as drag chutes or brake parachutes, are used to slow down the speed of fighter aircraft during landing;
- **Recovery Parachute Systems:** We design and manufacture drone and aircraft recovery parachutes as per custom requirements; and
- **Entry Descent and Landing Systems:** We are authorised partners for supplying fabrics and parachute systems for the re-entry module of the Gaganyaan project, India's first manned mission to space.

All of our parachute systems are designed in consultation with an Indian government customer and global OEMs.

Stealth Systems: Our product range for stealth systems includes:

- **2D Multispectral Camouflage Nets:** Providing protection against visual, thermal, and radar detection;
- **3D Multispectral Camouflage Nets:** Enhancing concealment by integrating three-dimensional elements for superior blending with surroundings;
- **Ghillie Suits:** Engineered for individual camouflage, allowing personnel to operate undetected in diverse terrains;
- **Infrared Reflective Uniforms:** Minimizing infrared signatures to counter night-vision surveillance; and
- **Invisibility Cloaks:** Utilizing advanced materials and manufacturing technologies to protect soldiers from visual, NIR (Near Infrared) and TIR (Thermal Infrared) detection.

Our stealth systems leverage innovative textile structures, coatings, and other unique fabric manufacturing techniques to provide reliable and adaptable solutions for modern defence operations.

Rapid Deployment Systems: We supply high-performance rapid deployment systems designed for swift and efficient setup in emergency and combat scenarios. Our rapid deployment solutions include:

- **Decoys:** Inflatable decoy systems that mimic full scale military equipment visually and on enemy sensors; and
- **Inflatable Shelters:** Lightweight, portable, and quick to deploy for emergency operations.

Maintenance and Repair Service Agreements: We collaborate with industry partners through contracts to provide comprehensive maintenance, repair, and support. Our manufacturing capability is AS9100D certified which meets the stringent conditions of global aerospace OEMs. We provide:

- regular inspection and testing: verifying material integrity and performance;
- preventive maintenance: reducing downtime and enhancing operational readiness; and
- specialized repairs: addressing wear and tear to extend equipment life cycles.

By combining technical expertise with strong partnerships, we ensure that critical defence systems remain mission-ready at all times while also building relationships that lead to business opportunities.

Industrial and Automotive Fabrics

We divide our Industrial and Automotive Fabrics segment into four business lines: (i) fabrics for tapes; (ii) custom fabric solutions; (iii) mechanical rubber goods (MRG) fabrics; and (iv) inflatable fabrics, each of which is described further below.

Fabrics for Tapes: Our fabrics play a key role in the manufacturing of tapes, including wire harness tapes used in automotive applications, tapes for the leather and shoe industries, and tapes used for insulation.

With the increasing complexity of modern vehicles, wiring systems have become more advanced, requiring high-performance materials that ensure durability, safety, and noise reduction. Automotive wire harness tapes serve multiple functions: (i) securing and protecting cables; (ii) providing heat insulation where necessary; and (iii) dampening noise to enhance the overall driving experience. As vehicles integrate more electronics and connected technologies, the demand for reliable cable management solutions has grown accordingly. We offer a wide range of fabrics for this application, each of which is designed to meet specific functional needs. Based on the precise requirements of different areas within a vehicle, we select from a variety of polymers, fabric constructions, and

finishing chemistries to create solutions that offer the right balance of flexibility, strength, and thermal resistance. Beyond functionality, compliance with industry standards is a key factor in our product development. We design our fabrics to meet global automotive specifications related to thermal resistance, abrasiveness, flame retardancy, and mechanical durability. We collaborate closely with automotive manufacturers and adhesive tape producers to develop specialized solutions tailored to evolving vehicle needs related to reliability and performance, including those for high-temperature engine compartments, sensitive electrical systems, and areas requiring enhanced flexibility.

We also manufacture tapes used in the shoe/leather and insulation industries.

Custom Fabric Solutions: We manufacture high-performance fabrics, including convertible tops, sunroof and moonroof blinds, headliners, and automotive traction systems, as well as fabrics for railway gangways and fabrics for medical applications. These fabrics play a crucial role beyond aesthetics, contributing to strength, structural integrity, weather protection, and passenger comfort. A well-designed fabric can withstand prolonged exposure to external elements without compromising performance. These fabrics must endure extreme environmental conditions, including intense UV radiation, temperature fluctuations, moisture exposure, heavy rain, and mechanical stress. We develop materials that remain lightweight while maintaining durability, waterproofing, and long-term colour stability through advanced textile engineering, leveraging specialized coating and lamination technologies to enhance resilience and longevity. These technologies, combined with precise fabric engineering—including the selection of raw materials, such as meta and para aramids, solution-dyed acrylics, optimized surface textures, and tailored colour options—allow us to develop solutions that meet specific performance requirements. We design our fabrics to satisfy technical requirements while ensuring reliability, longevity, and, in the case of automotive applications, an enhanced driving experience.

Mechanical Rubber Goods (MRG) Fabrics: We manufacture high-performance reinforcement fabrics for a wide range of mechanical rubber goods (MRG) applications, including belts, hoses, diaphragms, rubber sheets, impression fabrics, and liners. These fabrics enhance the mechanical strength, flexibility, and durability of rubber-based components used in industrial, automotive, and specialized applications. Mechanical rubber goods applications require fabrics that can withstand high mechanical stress, extreme temperatures, and exposure to oils, chemicals, and abrasion. We achieve these qualities through careful selection of raw materials, such as nylon, polyester, para-aramid, and meta-aramid, providing tailored solutions for high-temperature resistance, chemical stability, and mechanical reinforcement. To optimize rubber adhesion and mechanical performance, we utilize a combination of weaving technologies, including specialized weave structures, open meshes, and leno constructions, ensuring superior rubber penetration and mechanical anchoring. Additionally, our adhesion-improving coating chemistries enhance bonding with rubber compounds - a crucial factor for long-term durability and reliability in demanding environments. We design our fabrics for integration into calendaring and coating processes using precise material selection, engineered fabric constructions, and advanced surface treatments. Our reinforcement fabrics deliver dimensional stability, abrasion resistance, tear and tensile strength, enhanced adhesion, and long-term performance for high-pressure hoses, chemically resistant diaphragms, and durable rubber linings, thus making them an integral part of high-performance rubber-based systems.

Inflatable Fabrics: We manufacture high-performance fabrics for a variety of specialized inflatable industrial applications including inflatable rafts, aircraft evacuation slides, rescue boats, and other air-holding structures. We engineer these fabrics for durability, flexibility, and precise functionality in demanding environments. To meet these diverse application requirements, we utilize a broad range of fibres, including nylon, polyester, polybutylene terephthalate (a specific type of polyester with unique mechanical and chemical properties), and mechanical stretch yarns. We develop our fabrics with tailored weave structures, such as tightly woven constructions for strength and airtightness and flexible designs that provide controlled permeability or mechanical stretch. A key aspect of our customized inflatable fabrics is advanced finishing and surface treatments, which enhance fabric performance for specific applications. These include water-repellent and sealable coatings for moisture and airtightness and laminations for improved durability. We also offer flame-retardant coatings for compliance with safety standards, antistatic finishes to prevent electrostatic build-up, abrasion-resistant treatments for extended wear, and UV stabilization for prolonged outdoor exposure. Our expertise in textile engineering, polymer chemistry, and surface treatments allow us to deliver customized inflatable fabric solutions. Our fabrics are designed for long-term reliability which contributes to optimal performance.

Outdoor and Lifestyle Fabrics

Our Outdoor and Lifestyle Fabrics segment caters to the global market for synthetic performance wear, such as “athleisure”, winter wear, rainwear, fashion jackets and personal gear, such as backpacks, luggage, sleeping bags,

and tents. In the performance apparel business line, major brands nominate us to serve as the fabric supplier to specific garment manufacturers. As global supply chains increasingly seek to diversify beyond China (the so-called “China +1” strategy), this shift presents a significant growth opportunity for us to establish ourselves as a reliable and strategic alternative.

We engineer our fabric offerings in this segment for performance garment applications. We design these fabrics to withstand extreme environments, while providing comfort, durability, and aesthetic appeal. We specialize in midstream techniques, such as weaving of filaments, dyeing, printing, and finishing, and our capability to work with fine denier filament yarns and develop fabrics with complex constructions enables the creation of lightweight functional fabrics that meet the needs of activewear and outdoor apparel brands.

We optimize our fabrics for specific functionalities, such as breathability, moisture management, thermal insulation, stretch and abrasion resistance. Our array of finishes, including high-performance coatings and laminations that offer water resistance, wind proofing, and UV protection, result in fabrics that are ideal for outdoor applications. For example, our rainwear fabrics provide high levels of water proofing while maintain breathability. Similarly, our athleisure wear fabrics are developed using abrasion resistant and stretchable yarn for added comfort and performance. Our fabrics for luggage and backpacks are engineered to perform under stress while maintaining strength, abrasion resistance and aesthetic flexibility.

Our outdoor fabrics are used in clothing and equipment for outdoor enthusiasts. Such fabrics must be versatile and extremely safe. Special finishes for polyester and polyamide fabrics makes our outdoor products safer and suitable for extreme climates, and these features have led to increased use of our outdoor fabrics for tents and sleeping bags. All our outdoor fabrics are available in different colours and weave as per the latest market trends. From plain rip-stops to complex dobby designs, we can design outdoor fabrics based on customer requirements. Key applications by our customers for our outdoor fabrics include:

- outdoor clothing, including athleisure, winter jackets, rainwear apparel, fashion jackets, track suits, and workwear;
- high altitude clothing; and
- personal gear, including backpacks, luggage, sleeping bags, tents, and mattresses.

MANUFACTURING CAPABILITIES

We operate out of six manufacturing facilities, all of which are in Gujarat, India, and one fabrication unit in Uttar Pradesh, India. Our vertically integrated capabilities extend across preparatory, weaving, dyeing, printing, finishing, coating, lamination and fabrication. Our integrated setup allows us greater control over quality and delivery.

Our capabilities and capacity are summarised in the following tables:

Capability	Description
Preparatory and Weaving	• Yarn texturizing machines and twisting machines • Preparatory: direct warping, sectional warping, sizing machines and beaming machines • Loom shed: water-jet looms, rapier looms, air-jet looms and narrow woven needle looms
Processing	• Specialised machines for different types of fabrics and finishes • Scouring/heat-setting • Dyeing/finishing • Printing machine • Ultrasonic and heat slitting machines • Calendering
Coating and Lamination	• Coating • Lamination
Fabrication	• Cut and sew • Assembly • Laser fabric cutting machines

Factory	As at and for the year ended March 31,								
	2025			2024			2023		
	Installed Capacity ⁽¹⁾ (million metres)	Actual Production ⁽²⁾ (million metres)	Capacity Utilisation ⁽³⁾ (%)	Installed Capacity ⁽¹⁾ (million metres)	Actual Production ⁽²⁾ (million metres)	Capacity Utilisation ⁽³⁾ (%)	Installed Capacity ⁽¹⁾ (million metres)	Actual Production ⁽²⁾ (million metres)	Capacity Utilisation ⁽³⁾ (%)
<i>Processing Dyeing, Finishing, Printing and Coating Factories</i>									
Vapi	25.56	19.20	75.11%	25.56	24.12	94.38%	25.56	20.33	79.55%
ECFPL* (Coating)	21.30	11.43	53.66%	21.30	20.08	94.28%	21.30	18.32	85.99%
Karanj	59.64	11.19	18.76%	-	-	-	-	-	-
Karanj (Coating)	21.30	4.63	21.74%	-	-	-	-	-	-
Total	127.80	46.45	42.32%	46.86	44.20	94.33%	46.86	38.65	82.77%
<i>Weaving Facilities</i>									
Kosamba Weaving 1	13.31	9.91	74.48%	13.31	10.88	81.80%	13.31	12.59	94.60%
Kothwa Weaving 2	6.41	6.05	94.38%	6.41	4.97	77.63%	6.41	5.33	83.14%
Kosamba Weaving 3 ⁽⁴⁾	-	-	-	-	-	-	-	-	-
Total	19.72	15.96	84.43%	19.72	15.85	79.72%	19.72	17.92	88.87%

Notes:

- (1) Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the industry in which we operate. Assumptions and estimates taken into account for measuring installed capacities include 355 working days in a year.
- (2) Actual production represents the quantum of production in the relevant Fiscal.
- (3) Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the installed capacity as at the end of such Fiscal.
- (4) Not yet operational.

*Engineered Coated Fabric Pvt. Ltd.

Our final output capacity (comprising the aggregate installed capacity of our processing, dyeing, finishing, printing and coating factories) increased from 48.86 million metres as at March 31, 2024 to 127.80 million metres as at March 31, 2025 due to our commencement of operations at an additional manufacturing facility located at Kothwa, Taluka Mangrol, District Surat, Gujarat, India on April 1, 2024. We use this manufacturing facility for scouring, dyeing, finishing, processing and coating nylon and polyester fabrics. We do not include the capacity of our weaving factories in our calculation of final output capacity because weaving produces an intermediate product which we do not sell.

Below is a description of our weaving facilities, our finishing plant, and our coating and lamination processes.

Weaving Facilities: Our weaving facilities include water-jet, air-jet and rapier looms. We weave fabrics from 15D to 1000D yarns, where “D” stands for denier, a unit that measures the thickness of the yarn. A lower denier (e.g., 15D) indicates a finer, lighter fabric often used for ultra-lightweight applications, while a higher denier (e.g., 1000D) represents a thicker, more durable fabric suitable for heavy-duty use. We primarily work with Nylon 6, Nylon 66, polyester, aramids and other synthetic yarns and blends.

Finishing Plant: Our finishing plant is equipped with facilities for scouring, bleaching, dyeing, printing, heat setting and calendaring. We provide various finishes including water-resistant, durable water-resistant, flame-retardant, anti-fungal, anti-microbial, silicone, anti-static, anti-odour, and moisture management, among others.

Coating and Lamination: Coating and laminating are an essential part of highly functional and technical textile developments. Our coating and lamination unit can work with several polymers, including urethanes, silicones, vinyl, acrylics, and thermoplastic polyurethane (TPU), among others.

TECHNICAL CAPABILITIES

Our most salient technical strengths are: (i) our light fabrics made of fine denier yarns; (ii) our ability to handle Nylon 6 and Nylon 66; (iii) our complex fabric engineering; (iv) our coating and lamination capabilities; and (v) our integrated fabric value chain. Each of these is described further below.

- *Light fabrics made of fine denier yarns:* Fabric fineness is measured by grams per square metre (“GSM”) and yarn denier (*source: ILattice Report*). GSM indicates fabric weight, while denier indicates yarn thickness (*source: ILattice Report*). Reducing yarn denier creates lighter fabrics without losing strength (*source: ILattice Report*). Fine denier fabrics have a strong strength-to-weight ratio and are used in parachutes, inflatables, medical textiles, and composites where light weight and durability matter (*source: ILattice Report*). Yarn breakage and tension issues make production of these fabrics complex (*source: ILattice Report*). We have developed expertise in fine denier weaving, starting with optimized warping and sizing to manage yarn tension effectively. Our looms use electronic warp tension control and precise beat-up mechanisms to reduce breakage and defects. We also maintain strict control over dyeing, heat setting, and coating to preserve fabric properties.
- *Handling Nylon 6 and Nylon 66:* Nylon is a strong synthetic polymer; Nylon 6 and Nylon 66 are the most common types (*source: ILattice Report*). They have tensile strength, abrasion resistance, and elasticity, making them suitable for automotive textiles, airbags, aerospace, industrial uses, sportswear, outdoor gear, and medical fabrics (*source: ILattice Report*). Nylons are difficult to process due to heat sensitivity and the risk of degradation during dyeing and finishing (*source: ILattice Report*). Their moisture absorption affects fabric performance, and uneven dye uptake causes inconsistent colour (*source: ILattice Report*). Nylon is also prone to permanent creasing (*source: ILattice Report*). We have gained the knowledge and capabilities to tackle these challenges. By managing temperature and tension during dyeing and heat-setting, we prevent damage and ensure even colour. Our specialized finishing methods enhance crease resistance and preserve fabric appearance. These measures allow us to consistently deliver high-performance Nylon 6 and Nylon 66 fabrics.
- *Complex fabric engineering:* Developing engineered fabrics requires selecting correct yarns, weave structures, and finish types (*source: ILattice Report*). Yarn choice affects strength, durability, texture, and finish (*source: ILattice Report*). We use synthetic fibres like nylon, polyester, and aramids, each for specific applications. Weave structures, such as satin, twill, or ripstop influence durability, flexibility, and tear resistance (*source: ILattice Report*). Ripstop with high-tenacity yarns creates lightweight, tear-resistant fabrics used in parachutes and protective gear (*source: ILattice Report*). Specialized finishes like water-repellent, flame-retardant, or UV-blocking coatings add functions (*source: ILattice Report*). Quality depends on precise control from weaving to finishing (*source: ILattice Report*). Our expertise in combining yarns, complex weaves, and finishes lets us deliver durable, high-performance textiles for automotive, aerospace, and industrial applications.
- *Coating and lamination capabilities:* Coatings and laminations add specific properties to engineered fabrics, enhancing performance and durability (*source: ILattice Report*). We offer coating and lamination methods tailored for high-performance needs. Techniques include knife coating, hot-melt, and extrusion coatings that add resistance and function (*source: ILattice Report*). Thermal lamination bonds fabric layers without reducing performance (*source: ILattice Report*). We provide fabric-to-fabric and fabric-to-film laminations with multi-layer structures that improve water resistance, insulation, and protection. Using materials like polyurethane, thermoplastic polyurethane (TPU), silicones, and polytetrafluoroethylene (PTFE), we create fabrics that withstand harsh conditions while maintaining comfort. By integrating polymer advances with coating and lamination, we deliver textiles that meet diverse industry demands with reliability and high performance.
- *Integrated fabric value chain:* By controlling the entire process - from yarn selection and weaving to coating, lamination, and final product fabrication - we ensure consistency, reliability, and traceability at every stage. This control gives us the ability to precisely manage quality and to optimise costs by driving efficiencies, eliminating redundancies, and leveraging scale, since we are not dependent on external suppliers or intermediaries.

OUTSOURCING

We strategically leverage India’s textile and industrial ecosystem to complement our in-house manufacturing strengths. By outsourcing select processes, such as weaving, knitting, finishing and fabrication, to trusted third parties, we debottleneck operations, expand capacity, and enhance our ability to respond swiftly to dynamic customer requirements. This flexible model enhances agility, allowing us to scale output without large capital commitments, while maintaining stringent quality standards through close oversight and technical collaboration.

Outsourcing also provides access to specialized skills, enabling us to accelerate time-to-market, optimize costs, and seize emerging opportunities across our wide product range.

The table below sets forth our job work and labour charges (outsourcing costs) and such costs as a percentage of our revenue from the sale of products for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	₹ in million, except percentages		
Job work and labour charges [A]	362.57	186.91	92.35
Job work and labour charges as a percentage of sale of products [B = A/C] (%)	4.72%	4.11%	3.16%
Sale of products [C]	7,685.98	4,545.65	2,919.44

MANUFACTURING PROCESS

Our manufacturing operations are designed to deliver high-performance technical fabrics with consistent quality, efficiency, and scalability. The process begins with the selection of raw materials, primarily high-grade polyamides, polyesters, polyurethane resins and films, among others. These are subjected to rigorous quality checks before entering production.

We deploy state-of-the-art preparatory, weaving, processing, dyeing and printing technologies across our plants, supported by modern and customized equipment, and in-house chemical formulation capabilities. Processes are digitally monitored to ensure adherence to exacting specifications. The role of each of these technologies in the manufacturing process is described further as follows.

- *Preparatory:* Involves processes, such as warping, sizing, and drawing-in, which prepare the yarn for weaving by aligning and strengthening it to ensure uniform tension and fabric quality.
- *Weaving:* The stage where yarns are interlaced using automated looms to produce fabric structures with precise weave patterns tailored to technical specifications.
- *Processing:* Includes washing, scouring, bleaching and other treatments that stabilize and clean the woven fabric, enhancing its dimensional stability and readiness for further finishing.
- *Dyeing:* Applies colour to the fabric using controlled processes, including Jigger and high-temperature-high-pressure dyeing, based on application requirements, while maintaining shade accuracy, colorfastness, and compatibility with subsequent coatings or finishes.
- *Finishing:* This process involves treating dyed fabrics through chemical and mechanical methods to achieve the required handle, dimensional stability, surface properties, and compatibility with subsequent laminations or coatings
- *Printing technologies:* This process involves applying colour or patterns onto fabrics using rotary printing techniques to meet design and functional requirements.

Our facilities integrate coating, lamination, and fabrication capabilities, allowing us to offer value-added, application-ready products. The role of each of these capabilities in the manufacturing process is described further as follows.

- *Coating:* Involves applying specialized chemical layers to the fabric surface to impart properties, such as water resistance and flame retardancy.
- *Lamination:* Combines multiple layers of fabric or films using adhesives or heat to create composite materials with enhanced strength, barrier properties, or insulation.
- *Fabrication:* Refers to the cutting, stitching, and assembly of coated or laminated fabrics into finished products such as aerial delivery systems, stealth systems and decoys, among others.

Quality control is embedded at every stage, with testing protocols aligned to customer and industry standards. This includes mechanical, thermal, and chemical performance validation in our in-house laboratory.

Sustainability and cost efficiency are equally central – our plants are optimized for energy and water usage, with continuous improvement programs driving waste reduction and lean operations. Together, these capabilities enable us to manufacture world-class engineered fabrics, meeting diverse customer needs with speed, reliability, and innovation.

GOVERNMENT INCENTIVES

We have availed certain government incentives under central and state-level schemes that support textile manufacturing and industrial development. We received government payments in Fiscal 2025 and Fiscal 2024 under the following schemes, which have supported our operations by reducing financing and utility costs:

- Government of Gujarat Textile Policy 2012 (“**GOGTP 2012**”) (operative from September 5, 2012 to September 4, 2017);
- Government of Gujarat’s Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain – 2019 (“**SSTVC 2019**”) (operative from September 4, 2018 to December 31, 2023), which includes the sub-scheme for Assistance for Technology Acquisition and Upgradation under Strengthening Specific Sectors in the Textile Value Chain – 2019 (“**SSSTVC 2019**”) (operative from September 4, 2018 to December 31, 2023); and
- Government of Gujarat State Goods and Services Tax (“**SGST**”) reimbursement under Gujarat’s Industrial Policy 2020 (operative from July 25, 2020 to July 24, 2030).

We received ₹21.90 million and ₹52.34 million under these schemes in Fiscals 2025 and 2024, respectively, as shown in the table below:

Particulars	For the year ended March 31,		
	2025 (₹ in million)	2024 (₹ in million)	2023 (₹ in million)
GOGTP 2012	-	25.19	-
SSTVC 2019	8.03	-	-
SGST	13.87	27.15	-
TOTAL	21.90	52.34	-

We have also availed of the following schemes for which we have begun receiving payments in Fiscal 2026:

- The Central Government’s Interest Assistance under Technology Upgradation Fund (operative from January 13, 2016 and ongoing under amended guidelines);
- Government of Gujarat Electric Duty Exemption Scheme (available for five years from the date of commercial production for new and expansion units, subject to eligibility conditions); and
- SSSTVC 2019.

These schemes provide interest, capital, and power tariff support to eligible textile units.

CUSTOMERS

Our customers are primarily other businesses who use our fabrics in their own manufacturing operations. In recent years, we have built on our expertise and industry knowledge to expand into manufacturing our own finished products for aerospace and military applications, such as parachute systems, stealth solutions, and rapid deployment systems, which we market and sell to governments including the Indian government.

We have a high customer concentration. For details, see “*Risk Factors – 2. Our top customer and our top 10 customers contributed 28.90% and 84.69%, respectively, of our revenue from contracts with customers for Fiscal 2025. Any decrease in sales to such customers or the loss of such customers could have an adverse effect on our business, results of operations, financial condition and cash flows*” on page 33.

We primarily sell our products to customers in India. The table below sets forth our revenue from contracts with customers by country in Fiscals 2025, 2024 and 2023.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Within India	5,912.88	76.78%	3,389.51	74.38%	1,807.25	61.19%
Outside India	1,788.07	23.22%	1,167.43	25.62%	1,146.27	38.81%
<i>Of which:</i>						
USA	678.94	8.82%	465.58	10.22%	520.46	17.62%
Germany	403.52	5.24%	276.6	6.07%	129.14	4.37%
France	208.24	2.70%	72.35	1.59%	-	-
South Africa	62.55	0.81%	67.20	1.47%	142.54	4.83%
Sri Lanka	102.79	1.33%	-	-	-	-
Others	332.02	4.31%	285.69	6.27%	354.13	11.99%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

The United States announced a 25% tariff on most Indian goods, including our goods, on July 31, 2025 (*source: ILattice Report*). Effective August 27, 2025, in response to India's continued purchase of Russian crude oil, the United States has imposed an additional 25% tariff on Indian goods, bringing the total tariff on most Indian products, including our products to 50% (*source: ILattice Report*). Prior to the introduction of these tariffs, our products were subject to U.S. tariffs of approximately 14%. In order to decrease the effects of the increase in U.S. tariffs on our business, we agreed with our two biggest customers in the United States in Fiscal 2025, with combined revenue of ₹492.92 million, which represented 73.47% of our revenue from customers in the United States for Fiscal 2025, that we would supply our products to their manufacturing facilities outside the United States. For more details, see "Risk Factors – 8. Our exports accounted for 23.22% of revenue from contracts with customers for Fiscal 2025. Any changes in government regulations or policies affecting international trade may have an adverse effect on our business, results of operations and financial condition" on page 38.

Case Studies

Case Study: Customer A – a global leader in parachute systems

Customer A is a global leader in parachute systems, serving military and aerospace sectors. Known for advanced engineering and reliability, it specializes in aerial delivery, personnel, and cargo parachute solutions.

Phase 1: Introduction

We connected with Customer A to discuss a business opportunity. Due to the sensitive nature of parachutes, new vendors were not considered without thorough trials. We maintained contact, and their team visited our units to discuss potential opportunities.

Phase 2: COVID-19 and Supply Chain Disruptions (2019–2020)

Global supply chain disruptions prompted Customer A to explore alternative suppliers. Having maintained our relationship, we became their primary alternative.

Phase 3: Execution

We received our first bulk orders in 2021. Since then, fabric supplies have grown steadily, supported by competitive quality and pricing. As our capacities increased, we also grew our share of Customer A's purchases.

Phase 4: Business Evolution

Under the Government of India's Make in India initiative, Customer A's Indian government customer asked Customer A to localize production of a certain high altitude parachute system. Customer A proposed us as their preferred Indian partner, transferring technology and enabling the successful execution of a major order.

Phase 5: Strategic Relationship

We have expanded manufacturing to include other parachute systems in partnership with Customer A, and we are bidding for certain other of Customer A's tenders. Customer A retains intellectual property, while our strong relationship creates a natural moat around this business.

Case Study: Customer B - a global leader in adhesive tapes for automotive wire harnesses

Customer B is a global leader in adhesive tapes for automotive wire harnesses. Our partnership began in 2018. At the time, Customer B sourced fabric from China, but trade tariffs prompted exploration of alternative suppliers.

Phase 1: Entry and Qualification

We developed a fabric and completed a rigorous two-year qualification process. Approval led to approximately 1 million metres supplied in Fiscal 2021, scaling to 7 million metres in Fiscal 2024.

Phase 2: Nylon 66 – High-Criticality Applications

Nylon 66 fabric was qualified for Customer B's most critical products. Annual volume reached one million metres in Fiscal 2025 following validation.

Phase 3: Supply Chain Resilience – Nylon 6 Substitution

COVID-19 disruptions and rising Nylon 66 prices prompted co-development of a Nylon 6 alternative. After joint testing and approval, we received orders to supply 2-million-metres of fabric to the customer annually.

Phase 4: Future-Ready – EV Applications

In 2023, we developed a specialized polyester yarn which may be used for EV wire harnesses.

Strategic Insights

- Due to multiple qualification criteria for product approvals, entry of new suppliers in the automotive industry value chain is difficult.
- Once qualified, volume growth is significant and long-lasting.
- Innovation and material substitution anchor long-term partnerships.

Case Study: Decathlon - a leader in affordable, high-performance sportswear

Decathlon, a leader in affordable, high-performance sportswear, is expanding its sourcing from India to meet growing domestic and international demand. Our partnership began in 2020 with a focus on innovative, competitive fabrics aligned with Decathlon's China+1 strategy.

Phase 1: Entry and Onboarding

We engaged with Decathlon in 2020 on compliance, sustainability, and product development. We successfully developed and qualified Belharra, a 116 GSM twill, in 2021, with initial volumes of 120,000 metre annually.

Phase 2: Volume Consolidation and Domestic Growth

From 2021 to 2023, consistent performance and quality earned Decathlon's trust, driving increased volumes and enabling scale efficiencies.

Phase 3: Export Expansion

In 2024, we became a global partner. Over 600,000 metre of Belharra were delivered across domestic and international markets in Fiscal 2024.

Phase 4: Localization and Future Growth

Decathlon began localizing yarn previously sourced from China. We trialled and commercialized fabrics made from India-developed yarn. With more than 129 stores already operational in India as at mid-2024, Decathlon plans to double its India retail footprint over the next three to five years. India is central to Decathlon's

consumption and sourcing strategy, supported by a potential India-EU free trade agreement (“FTA”) and its near-sourcing model.

Strategic Insights

- Long-term collaboration built on trust and joint development.
- Domestic success enabled global adoption.
- Localized raw material sourcing strengthens cost and scalability.
- India’s expansion and FTA prospects position us for strong growth.
- Sustainability and near-sourcing reinforce alignment.

Case Study: 90-Litre Rucksack

Our development of a 90-litre (volume) rucksack for an Indian government customer demonstrates our solution-oriented approach focused on customer needs.

Phase 1: Identifying the Problem

The existing 90-litre rucksack was made of heavy natural fibre fabric and had poor waterproofing and low durability. We developed a new improved fabric for application.

Phase 2: Initiating Development

We began development and conducted extensive sample testing.

Phase 3: Product Shortlisting and Field Testing

One of our fabrics was shortlisted by the Indian government customer for further development. Prototypes underwent trials, and in 2017, the product received approval.

Phase 4: Standardization and Approval

Fabric specifications were finalized and approved in 2017.

Phase 5: Tender Execution and Ongoing Supply

The tender was floated in September 2017 for 794,674 units, and we fulfilled the entire fabric order between October 2019 and November 2022.

CERTIFICATIONS

We have the following certifications.

- ISO 9001:2015 certification, which demonstrates our commitment to quality management systems and continuous improvement.
- ISO 14001:2015 certification, which demonstrates our commitment to effective environmental management systems and minimizing our environmental impact.
- ISO/IEC 27001:2022 certification, which demonstrates our adherence to international standards for information security management and data protection.
- Oeko-Tex Standard 100 certification, which is granted to companies whose textiles meet high safety and environmental standards.
- IATF 16949 certification, which reflects our compliance with international automotive quality standards.
- GRS (Global Recycled Standard) certification, which shows our adherence to certain sustainable practices and the use of recycled materials.

- AS9100D certification, which highlights our adherence to quality management standards in the aerospace industry.

Our Company is also a member of the Parachute Industry Association, which demonstrates our involvement and adherence to standards within the parachute industry.

RESEARCH AND DEVELOPMENT

Our research and development (“R&D”) function is a core capability that drives our success and leadership in engineered fabrics. We combine expertise in polymer chemistry, weaving, coating, and finishing to create high-performance solutions for defence, aerospace, automotive, industrial, and lifestyle applications. Our dedicated R&D facilities house pilot-scale equipment and testing infrastructure that enable rapid prototyping, application simulation, and robust quality validation. As at March 31, 2025, our R&D function comprised 27 employees, including several scientists and engineers with expertise in the areas of high-tenacity yarn engineering, multi-layer fabric design, and functional coatings, among others. These capabilities have resulted in several product innovations, including parachute and inflatable fabrics, advanced multi-spectral camouflage systems and durable lifestyle and activewear textiles.

We collaborate closely with certain customers, government research establishments, and global partners, ensuring our innovations are market-relevant and adoption is accelerated. Looking forward, our R&D roadmap focuses on defence modernization, lightweight fabrics, composites, and high functional activewear, reinforcing our role as a dependable innovation partner and supporting long-term growth.

QUALITY CONTROL

Our quality control and assurance systems are intended to ensure that every product we manufacture meets the highest standards of performance, reliability, and safety. As a pioneer in our industry (*source: ILattice Report*), we have established comprehensive protocols that span the entire value chain – from raw material inspection to in-process checks and final product validation. Our testing infrastructure covers a wide range of parameters. Physical attributes, such as tensile strength, tear strength, abrasion resistance, bursting strength, thickness, and weight are routinely monitored. Chemical characteristics including washing performance, water absorbency, dimensional stability, spectrophotometry, and infrared reflectance are systematically evaluated. In addition, we measure and improve performance parameters, such as air porosity, sealing adhesion, flame retardancy, water repellence, waterproofness, cold cracking, and weathering performance. These systems not only safeguard consistency and compliance with customer specifications but also drive continuous innovation, enabling us to introduce advanced fabrics and solutions that are difficult for competitors to replicate. Our commitment to stringent quality assurance has been a cornerstone of customer trust and a key differentiator in our long-standing relationships across industries.

MARKETING AND SALES

Our business development, sales, and marketing function is designed to build long-term customer relationships, identify emerging opportunities, and expand our presence across domestic and global markets. We operate through a customer-centric approach, working closely with clients from the design stage to understand their evolving requirements and co-develop solutions tailored to their specifications. Our sales team engages with a diversified customer base across defence, aerospace, automotive, industrial, and lifestyle segments, ensuring both depth in key accounts and breadth across new markets. Business development efforts are supported by our technical expertise, which enables us to anticipate market needs and offer differentiated products that are difficult to replicate. Marketing initiatives focus on highlighting our innovation capabilities, reliability, and proven track record, reinforced by participation in industry exhibitions, global trade shows, and direct engagement with key stakeholders. We believe this integrated approach not only helps us secure repeat orders from existing customers but also positions us to capture new opportunities in adjacent markets. Our ability to combine technical credibility with customer relationships is a core strength that supports sustained growth.

We generally do not have long-term agreements for the sale of our products and instead we rely on purchase orders issued by our customers from time to time that set out the commercial terms and delivery conditions for the products to be procured from us. For more details, see “*Risk Factors – 21. We generally do not have long-term agreements for the sale of our products. If our customers choose not to source their requirements from us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows*” on page 46.

COMPETITION

The Indian engineered fabrics industry comprises a mix of diversified industrial groups and specialised technical textile manufacturers. Key companies operating in this space include Garware Technical Fibres Limited, SRF Limited, and Arvind Limited, each with distinct areas of focus across the engineered fabrics value chain (*source: 1Lattice Report*). These companies have established manufacturing capabilities, access to advanced machinery, and long-standing customer relationships. Competition in the industry is influenced by factors, such as product quality, pricing, innovation, and the ability to meet customer-specific requirements (*source: 1Lattice Report*). Indian manufacturers also face competition from global companies, such as DuPont de Nemours, Inc. (U.S.), Freudenberg Group (Germany), TenCate Fabrics (Netherlands), and Milliken and Company (U.S.), which supply engineered fabrics for high-performance applications across defence, aerospace, and industrial sectors (*source: 1Lattice Report*).

The industry presents several entry barriers, including regulatory approvals, specialised certifications, and long customer acquisition cycles, particularly in defence and aerospace applications (*source: 1Lattice Report*). Companies with established credentials and technical capabilities are better positioned to participate in procurement processes and long-term contracts.

As demand grows for sustainable, multifunctional, and smart textiles, competition is expected to evolve. Companies that invest in research and development and maintain consistent quality standards are likely to remain competitive (*source: 1Lattice Report*).

INTELLECTUAL PROPERTY

We rely on a combination of process knowledge and confidentiality agreements to establish and protect our intellectual property. In the course of our business, we rely on various intellectual property rights, including trademarks, designs, design rights, copyrights, confidential information, know-how and similar rights. All of this constitutes protected confidential and proprietary information. All of our intellectual property is legally held by us and all formalities in this regard have been complied with. Our business primarily focuses on the manufacturing of high-quality engineered fabrics and related end-products, which frequently relies on customer-specific product designs. We require all employees to adhere to procedures and clauses related to confidentiality, restraint, data protection, intellectual property, and ownership rights. To protect against potential intellectual property infringement, we ensure that adequate internal safeguards are in place with our vendors.

INFORMATION TECHNOLOGY

Information technology (“IT”) has emerged as a key business enabler for us and plays an important role in improving our overall productivity, client service and risk management. We believe that we have stable, secure and robust IT infrastructure and applications supporting our business and strategic initiatives. Our IT function provides the digital backbone for our multi-plant, multi-vertical operations. Our Enterprise Resource Planning (“ERP”) system integrates manufacturing, supply chain, finance, and customer management, enabling real-time visibility and data-driven decisions. Our manufacturing plants are digitized with automation in production, quality, and inventory monitoring, driving efficiency and reliability. Robust cybersecurity, disaster recovery, and access controls safeguard business continuity. We also deploy analytics, such as a business intelligence application from a major software developer to optimize costs, improve forecasting, and enhance customer responsiveness. Our IT roadmap emphasizes ERP upgrades, expanded automation, and advanced analytics, ensuring resilience and scalability. These investments position us as a digitally enabled, future-ready organization.

INSURANCE

We are generally required to maintain insurance for our manufacturing facilities. Our operations are subject to risks inherent in our industry, such as risks of work accidents, explosions, terrorist attacks, riots, fire, earthquakes, floods and other force majeure events. These hazards may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. We maintain insurance policies to cover various risks related to our operations and we believe that our insurance coverage is on comparable terms to that generally carried by companies engaged in similar businesses in India. Such insurance policies include inventory, plant and machinery, fixtures and fittings, boilers and pressure plants, fire and special perils, and burglary insurance.

SAFETY, HEALTH AND ENVIRONMENT

We are subject to extensive, evolving and increasingly stringent occupational safety, health and environmental laws and regulations governing our operations. Our safety, health and environmental practices and policies are continuously updated to adapt to the safety, health and environmental practices, rules and regulations of the different jurisdictions we operate in. We have implemented work safety measures and standards to help ensure healthy and safe working conditions for all the employees, contractors, visitors and clients at project sites. This includes deploying a health safety and environment assurance team to enforce and uphold optimal safety protocols.

WORKFORCE

Our workforce comprises employees and contract workers. In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract workers for performance of certain of our operations. The following table sets forth the numbers of our employees, categorized by function, and contract workers, as at March 31, 2025:

Workforce	Number
Employees:	
Accounts	26
Human Resources	37
Information Technology	10
Management	4
Marketing	30
Strategy and Management Information System	3
Operations	811
Research and Development	27
Supply Chain Management	41
Quality Assurance and Testing	93
Number of employees [A]	1,082
Number of contract workers [B]	630
Total workforce [C = A+B]	1,712

We believe our workforce is one of the critical pillars of our business. We emphasise holistic employee growth and welfare as part of building a sustainable and inclusive organisation. We invest in skill development, leadership programs, and structured career growth opportunities to enhance engagement and retention. Our goal is to drive employee performance and productivity by empowering them with relevant training. We have implemented various ongoing programs designed to enhance employees' skills and knowledge, including workshops, seminars, and training sessions to support their professional growth. We also hold seminars to enhance awareness of company policies and standard operating procedures. Additionally, we periodically offer workshops focused on soft skills, behavioural training, business etiquette, and other career development topics.

We provide a safe, healthy and thriving workplace with regular trainings on safety practices, health camps, and awareness programs. We implement several employee welfare activities to maintain a supportive work environment including medical insurance, scholarships for children, additional financial support through loans, subsidised meals, and transportation facilities. Recreational and cultural activities are encouraged to foster teamwork and a positive work environment. Our focus on welfare and development contributes to high employee commitment, enabling us to deliver long-term organisational performance.

For a table setting forth the attrition and the attrition rate of our employees during the last three fiscal years, please see “*Risk Factors – 35. Material increases in employee benefits expense as a percentage of our revenue from operations could have an adverse effect on our business, financial condition, results of operations and cash flows*” on page 55.

PROPERTIES

The table below sets out details of our properties:

Sr. No.	Property	Use	Owned/Description of lease/license	Is the seller/lessor / licensee a related party
1.	101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai 400056, Maharashtra, India	Registered office and corporate office	Name of lessor: Amita Dipen Soni, Babita Yogeshchandra Kusumgar and Sushmi A Doshi. Expiry date of lease: April 1, 2031 Rent payable: ₹0.36 million per month (with an annual increase of 3%)	Yes, the lessors are related persons of our Individual Promoters. Property has been leased since December 14, 2016.
2.	Survey No. 901-2, Village Umarsadi near Railway Station Killa, Taluka (Sub-district) Pardi, Valsad District, Gujarat, India	Warehouse	Owned by our Company	No
3.	Plot No. 1809, Chhiri Village, Vapi Taluka, Valsad District, Gujarat, India	Manufacturing facility	Name of lessor: Gujarat Industrial Development Corporation Expiry date of lease: For a period of 99 years with the right to renew for a further period of 99 years. Rent payable: ₹0.0 million	No
	Plot No 1808, Chhiri Village, Vapi, Valsad, Gujarat-396195		Name of lessor: Zabatex Textiles India Private Limited Expiry date of lease: Not applicable Rent payable: Not applicable	
4.	Plot No.10 & 11 Fairdeal Textile Park, Village Mahuvej, Taluka: Managrol, Dist: Surat, Gujarat	Manufacturing facility	Name of lessor: 4S Holdings Expiry date of lease: March 31, 2027 Rent payable: ₹0.50 million per month (with an annual increase of 10%).	Yes, 4S Holdings is a member of the Promoter Group. Property has been leased since April 30, 2016.
5.	Block No. 172, Old Block No. 157, Village: Kothwa, Taluka Mangrol, Dist. Surat-394110	Manufacturing facility	Name of lessor: Luthra Lineage Trust Expiry date of lease: February 28, 2033 Rent payable: ₹4.99 million + GST per month (with an annual increase of 4%)	No
6.	Block No. 183,184 and 112, Plot no 6 & 7, Shahlon Textile Park Pvt Ltd, Village Kothwa Taluka	Manufacturing facility	Name of lessor: Narsi Commercial Private Limited Expiry date of lease: September 30, 2027 Rent payable: ₹.65 million per month + GST (with an annual increase of 4%)	No
7.	New Block 602, Old block No. 692/A, Fairdeal textile park, Plot No Composite Unit-2, Mangrol, Mahuvaj, Surat-394125	Manufacturing facility	Name of lessor: Shahlon Silk Industries Limited Expiry date of lease: December 31, 2033 Rent payable: ₹1.78 million +GST per month (with an annual increase of 4%)	No

Sr. No.	Property	Use	Owned/Description of lease/license	Is the seller/lessor / licensee a related party
8.	C-43, Site CUPS, IDC, Sikandara, Agra	Fabrication unit	Name of lessor: Life Line Ultra Care Private Limited Expiry date of lease: March 1, 2026 Rent payable: ₹.11 million +GST per month	No
9.	New Khata No. 692, New survey no 1000 (Old survey no 153 +154+170/1/P1), Pardi, Paria Road, Village: Khadki, Tal: Pardi, Dist: Valsad, Gujarat	Manufacturing facility	Name of lessor: Samson Agro Tools Private Limited Expiry date of lease: February 29, 2027 Rent payable: ₹.41 million +GST per month (with an annual increase of 5%)	No
10.	Block No. 218, Chhamuchal Village, Mangrol Taluka, Surat District, Gujarat, India	Guest house	Name of lessor: 4S Holdings Expiry date of lease: May 1, 2034 Rent payable: ₹100,000 per month (with an annual increase of 5%)	Yes, 4S Holdings is a member of the Promoter Group. Property has been leased since May 1, 2024.

For details on the rent paid to related parties in Fiscals 2025, 2024 and 2023, see “*Risk Factors – 25. We have entered into, and will continue to enter into, related party transactions. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties*” on page 49.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We identify and address the material topics most relevant to our operations under the three pillars of Environment, Social, and Governance (ESG). These topics are derived from a comprehensive materiality assessment that prioritises key areas based on their impact on our operations and the influence they have on stakeholders.

Environment: We demonstrate our commitment to environmental sustainability through a strategic focus on key areas of environmental impact. We regularly assess our operational activities to ensure compliance with regulatory standards while actively contributing to global environmental objectives.

Social: Our commitment to social responsibility is reflected in our focus on safeguarding product safety, quality, and the health and safety of our workforce. By prioritising product safety and quality management and occupational health and safety, we ensure that our operations not only meet but exceed industry standards. Through rigorous testing, continuous monitoring, and comprehensive employee training, we strive for an empowered and valued workforce, supported by continuous training and development.

Governance: We uphold the principles of strong corporate governance and ethical business practices as cornerstones of our operations. Our approach to corporate governance and business ethics ensures transparency, accountability, and integrity in all our actions. By adhering to strict policies and implementing robust training, we mitigate risks associated with fraud, corruption, and conflicts of interest.

CORPORATE AND SOCIAL RESPONSIBILITY

We seek to be a socially responsible corporation, and we believe that CSR is an integral part of our operations. We have constituted a CSR committee of our Board of Directors and have adopted and implemented a CSR policy pursuant to which we carry out our CSR activities with certain focus areas, including eradication of hunger, poverty and malnutrition, promotion of education, gender equality, animal welfare and protection of flora and fauna.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain Indian laws, regulations, rules and guidelines which are relevant to our Company's business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The overview set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. For details of government approvals obtained by our Company in compliance with these regulations, see "Government and Other Approvals" beginning on page 364. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Industry Specific Laws

The Textiles Committee Act, 1963 and the rules framed thereunder

The Textile Committee Act, 1963 ("Act") was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee ("Textile Committee") with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objective as mentioned above, the functions of the Textile Committee *inter alia* include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry. The Textiles Committee Rules, 1965 govern the constitution and functioning of the Textile Committee, while the Textiles Committee (Cess) Rules, 1975 prescribe the manner of assessment, collection, and refund of cess levied on manufacturers of textiles and textile machinery.

Textile Development and Regulation Order, 2001 ("Textile Order")

The Central Government, in exercise of the powers conferred upon it under section 5 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993, brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the textile commissioner. The Textile Order confers upon the textile commissioner powers to issue directions to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the textile commissioner.

Export Promotion Capital Goods Scheme ("EPCG Scheme")

The EPCG Scheme aims to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. The EPCG Scheme also covers a service provide who is designated/ certified as a Common Service Provider ("CSP") by the Directorate General of Foreign Trade.

The EPCG Scheme allows import of capital goods for pre-production, production, and post-production at zero customs duty. However, in respect of EPCG licenses with a duty saved of ₹ 1,000 million or more, the same export obligation shall be required to be fulfilled over a period of 12 years. Further, exporters availing the scheme must

export goods equivalent to six times of duties, taxes and cess saved on the capital goods procured under the authorization, to be fulfilled within six years of reckoned from the date of issue of authorization.

National Textile Policy, 2000

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objectives of the NTP are as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (“IT”), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the state governments, financial institutions, entrepreneurs, farmers and non-governmental organizations in the fulfilment of these objectives, vide the NTP, the government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

National Textile Policy, 2024

The National Textile Policy, 2024 aims at strengthening the textile sector with a range of financial incentives and promoting employment. It builds on earlier frameworks with a focus on technical textiles, man-made fibre fabrics, and various manufacturing processes like weaving and dyeing. It introduces incentives such as capital subsidies, interest subvention, subsidized electricity, and wage support. The policy also offers support to self help groups (“SHGs”), promotes green and sustainable manufacturing, and facilitates technology acquisition and quality certification, aiming to boost India’s competitiveness and employment in the textile sector. It complements and updates prior policies to address modern industry challenges.

Gujarat Textile Policy, 2024

The Gujarat Textile Policy, 2024, issued by the Government of Gujarat, seeks to strengthen the state’s position as India’s textile hub by promoting integrated growth across the entire textile value chain. The Gujarat Textile Policy, 2024, effective from 1 October 2024 to 30 September 2029, aims to attract investments, boost employment, and support the development of garments, apparel, technical textiles, and related sectors. It provides an array of fiscal incentives, including capital and interest subsidies, power tariff and payroll assistance, and support for quality certification, technology acquisition, and sustainable practices. It lays down emphasis on fostering women’s participation, supporting MSMEs and youth, and encouraging green growth. Distinct benefits are available for labour-intensive units and projects investing in worker welfare, with eligibility criteria focused on investment thresholds and employment generation. The Gujarat Textile Policy, 2024, also outlines streamlined procedures for registration and incentive claims, and provides for flexibility in offering customised packages for mega-projects in the larger interest of the state.

Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018

The BIS Act provides for the establishment of a bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter alia*, (a) recognizing as an Indian standard, any standard

established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian standard. The Bureau of Indian Standards Rules, 2018, lay down *inter alia* the procedure for the establishment and review of Indian standards, adoption of standards as Indian standards and for publishing of Indian standards.

Boilers Act, 1923

The Boilers Act, 1923 regulates the installation, operation, and maintenance of boilers in India to ensure safety and prevent accidents. It mandates registration, periodic inspections, and certification of boilers by the Chief Inspector of Boilers. Only licensed operators can handle boilers, and safety standards must be strictly followed. The Act empowers state governments to enforce compliance and penalize violations, including fines or shutdowns for unregistered or unsafe boilers.

Electricity Act, 2003

The Electricity Act, 2003 (“**Electricity Act**”) was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days’ notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

The Petroleum Act, 1934 (Petroleum Act) and Petroleum Rules, 2002

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

Sale of Goods Act, 1930 (the “Sale of Goods Act”)

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

Production linked incentive scheme (“PLI Scheme”)

The aim of the PLI Scheme is to boost domestic manufacturing and cut down on import bills. The PLI Scheme provides companies with incentives on incremental sales from products manufactured in domestic units. Along with inviting foreign companies to set up shops in India, the PLI Scheme also aims to encourage local companies to set up or expand existing manufacturing units. The PLI Scheme was initially rolled out for mobile and allied equipment, pharmaceutical ingredients, and medical devices manufacturing. The government has thereafter expanded the ambit of the PLI Scheme to include as many as ten more sectors, such as textiles.

The Government of India approved the PLI Scheme for the textile sector in September 2021, with a total outlay of ₹10,683 crore over a five-year period. The scheme aims to promote domestic manufacturing and enhance exports in key segments of the textile value chain, specifically man-made fibre (“**MMF**”) fabrics and technical textiles. Incentives are provided on incremental turnover from eligible products manufactured in India, subject to prescribed investment and performance thresholds.

The PLI Scheme is intended to attract large-scale investments in the textile sector and reduce India’s reliance on imported MMF and high-value textile products. It forms part of the broader “Aatma Nirbhar Bharat Abhiyaan” initiative and is designed to strengthen India’s position in the global textile market. Both greenfield and brownfield projects are eligible under the scheme, and the incentives are fixed at the time of approval of the applicant, based on committed investment and projected sales.

Fire Prevention Laws

The State legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the 12th Schedule to the Constitution of India, which includes fire services. These legislations include provisions in relation to maintenance of fire safety and life saving measures by occupiers of buildings, procedure for obtaining no objection certificate and penalties for non-compliances.

Laws governing foreign investments

Foreign investment in India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Non-Debt Instruments Rules and the Foreign Direct Investment Policy (“**FDI Policy**”). In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Non-Debt Instrument Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant, provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. The total holding by each FPI or an investor group, shall be less than 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall be up to the sectoral cap applicable to the sector in which the Company operates. The said limit of 10% and 24% shall be called the individual and aggregate limit, respectively.

The RBI, with an aim to operationalise a new overseas investment regime, has introduced the new Foreign Exchange Management (Overseas Investment) Rules, 2022 (“**OI Rules**”) and the Foreign Exchange Management (Overseas Investment) Regulations, 2022 (“**OI Regulations**”), vide Notification No. G.S.R. 646(E) and Notification No. FEMA 400/2022-RB dated August 22, 2022 respectively. Further, the Foreign Exchange Management (Overseas Investment) Directions, 2022 (“**OI Directions**”) were introduced to be read with the OI Rules and the OI Regulations. The new regime simplifies the framework to cover wider economic activity and thereby, significantly reducing the need for specific approvals. Investment may be made by an Indian entity only in a foreign entity engaged in activities permissible under the law in force in India and the host jurisdiction. Any manner of Overseas Direct Investment (“**ODI**”) by an Indian entity shall be made as prescribed in the OI Rules, namely: (i) subscription as part of MoA or purchase of equity capital, (ii) acquisition through bidding or tender procedure, (iii) acquisition of equity capital by way of rights issue or allotment of bonus shares, (iv) capitalisation of any amount due from the foreign entity subject to applicable conditions, (v) swap of securities, and (vi) merger, demerger, amalgamation or any scheme of arrangement.

The Consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)

The Department for Promotion of Industry and Internal Trade (“**DPIIT**”), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy, effective from October 15, 2020. The Consolidated FDI Policy permits our Company 100% FDI under the automatic route. Pursuant to Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the Consolidated FDI Policy was amended with effect from October 15, 2020 to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI.

Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder (“Foreign Trade Act”)

The Foreign Trade Act, read with the applicable provisions of the Indian Foreign Trade Policy 2023, authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The Central Government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act requires every importer as well as exporter to obtain the Importer Exporter Code Number (“**IEC**”) from the Director-General or the authorised officer. The Director General is authorised to suspend or cancel IEC in case of (i) contravention by any person any of the provisions of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or person has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special licence, granted by the Director General to that person in a manner and subject to conditions as may be prescribed.

Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 and rules made thereunder

The provisions of the Customs Act and rules made there under are applicable to imported goods i.e. goods brought into India from a place outside India (except goods cleared for home consumption) and export goods i.e. goods which are to be taken out of India to a place outside India. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975

Environmental Laws

The Environment (Protection) Act, 1986 (“EPA”) read with Environment Protection Rules, 1986 (the “EP Rules”) and the Environmental Impact Assessment Notification, 2006 (“EIA Notification”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The Water Act provides for the establishment of Pollution Control Boards (“PCBs”) at Central and State levels to establish and enforce standards for discharging pollutants into water bodies. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state PCB. Failure to comply with specified directions or orders under the Water Act or acting in violation of the provisions of the Water Act, may lead to imprisonment of up to seven years, fines up to ₹10,000, and additional daily fines for continued non-compliance. In case of violation by a company, both the company and persons responsible for its business are deemed guilty unless they prove lack of knowledge or due diligence. Directors, managers, secretary or other officers of the company involved through consent, connivance, or neglect are also held liable and punished accordingly.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant. Under Section 37 of the Air Act, whoever fails to comply with the provisions of Section 22 or the directions issued under Section 31A of the Air Act, shall be liable to the penalty up to ₹ 1,500,000. There is an additional penalty of ₹ 10,000 per day if the requisite compliances under the aforesaid sections are not carried out.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Plastic Waste Management Rules, 2016 (“Plastic Waste Management Rules”)

The Plastic Waste Management Rules stipulate conditions for the manufacture, importer stocking, distribution and use of plastic carry bags, plastic sheets, packaging etc. They aim to increase minimum thickness of plastic carry bags and plastic sheets to 50 microns and also to facilitate collection and recycle of plastic waste. The Plastic Waste Management Rules bring in the responsibilities of producers, generators, importers and brand owners in the plastic waste management system and has introduced a collect back system of plastic waste by producers or brand owners. In addition to this, the applicability of the Plastic Waste Management Rules extends to rural areas as well.

Draft Environment Impact Assessment Notification 2020 (“Draft EIA 2020”)

The Ministry of Environment, Forest and Climate Change issued Draft EIA 2020, on March 23, 2020. It proposes to replace the existing Environment Impact Assessment Notification, 2006. It classifies all new projects or activities, including expansion and modernization of projects or activities, into three categories, namely, Category A, Category B1 and Category B2. It contemplates two kinds of approvals, being (i) prior environment clearance from the expert appraisal committee and (ii) environmental permission from concerned regulatory authority.

Projects or activities in Category A and Category B1 will receive prior environmental clearance from expert appraisal committee after completing a six-stage process –scoping, preparation of draft environmental impact assessment report, public consultation, preparation of final environmental impact assessment report, appraisal, and grant or rejection of prior environmental clearance. Projects or activities in Category B2 which require prior environmental clearance from expert appraisal committee must complete a three-stage process –preparation of environment management plan report, appraisal, grant or rejection of prior environmental clearance. Projects or activities in Category B2 which do not require prior environmental clearance from expert appraisal committee must complete a three-stage process –preparation of environment management plan report, verification of completeness of the application by regulatory authority, grant or rejection of prior environment permission.

The Draft EIA 2020 also provides a list of projects and activities exempted from the application of the notification. It also has provisions for monitoring the compliance and dealing with non-compliance of the conditions in prior environmental clearance and prior environmental permission.

Laws relating to Taxation

Tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Indian Stamp Act, 1899, and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations and the Integrated Goods and Services Tax Act, 2017, registrations issued under the applicable tax on professions, trades, callings and employments legislations of the relevant states, issued by the Directorate of Commercial Tax, and various rules and notifications thereunder and as issued by taxation authorities.

Labour Laws

Factories Act, 1948 (the “Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of its provisions.

Shops and establishments legislations of various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

In addition to the Factories Act and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various labour and employment related legislations that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) relevant State specific shops and commercial establishment legislations; (iii) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees’ State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees’ Compensation Act, 1923; (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; (xiv) Industrial Disputes Act, 1947; (xv) Child Labour (Prohibition and Regulation) act, 1986; (xvi) Industrial Employment (Standing Orders) Act, 1946; and (xvii) Trade Unions Act, 1926.

Other labour law legislations

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- (a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020, and other provisions of this code will be brought into force on a date to be notified by the Government of India.
- (b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes, received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It will subsume and simplify the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- (c) **Code on Social Security, 2020**, which received the assent of the President of India on September 28, 2020. Through its notification dated December 18, 2020, the Government of India brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(2)(s), 67(2)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the Government of India) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. The remaining provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- (d) **Occupational Safety, Health and Working Conditions Code, 2020**, received the assent of the President of India on September 28, 2020, which amends and subsumes certain existing legislations, including Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Intellectual Property Laws

The Copyright Act, 1957

The Copyright Act, along with the Copyright Rules, 2013 (“**Copyright Laws**”) governs copyright protection in India. The Register of Copyrights under the Copyright Laws acts as *prima facie* evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Trade Marks Act, 1999 (“Trademarks Act”)

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying for trademarks.

The Patents Act, 1970

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. The Patents Act recognises both product and process patents

and prescribes eligibility criteria for grant of patents, including the requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection.

The Design Act, 2000 (the “Design Act”)

The Design Act consolidates and amends the law relating to the protection of designs. The Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets ‘copyrights in design’ for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design. The Central Government also drafted the Design Rules, 2001 (the “**Design Rules**”) under the authority of the Design Act for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc

Other Applicable Laws

In addition to the above, our Company is also required to comply with other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations, including the Companies Act and rules framed thereunder, the Indian Contracts Act, 1872, Competition Act, 2002, municipal laws, and trade laws, to the extent applicable.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as “*Kusumgar Finstocks Private Limited*” as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 15, 1990, issued by the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”). The name of our Company was changed to “*Kusumgar Corporates Private Limited*” on account of takeover of proprietary concern of Kusumgar Corporates, pursuant to a resolution passed by our Board on August 5, 2008 and a special resolution passed by our Shareholders on September 12, 2008, and a fresh certificate of incorporation, consequent upon change of name was issued to our Company by the RoC on November 21, 2008. Further, the name of our Company was changed to “*Kusumgar Private Limited*” on account of expansion of business, pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders on February 8, 2024, and a fresh certificate of incorporation was issued to our Company by the Registrar of Companies, Central Processing Centre, Manesar, on March 28, 2024 pursuant to change of name. Thereafter, our Company was converted into a public limited company pursuant to a special resolution dated December 27, 2024, passed in the extraordinary general meeting of our Shareholders, and consequently the name of our Company was changed to its present name i.e., “*Kusumgar Limited*” and a fresh certificate of incorporation dated January 28, 2025 was issued by the Registrar of Companies, Central Processing Centre, Manesar, upon conversion to public company.

Changes in the registered office of our Company

The registered office of our Company is currently situated at 101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India.

Except as disclosed below, there have been no changes in our registered office since our incorporation:

Effective date of change	Details of change	Reason(s) for change
January 14, 2010	Change of registered office from “14/15 Aradhna Apts, Basant Road, Dr Anne Besant Road, Vile Parle (West), Mumbai – 400 056, Maharashtra, India” to “101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India.”	For ease of doing business

Main objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

- To carry on business of the manufacturers, dealers, importers, exporters, agents and, designers of fabric, garments auto-mastic machine, embroidery, warping, knitting, combing, spinning, weaving, bleaching, dying, printing, sizing, knitting of all types of textile cloths made of silks, art silk wool, nylon, polyester, stretching, staple fibers, colton, jute, rayon, hemp, flex, linen, manmade synthetic fibers and other fibrous materials and cultivation and or any other combination thereof.*
- To carry on business of manufacturing, spinning, weaving, bleaching, dying, printing, sizing, pressing, combing, ginning, embroidering, knitting, or otherwise purchasing, selling, exporting, importing, distributing and dealing in cotton, silk, art silk, nylon, polyester, wool, staple fibre, rayon, jute, hemp, linen, flax and or other fibrous substances allied products and by-product whether textiles felted, netted, embroidered, looped materials, fabrics and substances using any combination thereof. To conduct any other activities related to textiles with advancement of new technologies.*
- 2A. To carry on business of fabrication and integration of parachutes, para gliders, balloons, aerostats assembling and their accessories specially designed for military applications.*

The main objects as contained in the Memorandum of Association and the matters necessary for furtherance of the main objects, enable our Company to carry on the business presently being carried out as well as business proposed to be carried out by our Company.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/effective date	Particulars
January 20, 2023	Clause III of our Memorandum of Association was amended to reflect the change in the main objects of our Memorandum of Association by addition of the following sub-clause 2A: <i>"To carry on business of fabrication and integration of parachutes, para gliders, balloons, aerostats assembling and their accessories specially designed for military applications."</i>
February 8, 2024	Clause I of our Memorandum of Association was amended to change the name of our Company from "Kusumgar Corporates Private Limited" to "Kusumgar Private Limited"
October 1, 2024	Clause V of our Memorandum of Association was amended to reflect sub-division of each of the 300,000 equity shares of face value of ₹ 100 each into 30,000,000 equity shares of face value of ₹ 1 each.
December 27, 2024	Clause I of our Memorandum of Association was amended to change the name of our Company from "Kusumgar Private Limited" to "Kusumgar Limited" consequent to the conversion of our Company from a private limited company to a public limited company.
February 3, 2025	Clause V of our Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹30,000,000 divided into 30,000,000 equity shares of face value of ₹1 each, to ₹240,000,000 divided into 240,000,000 equity shares of face value of ₹1 each.
September 1, 2025	Clause V of our Memorandum of Association was amended to reflect re-classification of the authorised share capital from ₹240,000,000 divided into 240,000,000 equity shares of face value of ₹1 each to ₹240,000,000 divided into 215,000,000 Equity Shares of ₹1 each and ₹5,000,000 preference shares of ₹5 each.
September 4, 2025	Clause III of our Memorandum of Association was amended to reflect the change in the main objects of our Memorandum of Association by substitution of the following sub-clause 2: <i>"To carry on business of manufacturing, spinning, weaving, bleaching, dying, printing, sizing, pressing, combing, ginning, embroidering, knitting, or otherwise purchasing, selling, exporting, importing, distributing and dealing in cotton, silk, art silk, nylon, polyester, wool, staple fibre, rayon, jute, hemp, linen, flax and or other fibrous substances allied products and by-product whether textiles felted, netted, embroidered, looped materials, fabrics and substances using any combination thereof. To conduct any other activities related to textiles with advancement of new technologies."</i>

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar year	Particulars
2010	Established capabilities at the Vapi facility for manufacturing of technical textiles, parachute fabrics, geo synthetic and textile performance fabrics.
2017	Established a weaving facility at Kosamba
2017	Entered into a licensing agreement with a defence research and development organisation for the transfer of technology of the recovery parachute system
2021	Entered into a licensing agreement with a defence institute and a defence research and development organisation for transfer of technology and subsequent utilisation of extreme cold weather clothing system
2021	Supplied recovery system parachutes with deployment bag to the Indian government
2022	Received a transfer of technology certificate from a defence institute and a defence research and development organisation for successfully absorbing the technology for manufacturing the combat free fall parachute system
2025	Entered into a licensing agreement with a defence institute and a defence research and development organisation for the transfer of technology of the military combat parachute system
2025	Entered into a licensing agreement with a research and development organisation for the transfer of technology of the synthetic multispectral camouflage net

Key awards, accreditations or recognitions

Our Company has received the following key awards, accreditations and recognitions:

Calendar year	Key awards/ accreditations
1995	Received the National Award for Indigenisation by the Department of Defence Production, Ministry of Defence for excellence in indigenisation of defence equipment in the category of textile, chemical and rubber technology
2022	Received a certificate of membership from the Parachute Industry Association
2023	Received the IATF 16949 certification for our quality management system for manufacturing of woven fabric
2024	Received the Oeko-Tex Standard 100 certification for our woven fabrics made of polyamide and polyester
2024	Received AS9100D and ISO 9001:2015 certification for our quality management system for manufacturing and supply of woven fabric
2025	Received Global Recycled Standard certification for our greige fabrics and dyed fabrics and the processes carried out for such certified products for our facility at Karanj

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, associates and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any associates or joint ventures. The details of our Subsidiaries are set forth below.

Our Subsidiaries

1. Engineered Coated Fabric Private Limited (“ECFPL”)

Corporate information

Engineered Coated Fabric Private Limited was incorporated on June 19, 1985 as a private company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Its corporate identification number is U17100MH1985PTC036626 and its registered office is situated at 101, Manjushree, V.M. Road, Corner of N.S. Road No.5, JVPD Scheme, Vile Parle (W), Mumbai – 400 056, Maharashtra, India.

Nature of business

ECFPL is currently engaged in the business of manufacturing coated fabrics for defense, industrial, and specialized applications. Its operations include textile coating designed to meet specific functional requirements.

Capital structure

The capital structure of ECFPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Description
Authorised capital	₹6,000,000 consisting of 60,000 equity shares of ₹100.00 each
Issued, subscribed and paid-up capital	₹5,510,000 consisting of 55,100 equity shares of ₹100.00 each

Shareholding pattern

The shareholding pattern of ECFPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹100.00 each held	Percentage of total capital (%)
1.	Kusumgar Limited	55,099	100.00
2.	Sia Siddharth Kusumgar*	1	Negligible

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹100.00 each held	Percentage of total capital (%)
	Total	55,100	100.00

* As a nominee shareholder of our Company.

Brief financial highlights

The brief financial details of ECFPL as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, derived from the (i) the audited standalone special purpose financial statements as at and for the year ended 31 March 2023, prepared in accordance with Ind AS, (ii) the audited standalone special purpose financial statements as at and for the year ended 31 March 2024, prepared in accordance with Ind AS, and (iii) the audited standalone financial statements as at and for the year ended 31 March 2025, prepared in accordance with Ind AS, are as follows:

(in ₹ million, except per share data)

Particulars	As at and for the year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Equity share capital	5.51	5.51	5.51
Net worth	111.13	79.41	45.61
Revenue from operations	478.40	552.18	977.51
Profit/ (loss)	31.84	33.85	6.26
Earnings per equity share (basic) (in ₹)	577.95	614.30	113.67
Earnings per equity share (diluted) (in ₹)	577.95	614.30	113.67
Net asset value per equity share (in ₹)	2,016.8	1,441.20	827.77
Total borrowings	-	-	-

2. Kusumgar Middle East FZ – LLC (“Kusumgar FZ”)

Corporate information

Kusumgar Middle East FZ - LLC was incorporated on February 8, 2024 as a free zone limited liability company under the provisions of Company’s Regulations of Ras Al Khaimah Economic Zone Authority with the Registrar of Ras Al Khaimah Economic Zone. Its registration number is 0000004048158 and its registered office is situated at T111F-7E, Amenity Centre – RAKEZ, Al Hamra Industrial Zone-FZ, RAK, United Arab Emirates.

Nature of business

Kusumgar FZ is currently engaged in the business of international trading and distribution of technical textile fabrics as well as solution including comprehensive maintenance services for certain defense products.

Capital structure

The capital structure of Kusumgar FZ as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Description
Authorised capital	AED 100,000.00 consisting of 100 equity shares of AED 1,000.00 each
Issued, subscribed and paid-up capital	AED 100,000.00 consisting of 100 equity shares of AED 1,000.00 each

Shareholding pattern

The shareholding pattern of Kusumgar FZ as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value of AED 1,000.00 each held	Percentage of total capital (%)
1.	Kusumgar Limited	100	100.00
	Total	100	100.00

Brief financial highlights

The brief financial details of Kusumgar FZ for Fiscals 2025, 2024 and 2023, derived from the audited financial statements are as follows:

(in ₹ million, except per share data)

Particulars	As at and for the year ended		
	March 31, 2025	March 31, 2024 [^]	March 31, 2023 [^]
Equity share capital	2.33	-	N.A.
Net worth	(0.18)	(1.38)	N.A.
Revenue from operations	-	-	N.A.
Profit/ (loss)	(1.08)	(1.37)	N.A.
Earnings per equity share (basic) (in ₹)	(0.01)	(0.01)	N.A.
Earnings per equity share (diluted) (in ₹)	(0.01)	(0.01)	N.A.
Net asset value per equity share (in ₹)	N.A.	N.A.	N.A.
Total borrowings	9.31	-	N.A.

[^]Kusumgar FZ was incorporated during the Fiscal 2024, with share allotment being completed in Fiscal 2025. Accordingly, the first financial statements have been prepared for financial the year ended March 31, 2025. Expenses incurred by our Company on behalf of Kusumgar FZ in Fiscal 2024 have been reclassified and presented as comparative figures for proper disclosure.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common pursuits

Our Subsidiaries are engaged in similar line of business as that of our Company and accordingly there are certain common pursuits amongst our Subsidiaries and our Company. However, since our Subsidiaries are wholly-owned subsidiaries of our Company, there is no conflict of interest between our Company and our Subsidiaries as a result of such common pursuit. Our Company will adopt the necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

Business interest between our Company and our Subsidiaries

Except as stated in “Our Business” and “Restated Financial Information – Note 43 – Related Party Disclosures” on pages 179 and 299, respectively, our Subsidiaries do not have any business interest in our Company.

Except as disclosed in “Restated Financial Information – Note 43 – Related Party Disclosures” on page 299, there have been no related business transactions between our Company and our Subsidiaries during the last three Fiscals.

Other Confirmations

Our Subsidiaries are not listed on any stock exchange in India or abroad. Further, our Subsidiaries have not been refused listing in the last ten years by any stock exchange in India or abroad, nor have our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

There is no conflict of interest between the suppliers of raw materials, third-party service providers and lessors of the immovable properties (each crucial to operations of our Company) and our Subsidiaries.

Time/cost overrun in setting up projects by our Company

There have been no time and cost overruns pertaining to our business operations or any projects undertaken by our Company.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets to the extent applicable, see “Our Business” on page 179.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of plants of our Company, see “*Our Business – Manufacturing Capabilities*” on page 192.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults, restructuring or rescheduling of borrowings availed by our Company from financial institutions or banks.

Material clauses of the Articles of Association

There are no material clauses of the AoA that have been left out from disclosure in this Draft Red Herring Prospectus, having a bearing on the Offer. Refer, “*Description of Equity Shares and Terms of Articles of Association*” on page 420 for the AoA of the Company.

Details of material acquisitions or divestments of business undertaking in the last 10 years

Except as disclosed below, our Company has not undertaken a material acquisition or divestment of any business/undertaking in the 10 years preceding the date of this Draft Red Herring Prospectus:

Share purchase/ transfer agreement dated December 5, 2024 amongst our Company, Siddharth Yogesh Kusumgar (“Seller 1”), Sapna Siddharth Kusumgar (“Seller 2”, and together with Seller 1, the “Sellers”) and Engineered Coated Fabrics Private Limited (“ECFPL SPA”)

Pursuant to the share purchase/transfer agreement dated December 5, 2024, the Sellers, Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar, who were the legal, beneficial and equal owners of 55,100 fully paid-up equity shares of ₹100 each of Engineered Coated Fabrics Private Limited (“ECFPL”) representing 100% of the paid-up equity share capital of ECFPL (“**Sale Shares**”), agreed to sell their entire shareholding to our Company, with one share held by Sia Siddharth Kusumgar as nominee of our Company (“**Nominee**”), for an aggregate consideration of ₹1,118.53 million. The consideration was calculated at ₹ 20,300 per equity share, based on a valuation report dated September 15, 2024 issued by Vivro Financial Services Private Limited. Pursuant to the ECFPL SPA, our Company acquired direct and full ownership of the Sale Shares. Further, pursuant to the completion of the transfer of shares, ECFPL was classified a wholly-owned Subsidiary of our Company. For further details of ECFPL, please see “*Our subsidiaries, associates and joint ventures*” on page 215 above.

Material mergers or amalgamation in the last 10 years

Our Company has not undertaken any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details of subsisting shareholders’ agreements

Except as disclosed below, there are no subsisting shareholders’ agreements by and amongst the Shareholders of the Company as on the date of this Draft Red Herring Prospectus:

1. ***Letter Agreement dated September 22, 2025 amongst our Company, WhiteOak Capital India Opportunities Fund, WhiteOak Capital Equity Fund, Ashoka India Equity Investment Trust Plc, Ashoka Whiteoak Emerging Markets Trust Plc, Ara Investments Private Limited, Tibrewala Electronics Limited, Motilal Oswal Finvest Limited, Frangipani Capital Advisors LLP, Edelweiss Discovery Fund - Series I, Spark Midas Investment Fund I (together, the “Institutional Investors”), the Promoters, Sia Kusumgar, Sanay Kusumgar, Concord Weaving Preparatory Private Limited, Kusumgar Holdings LLP (together, the “Promoter Group Shareholders”) (collectively, the “Parties”) (“Letter Agreement”), read with the Waiver***

cum Amendment Agreement

The Parties have entered into this Letter Agreement to, *inter alia*, set out the terms governing their relationship as Shareholders of the Company. The Letter Agreement sets out rights and obligations of the Parties, including, *inter alia*, (i) certain exit rights available to the Institutional Investors, including, *inter alia*, put option, buy-back, and tag along rights, which may be triggered by specified events; (ii) transfer restrictions on the Institutional Investors, the Promoters and Promoter Group Shareholders; (iii) pre-emptive rights granted to Institutional Investors and information rights; (iv) anti-dilution protections accorded to the Institutional Investors and (vi) the right of Institutional Investors to nominate observers to meetings of the Board and relevant committees.

The Letter Agreement shall automatically terminate, in respect to each party, in its entirety, and cease to have any force and effect from the date of listing of Equity Shares on a Recognized Stock Exchange (*as defined in the Letter Agreement*) in India pursuant to the IPO (*as defined in the Letter Agreement*), without any further action by our Company or by any Party.

Accordingly, in view of the Offer, our Company, the Promoters, the Institutional Investors and the Promoter Group Shareholders have entered into the Waiver cum Amendment Agreement pursuant to which parties of the Waiver cum Amendment Agreement have provided certain waivers from the rights and obligations under the provisions of the Letter Agreement to facilitate the Offer, including, *inter alia*, (i) waiver of certain rights provided in the Letter Agreement, specifically to the extent of any transfers proposed to be undertaken pursuant to an offer for sale in the IPO (*as defined in the Letter Agreement*) including transfers by Institutional Investor and Promoters, pre-emptive rights and anti-dilution protection; (ii) waiver of certain rights of the Institutional Investors from the date of consummation of the IPO, i.e., upon actual listing and trading of equity shares including exit rights (except in relation to the IPO), third party sale and tag along rights; (iii) deletion of certain rights including, *inter alia*, put option and buy-back, from the date of filing of this Draft Red Herring Prospectus ("**Effective Date**"); and (iv) amendment of certain terms of the Letter Agreement including certain definitions.

The Waiver cum Amendment Agreement shall come into force on the Effective Date and will terminate on the earlier of the date of *inter alia* (i) the Waiver cum Amendment Agreement being terminated by mutual written agreement of the parties to the Waiver cum Amendment Agreement; (ii) in the event that consummation of the IPO (*as defined in the Letter Agreement*) does not occur: (a) within 12 months from the date of receipt of the final observations from SEBI on the draft red herring prospectus filed by our Company in respect of an IPO (*as defined in the Letter Agreement*); or (b) by December 31, 2027, whichever is earlier.

2. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar ("Promoter Seller 1"), Sapna Siddharth Kusumgar ("Promoter Seller 2"), Siddharth Yogesh Kusumgar HUF ("Promoter Seller 3" and together with Promoter Seller 1 and Promoter Seller 2, "Promoter Sellers") and Ashoka India Equity Investment Trust PLC ("Ashoka India SSPA")***

Pursuant to the Ashoka India SSPA, Ashoka India Equity Investment Trust PLC (i) subscribed to 383,562 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 140,000,130 and (ii) purchased 575,342 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 209,999,830 from Promoter Seller 1. The CCPS shall compulsorily convert into Equity Shares in a conversion ratio of 1:1, upon the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. The CCPS carry voting rights on an as-converted basis. For details of allotment of Equity Shares upon conversion of such CCPS, see "*Capital Structure- Terms of conversion of CCPS*" on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

3. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar ("Promoter Seller 1"), Sapna Siddharth Kusumgar ("Promoter Seller 2"), Siddharth Yogesh Kusumgar HUF ("Promoter Seller 3" and together with Promoter Seller 1 and Promoter Seller 2, "Promoter Sellers") and Ashoka Whiteoak Emerging Markets Trust Plc ("Ashoka Whiteoak SSPA")***

Pursuant to the Ashoka Whiteoak SSPA, Ashoka Whiteoak Emerging Markets Trust Plc (i) subscribed to 32,877 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 12,000,105 and (ii) purchased

49,315 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 17,999,975 from Promoter Seller 2. The CCPS shall compulsorily convert into Equity Shares at a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure- Terms of conversion of CCPS*” on page 93. A valuation report was obtained from Bala Yadav, Chartered Accountant, by our Company for the determination of the fair value of the CCPS and the Equity Shares as of June 30, 2025.

4. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and WhiteOak Capital India Opportunities Fund (“WO India SSPA”)***

Pursuant to the WO India SSPA, WhiteOak Capital India Opportunities Fund (i) subscribed to 383,562 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 140,000,130 and (ii) purchased 575,342 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 209,999,830 from Promoter Seller 2. The CCPS shall compulsorily convert into Equity Shares at a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. A valuation report was obtained from Bala Yadav, Chartered Accountant, by our Company for the determination of the fair value of the CCPS and the Equity Shares as of June 30, 2025.

5. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and WhiteOak Capital Equity Fund (“WO Equity SSPA”)***

Pursuant to the WO Equity SSPA, WhiteOak Capital Equity Fund (i) subscribed to 21,918 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 8,000,070 and (ii) purchased 32,877 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 12,000,105 from Promoter Seller 2. The CCPS shall compulsorily convert into Equity Shares at a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure- Terms of conversion of CCPS*” on page 93. A valuation report was obtained from Bala Yadav, Chartered Accountant, by our Company for the determination of the fair value of the CCPS and the Equity Shares as of June 30, 2025.

6. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and Ara Investments Private Limited and Tibrewala Electronics Limited (“Ara-Tibrewala SSPA”)***

Pursuant to the Ara-Tibrewala SSPA, Ara Investments Private Limited and Tibrewala Electronics Limited (i) subscribed to 54,795 and 21,918 CCPS of face value of ₹ 5 each, respectively, at a price of ₹ 365 each, aggregating to ₹ 28,000,245 and (ii) purchased 82,192 Equity Shares of face value of ₹ 1 each from Promoter Seller 1 and 32,877 Equity Shares of face value of ₹ 1 each from each of the Promoters Sellers, respectively, at a price of ₹ 365 each, aggregating to ₹ 42,000,185. The CCPS shall compulsorily convert into Equity Shares at a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

7. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and Motilal Oswal Finvest Limited (“MO Finvest SSPA”)***

Pursuant to the MO Finvest SSPA, Motilal Oswal Finvest Limited (i) subscribed to 1,095,890 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 399,999,850 and (ii) purchased 1,643,836 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 600,000,140 from Promoter Seller 1. The CCPS shall compulsorily convert into Equity Shares at a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

8. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and Frangipani Capital Advisors LLP (“Frangipani SSPA”)***

Pursuant to the Frangipani SSPA, Frangipani Capital Advisors LLP (i) subscribed to 273,973 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 100,000,145 and (ii) purchased 410,959 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 150,000,035 from Promoter Seller 3. The CCPS shall compulsorily convert into Equity Shares in a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

9. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and Spark Midas Investment Fund I (“Spark SSPA”)***

Pursuant to the Spark SSPA, Spark Midas Investment Fund I (i) subscribed to 547,945 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 199,999,925 and (ii) purchased 1,095,890 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 399,999,850 from Promoter Seller 2. The CCPS shall compulsorily convert into Equity Shares in a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

10. ***Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar (“Promoter Seller 1”), Sapna Siddharth Kusumgar (“Promoter Seller 2”), Siddharth Yogesh Kusumgar HUF (“Promoter Seller 3” and together with Promoter Seller 1 and Promoter Seller 2, “Promoter Sellers”) and Edelweiss Discovery Fund – Series I (“Edelweiss SSPA”)***

Pursuant to the Edelweiss SSPA, Edelweiss Discovery Fund – Series I (i) subscribed to 684,932 CCPS of face value of ₹ 5 each at a price of ₹ 365 each, aggregating to ₹ 250,000,180 and (ii) purchased 1,369,863 Equity Shares of face value of ₹ 1 each at a price of ₹ 365 each, aggregating to ₹ 499,999,995 from Promoter Seller 1. The CCPS shall compulsorily convert into Equity Shares in a conversion ratio of 1:1, on the earlier of (i) our Company filing the Red Herring Prospectus in connection with the Offer, or (ii) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of the CCPS. For details of allotment of Equity Shares upon conversion of such CCPS, see “*Capital Structure-Terms of conversion of CCPS*” on page 93. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.

11. ***Share purchase agreement dated September 22, 2025, between Siddharth Yogesh Kusumgar HUF and Nuvama Custodial Services Limited (“Nuvama SPA”)***

Pursuant to the Nuvama SPA, Nuvama Custodial Services Limited purchased 410,959 Equity Shares of face

value of ₹ 1 each aggregating upto 0.39% of our issued and paid-up capital on a fully diluted basis, at a price of ₹ 365 each, aggregating to ₹ 150,000,035 from one of our Promoters, Siddharth Yogesh Kusumgar HUF. The consideration for the purchase of the Equity Shares was determined based on the valuation report on the fair market valuation of Equity Shares obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025. For details of transfer of such Equity Shares, see “*Capital Structure – Build-up of the Promoters shareholding in our Company*” on page 102.

12. *Share purchase agreement dated September 25, 2025, between Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, PAM Family Trust, Shradha Family Trust, M/s. Elcid Investments Limited, Hanuman Freight and Carriers Private Limited, Nayan Kantilal Gudka, Ajaykiran Kantilal Gudka (“WhiteOak SPA”)*

Pursuant to the WhiteOak SPA, PAM Family Trust, Shradha Family Trust, M/s. Elcid Investments Limited, Hanuman Freight and Carriers Private Limited, Nayan Kantilal Gudka, Ajaykiran Kantilal Gudka (collectively, the “**Investors**”) purchased 136,987 Equity Shares aggregating to ₹50.00 million and 82,192 Equity Shares aggregating to ₹ 120.00 million, at a price of ₹ 365 per share, from Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar, respectively. The consideration for the purchase of the Equity Shares was determined based on the valuation report issued by Bala Yadav, Chartered Accountant, as of June 30, 2025. For further details, see “*Capital Structure – Build-up of the Promoters shareholding in our Company*” on page 102.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business

As on the date of this Draft Red Herring Prospectus, there are no subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business.

Other agreements

Except as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business:

1. *Deed of assignment of trademarks and copyrights dated September 13, 2025 entered into by and amongst Kusumgar Holdings LLP (“Assignor”) and Kusumgar Limited (“Company”) (“Kusumgar DOA”)*

Pursuant to the Kusumgar DOA, the Assignor has transferred all rights, title and interest owned by them with respect to the trademarks consisting/comprising of ‘KUSUMGAR’ as their leading and essential feature including 3 registered trademarks, as well as the copyrights associated with the artistic works therein, together with the goodwill attached thereto, to our Company for a consideration of ₹ 51,000, which has been paid by our Company to the Assignor. The Assignor has confirmed its full ownership of the assigned assets, that there are no charges or encumbrances except for renewal fees, and has agreed to execute any documents necessary for vesting the full rights in our Company and enabling registration as proprietor with the Registrar of Trademarks.

2. *Trademark license agreement dated September 1, 2025 entered into by and amongst Inv Performance Materials, LLC and Invista Textiles (U.K.) Limited (“INVISTA”) and our Company (“Trademark Licensing Agreement”)*

Pursuant to the Trademark Licensing Agreement, INVISTA granted a limited, non-transferable, non-exclusive, revocable, royalty free license to use three of its trademarks including CORDURA, CORDURA TrueLock and CORDURA Classic (“**Licensed Marks**”), on certain products of our Company, as identified in the Trademark Licensing Agreement (“**Licensed Products**”), and in connection with the marketing and sales of such Licensed Products. As per the terms of the Trademark Licensing Agreement, the license is valid from September 1, 2025 to August 31, 2026.

Neither our Promoters, members of the Promoter Group nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Except as disclosed above, there are no other agreements/ arrangements and clauses / covenants, to which our Company or our Promoters or Shareholders are a party, which are material, and which need to be disclosed in this Draft Red Herring Prospectus or non-disclosure of which may have bearing on the investment decision in connection with the Offer. There are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority/public shareholders of our Company. Further, there are no other agreements, deed of assignments, shareholder agreements, inter-se agreements or agreements of like nature.

Except as disclosed above, there are no agreements entered into by our Shareholders, Promoters, members of the Promoter Group, related parties of our Company, Directors, Key Managerial Personnel, employees of our Company or our Subsidiaries, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, whether or not our Company is a party to such agreements.

Details of guarantees given to third parties by the Promoters participating in the Offer for Sale

Except as disclosed below, our Promoter Selling Shareholders have not issued any guarantees to third parties in relation to the borrowings availed by our Company.

Name of the guarantor/ Promoter Selling Shareholder	Name of lender	Name of the borrower	Amount of the guarantee	Purpose of borrowing/ facility	Term / maturity date	Financial implications in the event of default	Amount outstanding as on August 15, 2025 (in ₹ million)
Siddharth Yogesh Kusumgar	HDFC Bank	Kusumgar Limited	35.00	Capex	6 years including 12 months moratorium	Personal guarantor will be liable for default	0.50
	HDFC Bank	Kusumgar Limited	450.00	Capex	6 years including 12 months moratorium	Personal guarantor will be liable for default	247.40
	HDFC Bank	Kusumgar Limited	1000.00	Capex	6 years including 12 months moratorium	Personal guarantor will be liable for default	871.10
	HDFC Bank	Kusumgar Limited	180.00	Capex	7 years including 12 months moratorium	Personal guarantor will be liable for default	56.90
	HDFC Bank	Kusumgar Limited	35.00	Capex	5 years	Personal guarantor will be liable for default	9.80
	ICICI Bank	Kusumgar Limited	400.00	Working capital	Working capital demand loan for 30 to 90 days	Personal guarantor will be liable for default	343.33
	Citi Bank	Kusumgar Limited	600.00	Working capital	1 year for cash credit, 5 years for bank guarantee and 6 months for	Personal guarantor will be liable for default	523.42

Name of the guarantor/ Promoter Selling Shareholder	Name of lender	Name of the borrower	Amount of the guarantee	Purpose of borrowing/ facility	Term / maturity date	Financial implications in the event of default	Amount outstanding as on August 15, 2025 (in ₹ million)
	HDFC Bank	Kusumgar Limited	890.00	Working capital	others Working capital demand loan for 30 to 90 days	Personal guarantor will be liable for default	890.01

Further, see “Risk Factors – 18. Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may adversely affect their ability to effectively service their obligations and thereby adversely affect our business and operations” on page 45.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Company may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have six Directors on our Board, comprising three Executive Directors, three Non-Executive and Independent Directors, including one woman Independent Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Siddharth Yogesh Kusumgar <i>Designation:</i> Chairman and Managing Director <i>Date of birth:</i> May 7, 1976 <i>Address:</i> 101 Manjushree, V M Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India <i>Occupation:</i> Professional <i>Current term:</i> Five years with effect from February 1, 2025, liable to retire by rotation <i>Period of directorship:</i> Since August 1, 2000 <i>DIN:</i> 01676799	49	<i>Indian companies:</i> 1. Concord Weaving Preparatory Pvt Ltd; 2. Engineered Coated Fabric Private Limited; 3. Four S Weaving Private Limited; 4. Gujarat Themis Biosyn Limited; 5. Specialty Fabrics Private Limited; 6. Toray Kusumgar Advanced Textile Private Limited; and 7. V.B. Kusumgar and Co Private Ltd. <i>Foreign companies:</i> Nil
Sapna Siddharth Kusumgar <i>Designation:</i> Joint Managing Director <i>Date of birth:</i> December 9, 1975 <i>Address:</i> 101 Manjushree, V. M. Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India <i>Occupation:</i> Self-employed <i>Current term:</i> Five years with effect from February 1, 2025, liable to retire by rotation <i>Period of directorship:</i> Since April 25, 2022 <i>DIN:</i> 06736984	49	<i>Indian companies:</i> 1. Four S Weaving Private Limited; 2. Specialty Fabrics Private Limited. <i>Foreign companies:</i> Nil
Ankur Kothari <i>Designation:</i> Executive Director and Chief Executive Officer <i>Date of birth:</i> October 30, 1984 <i>Address:</i> 201, Second Floor, Rushabh, S V Road, Near Irla Bridge, Andheri West, Mumbai – 400 058, Maharashtra, India	40	<i>Indian companies:</i> 1. Arsports Equipment Private Limited; and 2. Engineered Coated Fabric Private Limited. <i>Foreign companies:</i> Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<i>Occupation:</i> Service <i>Current term:</i> Five years with effect from February 1, 2025, liable to retire by rotation <i>Period of directorship:</i> Since September 25, 2020 <i>DIN:</i> 07694977		
Kaushal Jaysingh Sampat <i>Designation:</i> Independent Director <i>Date of birth:</i> October 20, 1970 <i>Address:</i> B-1202, Rustomjee Elements, New D.N. Nagar, Link Road, Andheri West, Off. Juhu Circle, Opp. The Club, Mumbai, Mumbai Suburban, Maharashtra – 400 053, India <i>Occupation:</i> Business <i>Current term:</i> Five years with effect from March 17, 2025, and shall not be liable to retire by rotation <i>Period of directorship:</i> Since March 17, 2025 <i>DIN:</i> 01932997	54	<i>Indian companies:</i> 1. W P Organisation (Mumbai Chapter); 2. Rubix Data Sciences Private Limited; and 3. Apar Industries Limited. <i>Foreign companies:</i> Nil
Deepti Gupta <i>Designation:</i> Independent Director <i>Date of birth:</i> November 29, 1965 <i>Address:</i> 36 West Avenue, IIT Delhi Campus, Hauz Khas, New Delhi- 110 016, India <i>Occupation:</i> Academician <i>Current term:</i> Five years with effect from March 17, 2025, and shall not be liable to retire by rotation <i>Period of directorship:</i> Since March 17, 2025 <i>DIN:</i> 08481203	59	<i>Indian companies:</i> 1. Voith Paper Fabrics India Limited <i>Foreign companies:</i> Nil
Nihar Ajay Parikh <i>Designation:</i> Independent Director <i>Date of birth:</i> November 13, 1985 <i>Address:</i> Omkar 1973, B 5602, Pandurang Budhkar Marg, Next to Neelam Centre, Worli Colony, Mumbai, Maharashtra - 400 030, India <i>Occupation:</i> Professional <i>Current term:</i> Five years with effect from June 10, 2025, and shall not be liable to retire by rotation <i>Period of directorship:</i> Since June 10, 2025 <i>DIN:</i> 02475787	39	<i>Indian companies:</i> 1. Minfinite Merchantile Private Limited; 2. Tejal Merchantile Private Limited; and 3. Gujarat Themis Biosyn Limited. <i>Foreign companies:</i> Nil

Brief profiles of our Directors

Siddharth Yogesh Kusumgar is the Chairman and Managing Director of our Company. He holds a diploma in textiles from Synthetic and Art Silk Mills Research Association, Mumbai. He is responsible for strategic leadership, business growth, etc. in the Company. He has over 25 years of experience in the field of technical textiles.

Sapna Siddharth Kusumgar is the Joint Managing Director of our Company. She holds a bachelor's degree in engineering (in its construction engineering branch) from Mahavir Education Trust's Shah and Anchor Kutchi Engineering College, University of Mumbai and a post graduate diploma in management (family managed business) from S.P. Jain Institute of Management & Research, Mumbai. She is responsible for business integration, enhancing specialized value-added offerings, aligning organizational capabilities with evolving global market demands, etc. in the Company. She has over 21 years of experience in the field of human resources and information technology and technical textiles.

Ankur Kothari is an Executive Director and Chief Executive Officer of our Company. He holds a bachelor's degree in textile technology from the Indian Institute of Technology, Delhi and a master's degree in business administration from J.L. Kellogg School of Management, Northwestern University. He is responsible for growth and financial performance, ensuring governance and compliance, overseeing operations and risk, etc. in the Company. He was previously associated with the Boston Consulting Group as a project leader and Arvind Limited as chief operating officer – comp. indus fabrics & non-wovens in the past and has over 15 years of experience in the field of strategy and operating roles.

Kaushal Jaysingh Sampat is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Bombay and holds a master's degree in business administration from Bowling Green State University, Ohio. He was associated with Dun & Bradstreet Information Services India Private Limited as a president and managing director – India in the past and is currently also associated with Rubix Data Sciences Private Limited as a director. He has over 16 years of experience in the field of general management, sales, marketing and operations, international business development, risk management, data and analytics.

Deepti Gupta is an Independent Director of our Company. She holds a bachelor's degree in science (home science) from Govind Ballabh Pant University of Agriculture & Technology, Pantnagar, a master's degree in science (clothing and textiles) from Govind Ballabh Pant University of Agriculture & Technology, Pantnagar and Doctor of Philosophy degree (Ph.D.) in textile technology from Indian Institute of Technology, Delhi. She is associated with Department of Textile & Fibre Engineering at Indian Institute of Technology, Delhi as a professor and has over 28 years of experience in textile chemical processing, product development and as an academician.

Nihar Ajay Parikh is an Independent Director of our Company. He holds a bachelor's degree in chemical engineering from Mumbai University. He is also associated with Tejal Merchantile Private Limited and has over 10 years of experience in the field of business strategy, finance and operations.

Relationship between our Directors, Key Managerial Personnel and Senior Management

Except for Sapna Siddharth Kusumgar who is the spouse of Siddharth Yogesh Kusumgar, none of our Directors, Key Managerial Personnel or Senior Management are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any of the stock exchange during the term of their directorship in such company.

None of our Directors is or was a director on the board of directors of any listed company, which has been or was delisted from any stock exchange, during the term of their directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by

them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as a Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

None of our Directors have been declared a Fugitive Economic Offender.

While certain of our Directors may be interested to the extent of consideration paid by our Company in the form of lease rent to certain entities in which they are interested, there is no conflict of interest of our Directors with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to the business and operations of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers, or others pursuant to which our Directors were selected as a Director or Senior Management

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment of the Director.

Terms of appointment of our Directors

Executive Directors

Siddharth Yogesh Kusumgar, Chairman and Managing Director

Our Board at their meeting held on February 3, 2025, approved the reappointment of Siddharth Yogesh Kusumgar as the Chairman and Managing Director of the Company for a period of five years with effect from February 1, 2025.

Pursuant to a resolution passed by our Board and Shareholders on February 3, 2025 and June 16, 2025, respectively, he is entitled to the following remuneration and perquisites:

Sr. No	Particulars	Remuneration
1.	Basic salary	₹ 6,25,000/- per month with power to the Board or its committee to give one or more annual increment subject to a maximum basic salary of ₹ 15,00,000/- per month.
2.	Perquisites	- House rent allowance aggregating to 50% of the basic salary (in case residential accommodation is not provided by the Company) - Other perquisites, allowances and facilities as per the rules of the Company. However, Company's contribution to provident fund and superannuation fund to the extent these (either singly or together) are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites.
3.	Commission	Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board or its Committee at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 or any modification or enactment thereof.
4.	Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of Salary, Benefits, Perquisites and

Sr. No	Particulars	Remuneration
		Allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 as may be applicable for the time being in force.

Sapna Siddharth Kusumgar, Joint Managing Director

Our Board at their meeting held on February 3, 2025, approved the reappointment of Sapna Siddharth Kusumgar as the Joint Managing Director of the Company for a period of five years with effect from February 1, 2025.

Pursuant to a resolution passed by our Board and Shareholders on February 3, 2025 and June 16, 2025, respectively, she is entitled to the following remuneration and perquisites:

Sr. No	Particulars	Remuneration
1.	Salary	₹ 6,25,000/- per month with power to the Board or its Committee to give one or more annual increment subject to a maximum basic salary of ₹ 15,00,000/- per month.
2.	Perquisites	- House rent allowance aggregating to 50% of the basic salary (in case residential accommodation is not provided by the Company) - Other perquisites, allowances and facilities as per the rules of the Company. However, the following shall not form part of perquisites: - Provident Fund, Superannuation Fund, Gratuity and Leave Encashment: Company's contribution to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
3.	Commission	Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board or its Committee at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 or any modification or enactment thereof.
4.	Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of her tenure as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay her remuneration by way of Salary, Benefits, Perquisites and Allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 as may be applicable for the time being in force.

Ankur Kothari, Executive Director and Chief Executive Officer

Our Board at their meeting held on February 3, 2025, approved the appointment of Ankur Kothari as the Executive Director and Chief Executive Officer of the Company for a period of five years with effect from February 1, 2025.

Pursuant to a resolution passed by our Board and Shareholders on April 9, 2025 and June 16, 2025, respectively, he is entitled to the following remuneration and perquisites:

Sr. No	Particulars	Remuneration
1.	Salary	₹ 11,13,750 /- per month with power to the Board or its Committee to give one or more annual increment subject to a maximum basic salary of ₹ 15,00,000/- per month.
2.	Perquisites	- House rent allowance aggregating to 50% of the basic salary (in case residential accommodation is not provided by the Company). - Other perquisites, allowances and facilities as per the rules of the Company. However, the following shall not form part of perquisites: Provident Fund, Superannuation Fund, Gratuity and Leave Encashment: Company's contribution to Provident Fund and Superannuation Fund to

Sr. No	Particulars	Remuneration
		the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
3.	Commission	Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board or its Committee at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 or any modification or enactment thereof.
4.	Minimum Remuneration	Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure as Executive Director & Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of Salary, Benefits, Perquisites and Allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 as may be applicable for the time being in force.

Non-Executive Directors and Independent Directors

Sitting fees and commission payable to the Non-Executive Directors

Pursuant to a resolution of our Board dated March 17, 2025, our Non-Executive Directors are entitled to receive sitting fees of ₹ 0.07 million per meeting of the Board and Audit committee, ₹ 0.05 million per other committee meeting.

Compensation paid to our Directors

1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2025 is set out below:

(in ₹ million)

Name of Director	Designation	Remuneration
Siddharth Yogesh Kusumgar	Chairman and Managing Director	15.22
Sapna Siddharth Kusumgar	Joint Managing Director	15.22
Ankur Kothari	Executive Director and Chief Executive Officer	23.35

2. Non-Executive Directors and Independent Directors

Our Company has not paid any remuneration to the Non-Executive and Independent Directors of our Company in the Financial Year 2025.

Payment or benefits to our Directors

Except as stated in “*Restated Financial Information – Note 43 – Related party Disclosures*” on page 299, our Company has not paid any non-salary related amount or benefit to our Directors in the two years preceding the date of this Draft Red Herring Prospectus. For further details, please see “*Risk Factors – 48. Some of our Promoters and Directors and their relatives could have interest in us other than normal remuneration benefits or reimbursements of expenses incurred.*” on page 62.

Remuneration paid or payable to our Directors by our Subsidiaries or associates

None of our Directors were paid any remuneration by our Subsidiaries, including contingent or deferred compensation accrued for Fiscal 2025.

As on the date of this Draft Red Herring Prospectus, our Company has no associate company.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company, as on date of this Draft Red Herring Prospectus:

Sr. no.	Name of the Director	Number of Equity Shares of face value of ₹ 1 each held	% of the pre-Offer paid up Equity Share capital on a fully diluted basis*
1.	Siddharth Yogesh Kusumgar	61,884,021	58.94%
2.	Sapna Siddharth Kusumgar	29,561,148	28.16%
	Total	91,445,169	87.10 %

*The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 3,501,372 CCPS of face value of ₹5 each which shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

Borrowing Powers

Pursuant to our Articles of Association, subject to section 180(1)(c) and other applicable provisions of the Companies Act, 2013, and a resolution passed by our Board in its meeting held on September 4, 2025, and a special resolution passed by our Shareholders in their extra ordinary general meeting held on September 4, 2025, our Board has been authorized to borrow any sum or sums of monies, where the money to be borrowed together with the monies already borrowed by our Company, may exceed the aggregate of our Company's paid-up share capital, securities premium and free reserves, provided that the total outstanding amount so borrowed and outstanding shall not at any time exceed the sum of ₹ 5,000 million.

Bonus or profit-sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to Directors

Except as disclosed below, there is no contingent or deferred compensation accrued for Fiscal 2025 that is payable to any of our Directors at a later date.

(in ₹ million)		
Sr. no	Name of Director	Contingent or deferred compensation (ESOPs & Statutory Bonus)
1.	Siddharth Yogesh Kusumgar	0.62
2.	Sapna Siddharth Kusumgar	0.62
3.	Ankur Kothari	1.01

Interest of Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company. Our Independent Directors may be deemed to be interested to the extent of sitting fees, payable to them for attending meetings of our Board or Committees thereof. For further details, see “- Terms of appointment of our Directors” and “- Compensation paid to our Directors” on pages 229 and 230, respectively.

Our Directors, Siddharth Yogesh Kusumgar and Ankur Kothari, may be deemed to be interested to the extent of their directorships in our Subsidiaries.

None of our Directors are interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of the board of directors or a committee thereof of the Subsidiaries as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them by our Subsidiaries.

Our Directors may be interested to the extent of their shareholding and the shareholding of their relatives in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

None of our Directors are interested to the extent of Equity Shares that may be subscribed by or allotted to any companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, beneficiaries, members or trustee.

Ankur Kothari, our Executive Director and Chief Executive Officer, may be deemed to be interested to the extent of stock options granted to him pursuant to the ESOP Scheme. For further details, see “*Capital Structure-Employee Stock Option Scheme*” on page 96.

None of our Directors are interested in the shareholding held by them in the Subsidiaries, and also to the extent of any dividend payable to them and other distributions in respect of such shareholding.

None of our Directors have any interest in any property acquired or proposed to be acquired of or by our Company.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

No loans have been availed by our Directors from our Company or the Subsidiaries.

Siddharth Yogesh Kusumgar, our Chairman and Managing Director and Sapna Siddharth Kusumgar, our Joint Managing Director, may be deemed to be interested to the extent of the rental income received by them in relation to the land as well as machinery leased by the entities they are interested in, to our Company. For further details see “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299.

Siddharth Yogesh Kusumgar, our Chairman and Managing Director, who is also our Promoter, may be deemed to be interested to the extent of unsecured loans provided by him to our Company and in relation to the guarantees extended by him in relation to certain borrowings availed by our Company. For further details see “*Risk Factors – 18. Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may adversely affect their ability to effectively service their obligations and thereby adversely affect our business and operations, “Restated Financial Information – Note 43- Related Party Disclosures” and “Financial Indebtedness” on page 45, 299 and 317.*

Except in the ordinary course of business and as stated in “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299, our Directors do not have any other business interest in our Company.

Interest of Directors in the promotion or formation of our Company

Except for Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar, who are also our Promoters, none of our Directors have any interest in the promotion or formation of our Company.

Changes to our Board in the last three years

Name	Date of appointment/ cessation	Reasons
Siddharth Yogesh Kusumgar	February 1, 2025	Appointed as Chairman and Managing Director
Sapna Siddharth Kusumgar	February 1, 2025	Appointed as Joint Managing Director
Ankur Kothari	February 1, 2025	Appointed as Executive Director and Chief Executive Officer
Yogesh Kantilal Kusumgar	March 4, 2025	Resignation as a director due to preoccupation
Kiran Nagindas Shah	March 4, 2025	Resignation as a director due to preoccupation
Deepti Gupta	March 17, 2025	Appointed as an Independent Director
Kaushal Jaysingh Sampat	March 17, 2025	Appointed as an Independent Director
Nihar Ajay Parikh	June 10, 2025	Appointed as an Independent Director

Note: This table does not include changes pursuant to regularisation or re-appointment of directors.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Board is in compliance with the requirements of the applicable regulations in respect of corporate

governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the composition of the Board and constitution of the committees of the Board, Audit Committee; Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Corporate Social Responsibility Committee; and Risk Management Committee. In compliance with Section 152 of the Companies Act, 2013 not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee.

1. *Audit Committee*

The Audit Committee was constituted by a resolution of our Board dated March 17, 2025. The current constitution of the Audit Committee is as follows:

Name	Position in the Committee	Designation
Kaushal Jaysingh Sampat	Chairperson	Independent Director
Deepti Gupta	Member	Independent Director
Ankur Kothari	Member	Executive Director and Chief Executive Officer

The scope and functions of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information that it properly requires from any employee of the Company or any associate or subsidiary in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee from such employees;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required;
 - (e) To approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company; and
 - (f) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
 - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
 - (b) Recommendation for appointment, re-appointment, removal and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;
 - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (f) Monitoring the end use of funds raised through public offers and reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;
- (i) Approval of any subsequent modifications of transactions of the Company with related parties and omnibus approval (in the manner specified under the SEBI Listing Regulations and Companies Act) for related party transactions proposed to be entered into by the Company. Provided that only those members of the committee, who are independent directors, shall approve related party transactions;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.
- (j) Approval of related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ₹10,000 million or 10% of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower, subject to such other conditions prescribed under the SEBI Listing Regulations;
- (k) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (l) Scrutiny of inter-corporate loans and investments;
- (m) Valuation of undertakings or assets of the company, wherever it is necessary;

- (n) Evaluation of internal financial controls and risk management systems;
 - (o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (q) Discussion with internal auditors of any significant findings and follow up there on;
 - (r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (u) Reviewing the functioning of the whistle blower mechanism;
 - (v) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
 - (w) Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
 - (x) To formulate, review and make recommendations to the Board to amend the Audit Committee's terms of reference from time to time;
 - (y) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances;
 - (z) Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
 - (aa) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
 - (bb) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
 - (cc) Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

- (c) Internal audit reports relating to internal control weaknesses;
- (d) Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- (iv) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company; and
- (v) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

2. ***Nomination and Remuneration Committee ("NRC")***

The NRC was constituted by a resolution of our Board dated June 10, 2025. The current constitution of the NRC is as follows:

Name	Position in the Committee	Designation
Deepti Gupta	Chairperson	Independent Director
Siddharth Yogesh Kusumgar	Member	Chairman and Managing Director
Nihar Ajay Parikh	Member	Independent Director

The scope and functions of the NRC is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (i) use the services of an external agencies, if required;

- (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (b) Formulation of criteria for evaluation of performance of independent directors, the Board and its committees. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 - (c) Devising a policy on Board diversity;
 - (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
 - (e) Analysing, monitoring and reviewing various human resource and compensation matters;
 - (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 - (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
 - (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (k) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws:
 - (i) Determining the eligibility of employees to participate under the ESOP Scheme;
 - (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - (iii) Date of grant;
 - (iv) Determining the exercise price of the option under the ESOP Scheme;
 - (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - (x) The grant, vest and exercise of option in case of employees who are on long leave;
 - (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - (xii) Formulate the procedure for funding the exercise of options;
 - (xiii) The procedure for cashless exercise of options;
 - (xiv) Forfeiture/ cancellation of options granted;
 - (xv) Formulate the procedure for buy-back of specified securities issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

- permissible sources of financing for buy-back;
 - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - limits upon quantum of specified securities that the Company may buy-back in a financial year.
- (xvi) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
 - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company and its employees, as applicable.
- (n) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- (o) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; and
- (p) Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

3. **Corporate Social Responsibility Committee (“CSR Committee”)**

The CSR Committee was constituted by a resolution of our Board dated May 17, 2017 and was last re-constituted by a resolution of our Board dated April 9, 2025. The current constitution of the CSR Committee is as follows:

Name	Position in the Committee	Designation
Sapna Siddharth Kusumgar	Chairperson	Joint Managing Director
Siddharth Yogesh Kusumgar	Member	Chairman and Managing Director
Deepti Gupta	Member	Independent Director

The scope and functions of the CSR Committee is in accordance with the Section 135 of the Company Act, 2023 and its terms of reference are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and

the rules made thereunder, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;

- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
 - (i) the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
 - (ii) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law.

4. ***Stakeholders Relationship Committee (“SRC”)***

The SRC was constituted by a resolution of our Board dated June 10, 2025. The current constitution of the SRC is as follows:

Name	Position in the Committee	Designation
Kaushal Jaysingh Sampat	Chairperson	Independent Director
Siddharth Yogesh Kusumgar	Member	Chairman and Managing Director
Sapna Siddharth Kusumgar	Member	Joint Managing Director

The scope and functions of the SRC is in accordance with the Section 178(6) of the Companies Act, 2013 and Regulation 29 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Redressal of all security holders’ and investors’ grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-

receipt of declared dividends, non-receipt of annual reports, general meetings etc., and assisting with quarterly reporting of such complaints;

- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Giving effect to all allotments, transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated/new share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (g) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- (h) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (i) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and
- (j) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

5. **Risk Management Committee (“RMC”)**

The RMC was constituted by a resolution of our Board dated Jun 10, 2025. The current constitution of the RMC is as follows:

Name	Position in the Committee	Designation
Nihar Ajay Parikh	Chairperson	Independent Director
Ankur Kothari	Member	Executive Director and Chief Executive Officer
Kaushal Jaysingh Sampat	Member	Independent Director

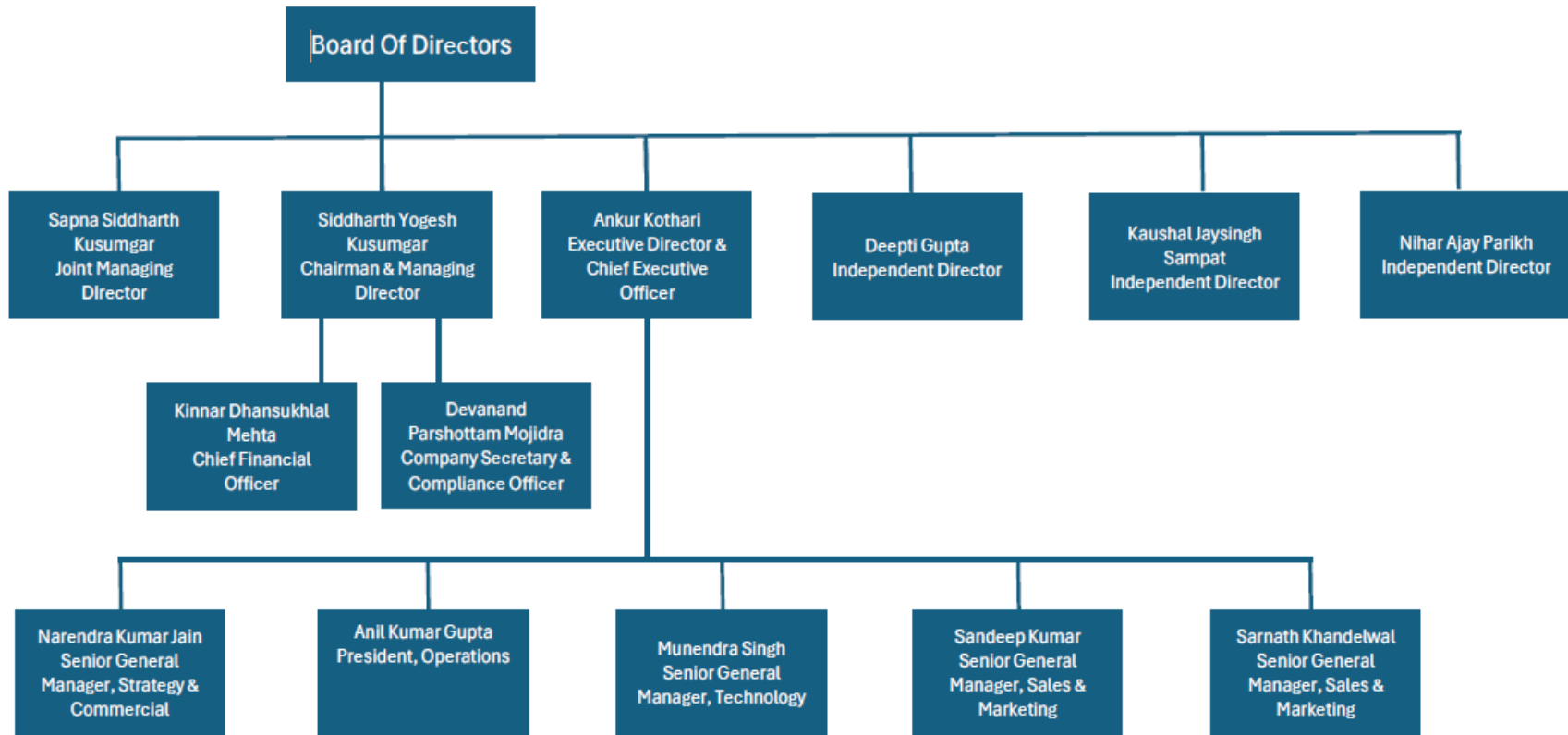
The scope and functions of the RMC is in accordance with the Regulation 21 of the SEBI Listing Regulations and the applicable provisions of the Companies Act, 2013, and its terms of reference are as follows:

- (i) To formulate a detailed risk management policy which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - Business continuity plan.

- (ii) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (iii) To consider the effectiveness of decision making process in crisis and emergency situations;
- (iv) To balance risks and opportunities;
- (v) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (vi) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (vii) To review and recommend potential risk involved in any new business plans and processes;
- (viii) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- (ix) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (x) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (xi) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (xii) To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
- (xiii) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- (xiv) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (xv) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (xvi) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and
- (xvii)** Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

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Management organization chart



Key Managerial Personnel and Senior Management

In addition to Siddharth Yogesh Kusumgar, our Chairman and Managing Director, Sapna Siddharth Kusumgar, our Joint Managing Director and Ankur Kothari, our Executive Director and Chief Executive Officer, whose details are provided in “- *Brief profiles of our Directors*” on page 228, the details of our other Key Managerial Personnel and members of Senior Management are as set forth below:

Brief profiles of our Key Managerial Personnel

Kinnar Dhansukhlal Mehta is the Chief Financial Officer of our Company. He has been associated with our Company since November 2, 2009. He is responsible for strategic leadership, financial planning and analysis, accounting and compliance in our Company. He holds a bachelor’s degree in commerce from University of Bombay. He is a fellow member of the Institute of Chartered Accountants of India. He has 16 years of experience in accounting and compliance. In Fiscal 2025, he received a remuneration of ₹ 5.57 million from our Company.

Devanand Parshottam Mojidra is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since February 18, 2025. He is responsible for ensuring regulatory compliance and governance in our Company. He holds a bachelor’s degree in commerce from University of Bombay. He is an associate member of the Institute of Company Secretaries of India. He was previously associated with Reliance Industries Limited, Hindustan Construction Company Limited, Calyx Chemicals and Pharmaceuticals Limited, Hindoostan Mills Limited, Power Build Private Limited, Eimco Elecon (India) Limited and Allcargo Logistics Limited. He has approximately over 16 years of experience in secretarial and compliance. In Fiscal Year 2025, he received a remuneration of ₹ 0.42 million from our Company.

Brief profiles of our Senior Management

In addition to Kinnar Dhansukhlal Mehta, the Chief Financial Officer and Devanand Parshottam Mojidra, the Company Secretary and Compliance Officer of our Company, whose details are provided in “- *Brief profiles of our Key Managerial Personnel*” above, the details of our other Senior Management, are set forth below:

Sandeep Kumar is the Senior General Manager - Sales and Marketing of our Company. He has been associated with our Company since October 10, 2016. He is responsible for sales and marketing of technical fabrics in our Company. He holds a bachelor’s degree in textile technology from Maharshi Dayanand University, Rohtak and a master’s degree in business administration (business management) from SVKM’s Narsee Monjee Institute of Management Studies, Mumbai. He was previously associated with SRF Limited. He has over 16 years of experience in marketing. In Fiscal Year 2025, he received a remuneration of ₹ 4.29 million from our Company.

Anil Kumar Gupta is the President- Operations of our Company. He has been associated with our Company since April 29, 2025. He is responsible for operations strategy, end-to-end operations, quality, maintenance, production planning in our Company. He holds a bachelor’s degree in technology (textile engineering) from Guru Nanak Dev University, Jalandhar. He was previously associated with Voltas Limited, Richa Industries Limited, Renfro India Private Limited, Threads (India) Limited, SRF Limited and International Conveyors Limited. He has approximately over 25 years of experience in textile sector and operations. During Fiscal Year 2025, he did not receive any remuneration as he was appointed on April 29, 2025.

Sarnath Khandelwal is the Senior General Manager - Sales and Marketing of our Company. He has been associated with our Company since September 12, 2022. He is responsible for defence market strategy, positioning, business development, etc. in our Company. He holds a bachelor’s degree in arts from Chhatrapati Shahu Ji Maharaj University, Kanpur. He was previously associated with MKU Limited. He has over 8 years of experience in sales and marketing strategy, positioning, and business development. In Fiscal Year 2025, he received a remuneration of ₹ 3.80 million from our Company.

Narendra Kumar Jain is the Senior General Manager- Strategy and Commercial of our Company. He has been associated with our Company since March 20, 2017. He is responsible for supply chain management, financial operations, fund management, strategy, commercial excellence in our Company. He holds a bachelor’s degree in administration from Devi Ahilya Vishwavidyalaya, Indore and a post graduate diploma in management from Deccan Education Society’s Institute of Management Development and Research, Pune. He was previously associated with XL Dynamics India Private Limited, Tata Consultancy Services, E-Land Apparel Limited. He has approximately over 11 years of experience in strategy. In Fiscal Year 2025, he received a remuneration of ₹ 5.84 million from our Company.

Munendra Singh is the Senior General Manager- Technology of our Company. He has been associated with our Company since August 1, 2018. He is responsible for technology strategy, R&D innovation in our Company. He holds a bachelor's degree in carpet and textile technology from Gautam Buddha Technical University, Lucknow and a master's degree in fibre science and technology from Indian Institute of Technology, Delhi. He was previously associated with Auro Textiles, MKU Private Limited and SRF Limited. He has over 15 years of experience in strategy and innovation. In Fiscal Year 2025, he received a remuneration of ₹ 4.15 million from our Company.

Status of the Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory and contractual benefits, none of our Key Managerial Personnel and Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

Relationships amongst Key Managerial Personnel and Senior Management

Except as disclosed in “-*Relationship between our Directors, Key Managerial Personnel and Senior Management*” on page 227, none of our Key Managerial Personnel and Senior Management are related to each other.

Arrangements and Understanding with Major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed in “-*Shareholding of our Directors in our Company*” on page 231, none of our Key Managerial Personnel or Senior Management hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management have entered into any service contracts with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

Other than as disclosed in “- *Contingent and deferred compensation payable to Directors*” on page 232 and as disclosed below, there is no contingent or deferred compensation accrued for Fiscal 2025 and payable to any of our Key Managerial Personnel and Senior Management at a later date.

(in ₹ million)		
Sr. no	Name of Key Managerial Personnel / Senior Management	Contingent or deferred compensation (ESOPs & Statutory Bonus)
1.	Kinnar Dhansukhlal Mehta	0.09
2.	Devanand Parshottam Mojdra	0.02
3.	Sandeep Kumar	0.17
4.	Sarnath Khandelwal	0.17
5.	Narendra Kumar Jain	0.21
6.	Munendra Singh	0.17

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Our Key Management Personnel and Senior Management are party to the bonus or profit-sharing plan of our Company.

Interest of Key Managerial Personnel and Senior Management

For details of the interest of our Chairman and Managing Director, and Chief Executive Officer in our Company, see “- *Interest of Directors*” on page 232.

Our Key Managerial Personnel (other than our Executive Director) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of their business by our Company. For further details, please see “*Risk Factors – 49. Some of our Promoters and Directors and their relatives could have interest in us other than normal remuneration benefits or reimbursements of expenses incurred.*” on page 62.

Except for Ankur Kothari and Narendra Kumar Jain, none of our Key Managerial Personnel and Senior Management holds employee stock options in our Company.

Changes in the Key Managerial Personnel and Senior Management in the last three years:

Other than as disclosed in “- *Changes to our Board in the last three years*” on page 233, the changes in our Key Managerial Personnel and Senior Management in the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of Change	Reason
Sandeep Kumar	May 29, 2025	Redesignated as Senior General Manager – Sales and Marketing
Naresh Nanji Patel	December 9, 2024	Resigned as the chief financial officer
Kinnar Dhansukhlal Mehta	January 1, 2025	Appointed as the Chief Financial Officer
Devanand Parshottam Mojindra	February 22, 2025	Appointed as the Company Secretary
Anil Kumar Gupta	April 29, 2025	Appointed as President - Operations
Devanand Parshottam Mojindra	June 10, 2025	Appointed as Compliance Officer

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company, including Key Managerial Personnel or Senior Management within the two preceding years or is intended to be paid or given, as on the date of this Draft Red Herring Prospectus.

Other confirmations

Except as disclosed in “- *Confirmations*” on page 228, none of our Key Managerial Personnel and Senior Management have any conflict of interest with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to our business and operations of our Company.

Employee stock options

For details about the employee stock option plan, see “*Capital Structure – Employee Stock Option Scheme*” on page 96.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Yogesh Kantilal Kusumgar;
2. Siddharth Yogesh Kusumgar;
3. Sapna Siddharth Kusumgar; and
4. Siddharth Yogesh Kusumgar HUF.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 94,981,169 Equity Shares of face value of ₹1 each, representing 90.47% of the pre-Offer issued, subscribed, and paid-up Equity Share capital of our Company on a fully diluted basis. For further details on the shareholding of our Promoters in our Company, see “*Capital Structure - Details of shareholding of our Promoters and members of the Promoter - Build-up of the Promoters’ shareholding in our Company*” on page 102.

Details of our Promoters

1. Yogesh Kantilal Kusumgar

Yogesh Kantilal Kusumgar, aged 84 years, is the Promoter of our Company.

Date of Birth: December 26, 1940

Address: Pransu 22, Jai Hind Soc., E.W. Road No. 2, Juhu, Mumbai 400 049, Maharashtra, India

Permanent Account Number: AADPK8396G



He holds a bachelor’s degree in textile technology from Bombay University. He is the director and promoter of Engineered Coated Fabric Private Limited and Kusumgar Technomic Fabric Limited. He is also the director of Specialty Fabrics Private Limited and VB Kusumgar and Company Private Limited. He was previously associated as a director with Indian Technical Textile Association. He has over 40 years of experience in the textiles industry.

As on date of this Draft Red Herring Prospectus, Yogesh Kusumgar holds 51,000 Equity Shares, representing 0.05% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis.

2. Siddharth Yogesh Kusumgar



Siddharth Yogesh Kusumgar, aged 49 years, is our Promoter and is also the Chairman and Managing Director of our Company.

Date of Birth: May 7, 1976

Address: 101 Manjushree, V M Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India

Permanent Account Number: AACPK3938M

For the complete profile of Siddharth Yogesh Kusumgar, along with details of his educational qualifications, experience in the business, position / posts held in the past, directorships in other entities, business and financial activities, other ventures, business and financial activities and special achievements, as applicable, see “*Our Management – Brief profiles of our Directors*” on page 228.

As on date of this Draft Red Herring Prospectus, Siddharth Yogesh Kusumgar holds 61,884,021 Equity Shares, representing 58.94% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis.

3. Sapna Siddharth Kusumgar



Sapna Siddharth Kusumgar aged 49 years, is our Promoter and is also the Joint Managing Director of our Company.

Date of Birth: December 9, 1975

Address: 101 Manjushree, V. M. Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India

Permanent Account Number: AKVPK2978C

For the complete profile of Sapna Siddharth Kusumgar, along with details of her educational qualifications, experience in the business, position / posts held in the past, directorships in other entities, business and financial activities and other ventures, business and financial activities, as applicable, see “*Our Management – Brief profiles of our Directors*” on page 228.

As on date of this Draft Red Herring Prospectus, Sapna Siddharth Kusumgar holds 29,561,148 Equity Shares, representing 28.16% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis.

4. Siddharth Yogesh Kusumgar HUF

Siddharth Yogesh Kusumgar HUF came into existence on November 29, 1998. Siddharth Yogesh Kusumgar is the karta with Sapna Siddharth Kusumgar, Sia Siddharth Kusumgar and Sanay Siddharth Kusumgar as the coparceners and members. Siddharth Yogesh Kusumgar HUF holds 3,485,000 Equity Shares, representing 3.32% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis.

Permanent Account Number: AASHS4461F

Address: 101 Manjushree, V. M. Road, JVPD Scheme, Vile Parle West, Mumbai – 400 056, Maharashtra, India.

Our Company confirms that the permanent account number, Aadhaar card number, driving license number, bank account number and the passport number, as applicable, of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in control of our Company in the last five years preceding the date of this Draft Red Herring Prospectus. Pursuant to a resolution passed by the Board of Directors dated June 10, 2025, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar HUF have been identified as Promoters of our Company. For details of the build-up of shareholding of our Promoters in our Company, see “*Capital Structure-Build-up of Promoter’s shareholding in our Company*” on page 102.

Interests of our Promoters

Our Promoters are interested in our Company (i) to the extent they are the promoters of our Company; (ii) to the extent they are the Directors of our Company, (iii) to the extent of their respective shareholding in our Company, the shareholding of their relatives who hold Equity Shares in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives. Additionally, our Promoters may be interested in transactions entered into by our Company or our Subsidiaries with them, their relatives or other entities (i) in which our Promoters hold shares, directly or indirectly or (ii) which are controlled by our Promoters. For details of shareholding of our Promoters in our Company, see “*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*” on page 102. For details of the interest of our Promoters as Directors of our Company and Subsidiaries, see “*Our Management – Interest of Directors*” and “*Our Management – Terms of appointment of Directors*” on page 232 and page 229, respectively.

Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar are partners in Kusumgar Holdings LLP. Pursuant to the deed of assignment of trademarks and copyrights dated September 13, 2025 entered into by and amongst Kusumgar Holdings LLP and Kusumgar Limited, Kusumgar Holdings LLP has assigned all rights, title and interest, along with the associated goodwill, held by it in certain trademarks and copyrights associated with the artworks therein to our Company for a consideration of ₹ 0.05 million. For further details see “*History and Certain Corporate Matters – Other agreements*” on page 223 and “*Restated Consolidated Financial Information – Note 43- Related Party Disclosures*” on page 299.

Our Company has entered into a retainer agreement dated April 1, 2025, with our Promoter, Yogesh Kantilal Kusumgar for a consultancy fee of up to ₹0.50 million per month, subject to applicable taxes as per Indian law. Pursuant to the retainer agreement, Yogesh Kantilal Kusumgar is appointed to provide professional advisory and consultancy services, including, *inter alia*, strategic and business advisory and mentorship of management and leadership teams and representation of the Company at industry forums, conferences, or with stakeholders as requested.

Further, pursuant to a share purchase agreement dated December 5, 2024, our Promoters have agreed to sell and transfer the equity shares held by them in Engineered Coated Fabrics Private Limited to our Company for an aggregate consideration of ₹1,118.53 million. For further details, see “*History and Certain Corporate Matters – Details of material acquisitions or divestments of business undertaking in the last 10 years*” on page 219 and “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299.

Our Promoters may be deemed to be interested to the extent of the rental income received by them in relation to the land as well as machinery leased by the entities they are interested in, to our Company. For further details see “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299.

Our Promoters may be deemed to be interested to the extent of remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see “*Our Management – Payments or benefits to our Directors*” on page 231.

Our Promoters may be deemed to be interested to the extent of unsecured loans provided by them to our Company. Further, our Promoters may be deemed to be interested in relation to the guarantees extended by them in relation to certain borrowings availed by our Company. For further details see “*Financial Indebtedness*”, “*Restated Financial Information – Note 43- Related Party Disclosures*” and “*History and Certain Corporate Matters – Details of guarantees given to third parties by the Promoters participating in the Offer for Sale*” on page 317,

299 and 224. Further, see “*Risk Factors – 18. Our Promoters have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may adversely affect their ability to effectively service their obligations and thereby adversely affect our business and operations*” on page 45.

Except as disclosed above and as stated in the “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299, our Company has not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with it.

No sum has been paid or agreed to be paid by our Company, to our Promoters or to such firm or company in cash or shares wherein our Promoters are interested as members, or promoters or otherwise as an inducement by any person for services rendered by the Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest in property, land, construction of building or supply of machinery

Except as disclosed above, our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building and supply of machinery.

Payment or benefit to Promoters or Promoter Group

Except as disclosed herein and as stated in “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus.

Material guarantees

As on the date of this Draft Red Herring Prospectus, except as disclosed in “*History and Certain Corporate Matters – Details of guarantees given to third parties by the Promoters participating in the Offer for Sale*” on page 224, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

Other Confirmations

None of our Promoters have been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital market for any reasons by SEBI or any other authorities or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have never been promoters or director of any other company which is debarred from accessing capital markets.

While certain of our Promoters and members of Promoter Group may be interested to the extent of the consideration paid by our Company in the form of lease rent to them and as disclosed in “*Our Promoters and Promoter Group – Interests of our Promoters*” on page 249, there is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of the Company); and our Promoters and Promoter Group.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial to operations of our Company) and our Promoters and Promoter Group.

Other ventures of our Promoters

Other than as disclosed in “- *Promoter Group – Entities forming part of our Promoter Group*” and in “*Our Management – Other Directorships*” on pages 251 and 226, respectively, our Promoters are not involved in any other ventures or have any other business and financial activities. Further, two of our Promoters, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar have entered into a non-compete agreement dated June 1, 2025 to our Company. Pursuant to the non-compete agreement, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar have confirmed that the entities owned and controlled by them and/or other members of the Promoter Group will not engage, directly or indirectly, in any business which is similar to the business, currently, or in future may be, undertaken by our Company in order to avoid any conflict of interest between our Company and other entities controlled by them.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Individual Promoter), are as follows:

Name of Promoter	Name of relative	Relationship
Yogesh Kantilal Kusumgar	Siddharth Yogesh Kusumgar	Son
	Sushmi A Doshi	Daughter
	Babita Yogeshchandra Kusumgar	Daughter
	Amita Dipen Soni	Daughter
	Kirit Dhirajlal Shah	Spouse's brother
	Kartik Dhirajlal Shah	Spouse's brother
	Kokila Balchand Vora	Spouse's sister
Siddharth Yogesh Kusumgar	Yogesh Kantilal Kusumgar	Father
	Sapna Siddharth Kusumgar	Spouse
	Sushmi A Doshi	Sister
	Babita Yogeshchandra Kusumgar	Sister
	Amita Dipen Soni	Sister
	Sanay Siddharth Kusumgar	Son
	Sia Siddharth Kusumgar	Daughter
Sapna Siddharth Kusumgar	Siddharth Yogesh Kusumgar	Spouse
	Yogesh Kantilal Kusumgar	Spouse's father
	Sushmi A Doshi	Spouse's sister
	Babita Yogeshchandra Kusumgar	Spouse's sister
	Amita Dipen Soni	Spouse's sister
	Sanay Siddharth Kusumgar	Son
	Sia Siddharth Kusumgar	Daughter

Entities forming part of our Promoter Group

The entities which are members of our Promoter Group are as follows:

1. Specialty Fabrics Private Limited (also our Group Company)
2. Kusumgar Technomic Fabric Limited
3. Concord Weaving Preparatory Pvt. Ltd.
4. V. B. Kusumgar and Co. Private Limited
5. Four S Weaving Private Limited

6. 4S Holdings
7. Pertex Solutions LLP
8. Paraborne Systems LLP
9. Kusumgar Holdings LLP
10. Yogesh K Kusumgar (HUF)

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and/or approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the applicable laws including the Companies Act read with the rules notified thereunder and SEBI Listing Regulations and the dividend distribution policy of our Company may be reviewed and amended periodically by our Board in accordance with the same. The dividend distribution policy of our Company was approved and adopted by our Board on September 4, 2025 (“**Dividend Policy**”).

In terms of the Dividend Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to (i) internal factors and financial parameters such as operating cash flow of our Company, profit after tax during the year, EPS, working capital and capital expenditure requirements, business expansion and growth, likelihood of crystallization of contingent liabilities, additional investment required in subsidiaries and associates of our Company or technology and physical infrastructure; and (ii) external factors such as industry outlook and economic environment, capital markets, global conditions, taxation policy, technological changes, regulatory changes, dividend pay-out ratio of competitors, statutory provisions and guidelines.

In addition, our Company’s ability to pay dividends in the future may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents or arrangements.

Our Company has not declared or paid any dividends on equity shares in any of the three Fiscals preceding the date of this Draft Red Herring Prospectus and in the current Fiscal until the filing of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. See, “*Risk Factors – 47. We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing agreements.*” on page 61.

SECTION VI: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

(Remainder of this page is intentionally left blank)

Independent Auditors Examination Report on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March 31, 2025 along with Restated Combined Statement of Assets and Liabilities as at March 31, 2024 and March 31, 2023, Restated Combined Statement of Profit and Loss (including Other Comprehensive Income), Restated Combined Statement of Changes in Equity, Restated Combined Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for years ended March 31, 2024 and March 31, 2023 of Kusumgar Limited (formerly known as Kusumgar Private Limited) (collectively, the “Restated Financial Information”)

The Board of Directors

Kusumgar Limited (formerly known as Kusumgar Private Limited)

101, Manjushree, V.M. Road

JVPD Scheme, Vile Parle (W)

Mumbai- 400 056

Maharashtra, India.

Dear Sirs/ Madams,

1. We, M S K A & Associates, Chartered Accountants (“We” or “Us” or “Our” or “the Firm”), have examined the Restated Financial Information of Kusumgar Limited (formerly known as Kusumgar Private Limited) (the “Company” or the “Holding Company” and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”), which comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2025, Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for year ended March 31, 2025 along with Restated Combined Statement of Assets and Liabilities as at March 31, 2024 and March 31, 2023, Restated Combined Statement of Profit and Loss (including Other Comprehensive Income), Restated Combined Statement of Changes in Equity, Restated Combined Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for years ended March 31, 2024 and March 31, 2023 of the Company (collectively, the “Restated Financial Information”) annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 1 each (the “Offer”). The Restated Financial Information, which have been approved by the board of Directors of the Company (the “Board of Directors”) at their meeting held on September 04, 2025, have been prepared by the Company in accordance with the requirements of:
 - a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”);
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”); and

- d) Email dated October 28, 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("SEBI Communication")
2. The Company's Board of Directors are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2(a) of the Restated Financial Information. The respective Board of Directors of the Companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of these Restated Financial Information. The respective Board of Directors of the Companies included in the Group are also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.
3. We have examined the Restated Financial Information taking into consideration:
- a) The terms of reference and our engagement agreed with you vide our engagement letter dated March 20, 2025 in connection with the Offer.
 - b) The Guidance Note read with SEBI Communication. The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
 - c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) the requirements of Section 26 of the Act SEBI ICDR Regulations and SEBI Communication.

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

4. The Restated Financial Information have been compiled by the management from:
- a) Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2025, prepared by the management in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 10, 2025, on which we have issued our audit report dated June 10, 2025;
 - b) Audited Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2024, prepared in accordance with the basis of preparation, as set out in 2(a) to the Restated Financial Information, which have been approved by the Board of Directors at their meeting held on September 04, 2025, on which we have issued our special purpose audit report dated September 04, 2025.
 - c) Audited Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2023, prepared by the management in accordance with the basis of preparation, as set out in Note 2(a) to the Restated Financial Information, which have been approved by the Board of Directors at their meeting held on September 04, 2025, on which

Chaturvedi Sohan & Co (the “Previous Auditor”) has issued its special purpose audit report dated September 04, 2025; and

- d) Audited Consolidated Financial Statements and Audited Special Purpose Combined Financial Statements referred to in paragraph (a) & (b) above includes financial statements and other financial information of Engineered Coated Fabric Private Limited (the “Subsidiary”) which is a wholly owned subsidiary of the Company and is audited by the Chaturvedi Sohan & Co. (the “Other Auditor”).
5. For the purpose of our examination, we have relied on:
- a) Auditor’s report issued by us dated June 10, 2025 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2025, as referred in Para 4(a) above;
 - b) Auditor’s report issued by us dated September 04, 2025 on the Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2024, as referred in Para 4(b) above;
 - c) Auditor’s report issued by the Previous Auditor dated September 04, 2025 on the Special Purpose Combined Financial Statements of the Group as at and for the year ended March 31, 2023 as referred in Para 4(c) above, and the examination report issued by the Previous Auditor dated September 04, 2025 on the Restated Financial Information as at and for the year ended March 31, 2023; and
 - d) The financial statements of the subsidiary referred in paragraph 4(d) above are audited by the Other Auditor and accordingly reliance is placed on their examination report dated September 04, 2025 on Restated Statement of Assets and Liabilities as at March 31, 2025 and March 31, 2024, and the Restated Statement of Profit and Loss (including Other Comprehensive Income), and the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows along with the Statement of Material Accounting Policies and other Explanatory Information for the years ended March 31, 2025 and March 31, 2024, in so far as it relates to the amounts and disclosures included in respect of the said Subsidiary is based solely on the examination report issued by the Other Auditor. The Other Auditor has also confirmed that the above Restated Financial Information of the subsidiary:
 - have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the audited Consolidated Financial Statements of the Group as at and for year ended March 31, 2025 and Combined Financial Statements as at and for the year ended March 31, 2024, as more fully described in Restated Financial Information.
 - There are no qualifications in the Other Auditors’ reports on the audited financial statements of the Subsidiary as at and for the years ended March 31, 2025, and March 31, 2024, which require any adjustments to the Restated Financial Information of the subsidiary; and
 - The Restated Financial Information of the Subsidiary have been prepared in accordance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.
6. The audit reports issued by us referred to in paragraph 5 included the following matters, which do not require any adjustment to the Restated Financial Information:

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

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

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

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

Reporting on Audit Trail

“Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was enabled from January 11, 2025 for Purchase module and February 12, 2025 for Customer Module and June 25, 2024 for Sales module and was not enabled at the database level to log any direct data changes for the entire year as explained in note 53 to the financial statements.

Further, where enabled, audit trail feature has operated throughout the period for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has not been preserved by the Company as it was not enabled in the prior year as per the statutory requirements for record retention.”

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

“We draw attention to note 2(a) to the accompanying Special Purpose Combined Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Combined Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended March 31, 2024, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai, Maharashtra, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (‘SEBI ICDR Regulations’), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Combined Financial Statements may not be suitable for another purpose.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other

person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

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

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

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

Emphasis of Matter paragraph with respect to the Previous Auditor’s report referred in paragraph 5(c)

“We draw attention to note 2(a) to the accompanying Special Purpose Combined Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Combined Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended March 31, 2023, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai Maharashtra, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (‘SEBI ICDR Regulations’), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Combined Financial Statements may not be suitable for another purpose.

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

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

Other Matter paragraph with respect to the Previous Auditor’s report referred in paragraph 5(c)

“Statutory Audit of the financials statement as at and for the year ended March 31, 2023 of Engineered Coated Fabrics Private Limited have been audited by the other auditor and issued an unmodified opinion dated September 01, 2023.

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

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

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

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

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

7. Based on the above and according to the information and explanations given to us and on reliance placed on the examination report of the Previous Auditor dated September 04, 2025 on the Restated Financial Information as at and for the year ended March 31, 2023, we report that Restated Financial Information:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/reclassifications retrospectively in the financial years as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2025, as more fully described in Note 2(a) to the Restated Financial Information;
 - b. does not contain any qualifications requiring adjustments. There are Emphasis of Matter paragraphs (refer paragraph 6 above), which do not require any adjustment to the Restated Financial Information; and
 - c. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note and SEBI Communication.
8. We have not audited any financial statements of the Group as at any date or for any period subsequent to March 31, 2025. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to March 31, 2025.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the report.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 25101739BMIKKL5510

Place : Mumbai
Date : September 04, 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure I - Restated Statement of Assets and Liabilities

(All amounts are in INR millions, unless otherwise stated)

Particulars	Annexure VII Notes	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ASSETS				
Non-current assets				
Property, plant and equipment	6	1,718.63	1,367.20	825.60
Right-of-use assets	7(a)	605.92	491.58	147.42
Capital work in progress	8	451.94	84.34	1.90
Other intangible assets	9	1.33	2.21	4.53
Financial assets				
Investments	10	149.67	121.80	0.01
Other financial assets	11	59.61	73.73	21.23
Non-current tax assets (net)	12	28.20	-	3.51
Deferred tax assets (net)	38(e)	0.56	-	-
Other non-current assets	13	195.53	83.14	52.01
Total non-current assets		3,211.39	2,224.00	1,056.21
Current assets				
Inventories	14	1,369.02	1,437.11	677.63
Financial assets				
Trade receivables	15	561.10	422.39	553.42
Cash and cash equivalents	16	304.94	326.80	101.12
Other bank balances	17	106.93	1,106.13	11.40
Loans	18	155.69	-	-
Other financial assets	19	238.38	26.57	37.91
Other current assets	20	376.53	304.41	101.01
Total current assets		3,112.59	3,623.41	1,482.49
TOTAL ASSETS		6,323.98	5,847.41	2,538.70
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	21	101.49	19.90	19.90
Other equity	22	2,476.03	1,383.69	536.24
Total equity		2,577.52	1,403.59	556.14
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	23(a)	757.64	348.05	196.55
Lease liabilities	7(b)	479.30	368.31	61.47
Deferred tax liabilities (net)	38(e)	17.10	34.97	18.87
Employee benefit obligations	24	25.52	17.90	8.71
Total non-current liabilities		1,279.56	769.23	285.60
Current liabilities				
Financial liabilities				
Borrowings	23(b)	1,707.37	417.28	278.49
Lease liabilities	7(b)	77.56	54.38	25.22
Trade payables:	25			
Total outstanding dues of micro and small enterprises		50.42	14.32	19.96
Total outstanding dues other than above micro and small enterprises		421.65	508.40	170.60
Other financial liabilities	26	103.98	1,337.32	1,155.99
Employee benefit obligations	27	9.07	5.32	4.45
Other current liabilities	28	96.85	1,307.87	42.25
Current tax liabilities (net)	29	-	29.70	-
Total current liabilities		2,466.90	3,674.59	1,696.96
Total liabilities		3,746.46	4,443.82	1,982.56
TOTAL EQUITY AND LIABILITIES		6,323.98	5,847.41	2,538.70

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Financial Information appearing in Annexure VI and Notes to the Restated Financial Information appearing in Annexure VII

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Kusumgar Limited
CIN: U65990MH1990PLC056871

Amrish Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: 04 September 2025

Siddharth Kusumgar
Managing Director
DIN: 01676799
Place: Mumbai
Date: 04 September 2025

Ankur Kothari
Chief Executive Officer & Director
DIN: 07694977
Place: Mumbai
Date: 04 September 2025

Kinnar Mehta
Chief Financial Officer

Devanand Mojindra
Company Secretary
ACS: 14644

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure II - Restated Statement of Profit and Loss

(All amounts are in INR millions, unless otherwise stated)

Particulars	Annexure VII Notes	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
INCOME				
Revenue from operations	30	7,789.97	4,679.08	3,016.48
Other income	31	112.15	66.43	20.68
Total income		7,902.12	4,745.51	3,037.16
EXPENSES				
Cost of materials consumed	32	3,713.71	2,002.86	1,535.96
Changes in inventories of finished goods and semi-finished goods	33	(111.76)	(232.62)	(145.98)
Employee benefits expense	34	655.73	414.85	315.12
Finance costs	35	146.31	63.22	52.78
Depreciation and amortization expense	36	341.90	170.97	153.73
Other expenses	37	1,648.40	1,175.52	632.77
Total expenses		6,394.29	3,594.80	2,544.38
Profit before tax		1,507.83	1,150.71	492.78
Income tax expense	38			
Current tax		408.91	289.13	125.15
Short provision for tax relating to prior years		0.05	0.69	1.78
Deferred tax expense/(credit)		(21.01)	16.93	(6.32)
Total income tax expense		387.95	306.75	120.61
Profit for the year		1,119.88	843.96	372.17
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) of net defined benefit liability		(5.61)	(11.11)	0.43
Gain on FVTOCI equity investments		27.87	13.79	-
Income tax effect on above	38	(2.58)	0.83	(0.11)
Items that will be reclassified to profit or loss				
Foreign Currency Translation Reserve		(0.20)	(0.01)	-
Other comprehensive income for the year, net of tax		19.48	3.50	0.32
Total comprehensive income for the year		1,139.36	847.46	372.49
Earnings per equity share (Face value of INR 1 each):	39			
- Basic EPS (INR)		11.03	8.32	3.67
- Diluted EPS (INR)		10.81	8.32	3.67

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Financial Information appearing in Annexure VI and Notes to the Restated Financial Information appearing in Annexure VII

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Kusumgar Limited
CIN: U65990MH1990PLC056871

Amrish Vaidya
Partner
Membership No. 101739
Place: Mumbai
Date: 04 September 2025

Siddharth Kusumgar
Managing Director
DIN: 01676799
Place: Mumbai
Date: 04 September 2025

Ankur Kothari
Chief Executive Officer & Director
DIN: 07694977
Place: Mumbai
Date: 04 September 2025

Kinnar Mehta
Chief Financial Officer
Place: Mumbai
Date: 04 September 2025

Devanand Mojindra
Company Secretary
ACS: 14644
Place: Mumbai
Date: 04 September 2025

(a) EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at 1 April 2022	0.20	19.90
Changes in equity share capital	-	-
As at 31 March 2023	0.20	19.90
Changes in equity share capital	-	-
As at 31 March 2024	0.20	19.90
Changes in equity share capital	101.29	81.59
As at 31 March 2025	101.49	101.49

(b) OTHER EQUITY

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive Income	Share based payment reserve (Refer Note 49)	Common control adjustment deficit account (Refer Note 51)	Foreign Currency Translation Reserve	Total
Balance as at 1 April 2022	269.39	58.12	943.86	-	-	(1,107.62)	-	163.75
Profit for the year	-	-	372.17	-	-	-	-	372.17
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	-	-	0.32	-	-	-	-	0.32
Balance as at 31 March 2023	269.39	58.12	1,316.35	-	-	(1,107.62)	-	536.24

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive Income	Share based payment reserve (Refer Note 49)	Common control adjustment deficit account (Refer Note 51)	Foreign Currency Translation Reserve	Total
Balance as at 1 April 2023	269.39	58.12	1,316.35	-	-	(1,107.62)	-	536.24
Profit for the year	-	-	843.96	-	-	-	-	843.96
Add - Gain on FVTOCI equity investments (net of tax)	-	-	-	11.81	-	-	-	11.81
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	-	-	(8.31)	-	-	-	-	(8.31)
Add - Movement during the year	-	-	-	-	-	-	(0.01)	(0.01)
Balance as at 31 March 2024	269.39	58.12	2,152.00	11.81	-	(1,107.62)	(0.01)	1,383.69

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive Income	Share based payment reserve (Refer Note 49)	Common control adjustment deficit account (Refer Note 51)	Foreign Currency Translation Reserve	Total
Balance as at 1 April 2024	269.39	58.12	2,152.00	11.81	-	(1,107.62)	(0.01)	1,383.69
Profit for the year	-	-	1,119.88	-	-	-	-	1,119.88
Add - Gain on FVTOCI equity investments (net of tax)	-	-	-	23.88	-	-	-	23.88
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	-	-	(4.20)	-	-	-	-	(4.20)
(Less) - Bonus issue from general reserve	-	(57.91)	-	-	-	-	-	(57.91)
(Less) - Bonus issue from retained earnings	-	-	(23.68)	-	-	-	-	(23.68)
Add - Movement during the year	-	-	-	-	-	-	(0.20)	(0.20)
Add - Share based payment (ESOP)	-	-	-	-	34.57	-	-	34.57
Balance as at 31 March 2025	269.39	0.21	3,244.00	35.69	34.57	(1,107.62)	(0.21)	2,476.03

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Financial Information appearing in Annexure VI and Notes to the Restated Financial Information appearing in Annexure VII

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Kusumgar Limited
CIN: U65990MH1990PLC056871

Amrish Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: 04 September 2025

Siddharth Kusumgar
Managing Director
DIN: 01676799

Place: Mumbai
Date: 04 September 2025

Ankur Kothari
Chief Executive Officer & Director
DIN: 07694977

Place: Mumbai
Date: 04 September 2025

Kinnar Mehta
Chief Financial Officer

Place: Mumbai
Date: 04 September 2025

Devanand Mojindra
Company Secretary
ACS: 14644

Place: Mumbai
Date: 04 September 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)
Annexure IV - Restated Statement of Cash Flows
(All amounts are in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities			
Profit before tax	1,507.83	1,150.71	492.78
Adjustments for:			
Add :			
Depreciation and amortization expenses	341.90	170.97	153.73
Finance cost	130.81	40.64	41.71
Unwinding of transaction cost	0.41	0.41	-
Impairment on Investment	-	-	0.10
Allowance for expected credit loss	38.05	9.84	-
Bad debts & Sundry balance written off	6.17	3.05	-
Share based payment to employees	34.57	-	-
Less :			
Gain on sale of property, plant and equipment	(0.71)	(1.67)	(1.30)
Unwinding of discount on security deposits	(2.06)	(0.98)	(1.28)
Allowance for expected credit loss reversal	-	-	(6.78)
Interest income	(57.84)	(29.91)	(1.60)
Unrealized foreign exchange gain	(46.95)	(32.40)	(8.67)
Sundry balance written back	(0.53)	(0.05)	(0.63)
Operating profit before working capital changes	1,951.65	1,310.61	668.06
Changes in operating assets and liabilities			
Adjustments for: Operating Assets			
Decrease / (Increase) in trade receivables	(133.48)	150.53	(50.06)
Decrease / (Increase) in inventories	68.09	(759.48)	(222.17)
(Increase) in loans and other financial assets	(380.76)	(7.83)	(14.40)
(Increase) in other assets	(100.35)	(200.45)	(22.33)
Adjustments for: Operating Liabilities			
Increase / (Decrease) in trade payables	(50.12)	332.21	4.74
Increase / (Decrease) in provisions	5.77	(0.23)	(3.44)
Increase / (Decrease) in other financial liabilities	(1,260.89)	176.19	(89.82)
Increase / (Decrease) in other liabilities	(1,211.02)	1,265.54	24.94
Cash generated from/(used in) operations	(1,111.11)	2,267.09	295.52
Income tax paid (net)	(438.66)	(257.45)	(119.68)
Net cash flows generated from/(used in) operating activities (a)	(1,549.77)	2,009.64	175.84
Cash flows from investing activities			
Proceeds/(Payment) for capital work in progress, capital advance and creditor for capital	(452.41)	(111.37)	9.78
Payment for purchase of property, plant and equipment	(613.71)	(669.05)	(488.13)
Payment for purchase of other intangible assets	(1.26)	-	(0.19)
Proceeds from sale/ disposal of property, plant and equipment	7.52	5.15	305.13
Investment in bank deposits	(9.29)	(1,139.12)	(5.92)
Proceed from bank deposits	1,030.99	0.94	1.90
Interest received	58.78	25.65	1.74
Payment for purchase of investments	-	(108.00)	-
Net cash flows generated from/(used in) investing activities (b)	20.62	(1,995.80)	(175.69)
Cash flows from financing activities			
Proceeds from borrowings	1,832.33	370.67	147.37
Repayment of borrowings	(139.99)	(82.67)	(49.44)
Principal paid on lease liabilities	(60.97)	(37.40)	(34.40)
Interest paid on lease liabilities	(39.49)	(10.05)	(8.40)
Interest paid on borrowings	(84.39)	(28.71)	(33.31)
Net cash flows generated from financing activities (c)	1,507.49	211.84	21.82
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(21.66)	225.68	21.97
Foreign Currency Translation Reserve	(0.20)	-	-
Cash and cash equivalents at the beginning of the year	326.80	101.12	79.15
Cash and cash equivalents at the end of the year (refer note no 16)	304.94	326.80	101.12

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure IV - Restated Statement of Cash Flows

(All amounts are in INR millions, unless otherwise stated)

Reconciliation of movements in liabilities arising from financing activities:

Particulars	As at 1 April 2024	Cash flows	Non- cash changes	As at 31 March 2025
Non-current borrowings	348.05	409.18	0.41	757.64
Current borrowings	417.28	1,283.16	6.93	1,707.37
Lease liability	422.69	(100.46)	234.63	556.86
Total liabilities from financing activities	1,188.02	1,591.88	241.97	3,021.87

Particulars	As at 1 April 2023	Cash flows	Non- cash changes	As at 31 March 2024
Non-current borrowings	196.55	151.09	0.41	348.05
Current borrowings	278.49	136.91	1.88	417.28
Lease liability	86.69	(47.45)	383.45	422.69
Total liabilities from financing activities	561.73	240.55	385.73	1,188.02

Particulars	As at 01 April 2022	Cash flows	Non- cash changes	As at 31 March 2023
Non-current borrowings	205.10	(8.55)	-	196.55
Current borrowings	172.01	106.48	-	278.49
Lease liability	120.30	(42.80)	9.19	86.69
Total liabilities from financing activities	497.41	55.14	9.19	561.73

The above Annexure should be read with the basis of preparation and material accounting policies appearing in Annexure V, Statement of Adjustments to the Restated Financial Information appearing in Annexure VI and Notes to the Restated Financial Information appearing in Annexure VII

1. The above Cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 (IND AS 7), "Statement of Cash Flows" notified under section 133 of the Companies Act 2013.

2. Figures in bracket indicate an outflow.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Kusumgar Limited
CIN: U65990MH1990PLC056871

Amrish Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: 04 September 2025

Siddharth Kusumgar
Managing Director
DIN: 01676799

Place: Mumbai
Date: 04 September 2025

Ankur Kothari
Chief Executive Officer & Director
DIN: 07694977

Place: Mumbai
Date: 04 September 2025

Kinnar Mehta
Chief Financial Officer

Place: Mumbai
Date: 04 September 2025

Devanand Mojidra
Company Secretary
ACS: 14644

Place: Mumbai
Date: 04 September 2025

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

1 Group overview

Kusumgar Limited (formerly known as Kusumgar Private Limited) ("the Company") is a public company domiciled in India and was incorporated on 15 June 1990 under the provisions of Companies Act, 1956 with its registered and corporate office in Mumbai, Maharashtra.

The Company along with its subsidiaries (collectively referred as the "Group") is engaged primarily in the business of manufacturing, marketing, and supplying a diverse range of technical textile fabrics, offering innovative and high-performance solutions to meet evolving customer requirements.

2 Basis of Preparation of Restated Financial Information

(a) Statement of compliance

The Restated Financial Information of the Company and its subsidiaries comprises of the Restated Statement of Assets and Liabilities as at 31 March 2025, 31 March 2024 and 31 March 2023, the Restated Statement of Profit and Loss (including Other Comprehensive income), the Restated Statement of Cash Flows, the Restated Statement of Changes in Equity for the years ended 31 March 2025, 31 March 2024 and 31 March 2023, the summary of material accounting policies and other explanatory Information (collectively, the "Restated Financial Information").

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE") (BSE and NSE together, referred to as the "Stock Exchanges") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO"). These Restated Financial Information have been prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "ICDR Regulations")

(c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

(d) E-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years.

These Restated Financial Information have been compiled by the management from:

(a) the audited consolidated financial statements of the Group as at and for the year ended 31 March 2025 prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 10 June 2025.

(b) the audited special purpose combined financial statements of the Group as at and for the year ended 31 March 2024 prepared based on the following:

(i) The audited standalone statutory financial statements of the Company as at and for the year ended 31 March 2024, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognized accounting practices and policies generally accepted in India; and

(ii) Pursuant to the Companies (Indian Accounting Standard) Rules, 2015(as amended from time to time), Engineered Coated Fabric Private Limited ("ECFPL" or the "Subsidiary"), adopted 01 April 2023 as reporting date for first time adoption of Indian Accounting Standards (Ind AS) notified under these rules, and consequently 01 April 2023 as the transition date for preparation of its statutory financial statements for the year ended 31 March 2025. Hence, the general purpose financial statements of the Subsidiary as at and for the year ended 31 March 2025, were the first financials statements, prepared in accordance with the Ind AS. Up to, for the financial year ended 31 March 2024 the Subsidiary had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which these Special Purpose financial statements are prepared. Also, these Special Purpose Financial Statements are not the statutory financial statements of the Subsidiary under the Act. These Special Purpose financial statements of the Subsidiary as at and for the year ended 31 March 2024, have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2023) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III to the Companies Act, 2013 disclosures followed as at and for the year ended 31 March 2025 which have been approved by the Board of Directors at their meeting held on 03 September 2025.

(c) the audited special purpose combined financial statements of the Group as at and for the year ended 31 March 2023 prepared based on the following:

(i) The audited standalone special purpose financial statements of the Company as at and for the year ended 31 March 2023, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognized accounting practices and policies generally accepted in India; and

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

(ii) Pursuant to the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time), the Subsidiary, adopted 01 April 2023 as reporting date for first time adoption of Indian Accounting Standards (Ind AS) notified under these rules, and consequently 01 April 2023 as the transition date for preparation of its statutory financial statements for the year ended 31 March 2025. Hence, the general purpose financial statements of the Subsidiary as at and for the year ended 31 March 2025, were the first financial statements, prepared in accordance with the Ind AS. Up to, for the financial year ended 31 March 2024 the Subsidiary had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which these Special Purpose financial statements are prepared. Also, these Special Purpose Financial Statements are not the statutory financial statements of the Subsidiary under the Act. These Special Purpose financial statements of the Subsidiary as at and for the year ended 31 March 2023, have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III to the Companies Act, 2013 disclosures followed as at and for the year ended 31 March 2025 which have been approved by the Board of Directors at their meeting held on 03 September 2025.

As disclosed in Note 51 to the Restated Financial Information, the Company acquired Engineered Coated Fabric Private Limited (the "Subsidiary") on 05 December 2024. The statutory date of transition to Ind AS for the Subsidiary is 01 April 2023. However, for the purpose of preparing the Restated Financial Information, the Company has adopted a transition date of 01 April 2022. Accordingly, the Subsidiary has applied the same accounting policies and policy choices (including both mandatory exceptions and optional exemptions availed under Ind AS 101, as applicable) as on 01 April 2022, consistent with those initially adopted on the statutory transition date of 01 April 2023. This acquisition has been classified as a common control transaction in accordance with Appendix C to Ind AS 103, Business Combinations.

Accordingly, audited standalone statutory financial statements of the Company for the year ended 31 March 2024, special purpose standalone financial statement of the company for the year ended 31 March 2023 and audited special purpose financial statements of the subsidiary acquired vide common control transaction (Refer note 51) for the year ended 31 March 2024 and 31 March 2023 have been combined in accordance with Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India.

Consequently, a reconciliation of total equity and total comprehensive income between the Audited Consolidated Financial Statements for 31 March 2025 and Audited Special Purpose Combined Financial Statements as at and for the years ended 31 March 2024 and 31 March 2023 has been presented in Annexure VI - Part A.

The Restated Financial Information were authorized for issue by the Company's Board of Directors on 04 September 2025.

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

(b) Principles of Consolidation

The Restated Financial Information comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Restated Financial Information of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Financial Information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Financial Information to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The Combined Financial Statements have been prepared by combining like items of assets, liabilities, equity, income, expenses and cash flows of the entities forming part of Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of Group have been eliminated and profits or losses arising from intragroup transactions have been eliminated in full.

Combined financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

(c) Basis of measurement

The Restated Financial Information have been prepared on accrual basis and under historical cost convention, except for the following:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employees defined benefit obligation and leave encashment are recognised as per actuarial valuation.
- Share-based payments liability measured at fair value

Classification into current and non-current:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group has ascertained its normal operating cycle as 12 months for the purpose of Current/Non-current classification of assets and liabilities.

(d) Use of estimates, judgements and assumptions

The preparation of Restated Financial Information requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the Group's financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

(Refer Note 4 for details).

(e) Presentation currency and rounding off

The Restated Financial Information are presented in Indian Rupees (INR), which is both the functional currency of the Group and the currency of the primary economic environment in which it operates. All amounts are stated in millions of INR, rounded to two decimal places, in accordance with the requirements of Schedule III to the Companies Act 2013, unless stated otherwise. Figures represented as "0" denote values that are not zero but have been rounded to the nearest INR million.

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(f) Going Concern

The Restated Financial Information are prepared on a going concern basis as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

3 Material accounting policies

A summary of the material accounting policies applied in the preparation of the Restated Financial Information are as given below. These accounting policies have been applied consistently to all periods presented in the Restated Financial Information.

3.01 Property, plant and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

The Group identifies and determines cost of each part of an item of property plant and equipment separately if the part has a cost which is significant to the total cost of that item of property plant and equipment and has useful life that is materially different from that of the remaining item.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced (All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred).

Interest cost incurred is capitalized up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 , or re-assessed by the Group. The Group has estimated the following as useful life to provide depreciation on its Property, Plant & Equipment.

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Name of the asset	Estimated Useful Lives by the management
Buildings	3 to 30 years
Plant & Machinery	7.5 to 15 years
Electrical Installation	10 years
Furniture & Fixtures	10 years
Vehicles	8 to 10 years
Office/Factory Equipment	5 years
Computers	3 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other income' / 'Other expenses' respectively.

3.02 Capital work-in-progress

Cost of assets not ready for intended use, as on the Balance sheet date, is shown as capital work in progress. The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

3.03 Other Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortization of intangible asset is included in Depreciation and amortization expense in Statement of Profit and Loss.

Software is amortized over the management's estimate of it's useful life, i.e. 6 years.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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3.04 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.05 Inventories

Inventories are valued at the lower of cost or net realizable value.

Cost of raw material, stores spares, packing material etc. includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

Finished goods and work-in-progress : Cost includes cost of direct material and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost.

Spare parts those does not meet definition of Property, Plant and Equipment are carried as inventory.

Transit stock are valued at cost.

3.06 Cash and cash equivalents and Cash flow statement

Cash and cash equivalent in the balance sheet comprises cash at banks, cash on hand, fixed deposits having a original maturity of less than 3 months, which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profits before tax are adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

3.07 Foreign Currency Translation

(a) Initial Recognition :

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Measurement of foreign currency items at reporting date :

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Consolidated Statement of Profit and Loss.

(c) Translation of financial statements of foreign entities :

On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions.

Any exchange differences arising from the translation of foreign operations are recognized in the Consolidated Statement of Other Comprehensive Income (OCI). These exchange differences are accumulated in equity under a separate component known as the Foreign Currency Translation Reserve.

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3.08 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.09 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains / losses.

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Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and it is irrevocable.

In case of equity instruments classified as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables:

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Other financial assets:

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of Profit and Loss. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- a) the rights to receive cash flows from the financial asset is transferred or expired
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

An instrument issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

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Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risk. These contracts are generally entered into with banks as counterparties.

Derivatives that are not designated as hedging instruments, or those designated as hedges but deemed ineffective under Ind AS 109, are accounted for as financial assets or financial liabilities at fair value through profit or loss.

Such derivatives are initially recognized at fair value on the contract date, with any attributable transaction costs recognized in the Statement of Profit and Loss when incurred. Subsequently, these derivatives are re-measured at fair value through profit or loss, and any resulting gains or losses are recorded in other income or other expenses.

Derivatives with a positive fair value are classified as financial assets, while those with a negative fair value are classified as financial liabilities.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

The entity's long-term borrowings are all at a variable interest rate; therefore, the unamortised transaction costs incurred on these borrowings are amortized on a straight-line basis instead of using the effective interest rate (EIR) method."

Financial liabilities at amortised cost

All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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3.11 Corporate Guarantee

Corporate guarantees given are treated as deferred income and amortized over the term of the guarantee on a systematic basis. The amortization is recognized in the profit and loss statement under "Other Income," reflecting the usage pattern of the guarantee.

3.12 Leases

As a lessee:

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (a) The contract involves the use of an identified asset -this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- (b) The Group has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- (c) The Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - The Group has the right to operate the asset; or
 - The Group designed the asset in a way that predetermines how and for what purposes it will be used

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to not recognize leases with a lease term of 12 months or less or of low value in the balance sheet, and lease costs for those short-term leases or low-value leases are recognized on a straight-line basis over the lease term in the Statement of Profit and Loss. The Group has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component.

3.13 Employee Benefits

(i) Defined benefit plans

Gratuity: The Group's gratuity benefit scheme is a defined benefit plan. Group's net obligation in respect of a defined benefit plan is calculated by estimating amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Present value of obligation under such benefit plan is determined based on actuarial valuation using projected unit credit method which recognizes each period of service that give rise to additional units of employee benefit entitlement and measures each unit separately to build up final obligation. Obligation is measured at present values of estimated future cash flows. The discounted rates used for determining present value are based on market yields on Government Securities as at the balance sheet date.

Defined benefit costs are categorised as follows:

- i. The current service cost of the defined benefit plans, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of Profit and Loss when they occur.
- ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of Profit and Loss.
- iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The Group provides benefits such as provident fund to its employees which is treated as defined contribution plan.

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(iii) Short-term employee benefit obligations

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(iv) Compensated absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method

Presentation and disclosure:

For the purpose of presentation of defined benefit plans and compensated absences, the allocation between the current and non-current provisions has been made as determined by an actuary.

3.14 Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(i) Sale of Products

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract.

(ii) Rendering of Services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligations for the services rendered.

(iii) Other Operating revenue

Government Grants and subsidies:

Recognition and Measurement:

The Group recognises grant as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them and the grant or subsidy will be received in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance.

Revenue from export incentives, including those arising under the Remission of Duties and Taxes on Exported Products (RoDTEP), Merchandise Exports from India Scheme (MEIS), Terminal Excise Duty (TED) and Duty Drawback Scheme, is recognised on an accrual basis, post-export, at the rates at which the entitlements accrue.

Presentation:

Income from the above grants and subsidies are presented under Revenue from Operations - "Other Operating Income".

3.15 Other income

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the Statement of profit and loss.

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of profit and loss.

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

3.16 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in determination of the net profit or loss for the year.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Group intends to settle the asset and liability on a net basis.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions for which discrete financial information is available. The Group is engaged in selling of goods. The CODM identified entire business as a single reportable segment, namely manufacturing of technical textiles fabrics, hence segment reporting is not applicable (Refer note 45).

3.19 Employee stock compensation cost

The fair value of options granted under the Group's employee stock option scheme measured as the excess of the fair value over the exercise price of the option at the date of grant is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted :

- ▶ 'including any market performance conditions (e.g. the entity's share price)
- ▶ 'excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- ▶ 'including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time). Further details are given in Note 49.

That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

3.20 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.21 Business combination under common control

Common control business combination refers to a business combination involving entities in which all the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

The financial information in the Restated Financial Information in respect of prior periods have been restated as if the business combination had occurred from the beginning of the earliest period presented in these Restated Financial Information, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information has been restated only from date of the business combination.

The difference, if any, between the purchase consideration paid either in the form of share capital or cash or other assets and the amount of net assets of the entities acquired is transferred to capital reserve in case of credit balance and common control adjustment deficit account in case of debit balance and presented separately from other reserves within equity. The nature and purpose of such reserve is disclosed in the notes.

4 Material accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

4.01 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

(b) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

(c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Group as it is not possible to predict the outcome of pending matters with accuracy.

(e) Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure V - Material Accounting Policies and other explanatory information to Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

(f) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Restated Financial Information.

(g) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(h) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions

(i) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit loss (ECL) for trade receivables and contract assets.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Group's historical credit loss experience may also not be representative of customer's actual default in the future.

(j) Share based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model for Employee Stock Option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

5 Recent pronouncements

The Ministry of Corporate Affairs vide notification dated 09 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 01 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback - Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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Annexure VI - Statement of Adjustments to Restated Financial Information
(All amounts are in INR millions, unless otherwise stated)

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for 31 March 2025 and Audited Special Purpose Combined Financial Statements as at and for the years ended 31 March 2024 and 31 March 2023 and their impact on equity and the total comprehensive income of the Group.

Part A - Statement of Adjustments to Audited Consolidated Financial Statements and Audited Special Purpose Combined Financial Statements

(i) Reconciliation between audited equity and restated equity

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total Equity as per Audited Consolidated Financial Statements and Audited Special Purpose Combined Financial Statements	2,577.52	1,403.59	556.14
Adjustments:			
Audit qualifications	-	-	-
Adjustments due to prior period items/other adjustment	-	-	-
Deferred tax impact on above adjustments	-	-	-
Change in accounting policies	-	-	-
Restatement Adjustments	-	-	-
Total equity as per Restated Financial Information	2,577.52	1,403.59	556.14

(ii) Reconciliation between audited comprehensive income and restated comprehensive income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Total comprehensive income as per Audited Consolidated Financial Statements and Audited Special Purpose Combined Financial Statements	1,139.36	847.46	372.49
Adjustments:			
Audit qualifications	-	-	-
Adjustments due to prior period	-	-	-
Deferred tax impact on above adjustments	-	-	-
Change in accounting policies	-	-	-
Restatement Adjustments	-	-	-
Total comprehensive income as per Restated Financial Information	1,139.36	847.46	372.49

Part B - Material regrouping

No regroupings were required to be made in the restated statement of assets and liabilities, the restated statement of profit and loss and the restated statements of cash flows for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 in order to bring them in line with the accounting policies and classification as per the consolidated financial statements of the Group as at and for the year ended 31 March 2025, prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Part C - Non adjusting items

(a) Audit qualifications for the respective years, which do not require any adjustments in the Restated Financial Information are as follows:

There are no audit qualification in auditor's report for the years ended 31 March 2025, 31 March 2024 and 31 March 2023.

(b) Emphasis of Matters not requiring adjustments to Restated Financial Information are reproduced below in respect of the Consolidated Financial Statements for the year ended 31 March 2025 and Special Purpose Combined Financial Statements for the years ended 31 March 2024 and 31 March 2023:

(i) Emphasis of Matters for the year ended 31 March 2025

No emphasis of matter relating to the operations of the Group.

(ii) Emphasis of Matters for the year ended 31 March 2024

"We draw attention to note 2(a) to the accompanying Special Purpose Combined Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Combined Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended 31 March 2024, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Maharashtra, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations'), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Combined Financial Statements may not be suitable for another purpose.

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

(iii) Emphasis of Matters for the year ended 31 March 2023

"We draw attention to note 2(a) to the accompanying Special Purpose Combined Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Combined Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended 31 March 2023, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Maharashtra, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations'), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Combined Financial Statements may not be suitable for another purpose.

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

(c) Statement / comments included in the Companies (Auditor's Report) Order, 2020 (CARO 2020), which do not require any adjustments in the Restated Financial Information:

As at and for the year ended 31 March 2025:

" (i) Clause ii(b) of the CARO 2020 order

During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Refer note 24 to the standalone financial statements.

Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

Difference in value of stock for Quarter Ended	Amount disclosed as per quarterly return /Statement (INR in million)	Amount as per books of account (INR in million)	Difference	Remarks
Jun-24	945	955	(10)	The quarterly returns or statements filed by the Company for working capital limits with such banks are generally in agreement with the books of account of the Company.
September - 2024	1,112	1,049	63	However, for the quarters specified is difference between the value of stock as per the company's books and the stock value reported in the quarterly stock statement submitted to the bank are primarily due to changes in the valuation of closing inventories.
December - 2024	1,168	1,289	(121)	

(ii) Clause vii(a) of the CARO 2020 order

According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

(iii) Clause ix(d) of the CARO 2020 order

According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that funds raised on short term basis [in the form of cash credit facility from banks aggregating to INR.657.27 millions] has been used for long-term purposes."

As at and for the year ended 31 March 2024:

" (i) Clause vii(a) of the CARO 2020 order

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, profession tax, income-tax, duty of customs, cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases."

As at and for the year ended 31 March 2023:

" (i) Clause vii(a) of the CARO 2020 order

In our opinion, and according to the information and explanations given to us, 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 other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases."

(d) Report on other legal and regulatory requirements

Reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) for the year ended March 31, 2025

" Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was enabled from 11 January 2025 for Purchase module and 12 February 2025 for Customer Module and 25 June 2024 for Sales module and was not enabled at the database level to log any direct data changes for the entire year as explained in note 53 to the financial statements.

Further, where enabled, audit trail feature has operated throughout the period for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has not been preserved by the Company as it was not enabled in the prior year as per the statutory requirements for record retention.

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, except for the matters stated in the paragraph 2(g)(vi) below on reporting under Rule 11(g). Also, in the absence of sufficient appropriate audit evidence we are unable to comment whether back-up of the books of account and other books and papers maintained in electronic mode is taken on a daily basis. Further, Books of accounts have been kept in servers physically located in India."

Reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) for the year ended 31 March 2024

" Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year."

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Annexure VII - Notes to the Restated Financial Information
(All amounts are in INR millions, unless otherwise stated)

6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Building	Leasehold Improvements	Electrical Installation	Plant & Machinery*	Furniture & Fixtures	Office Equipment	Factory Equipment	Vehicles	Computers	Total
Gross carrying amount (Deemed cost)											
Balance as at 01 April 2022	6.00	60.28	46.66	9.73	602.60	8.27	5.99	0.11	9.62	2.54	751.80
Additions	31.08	0.76	2.22	0.38	332.51	1.87	4.76	-	113.62	0.94	488.14
Disposals	-	-	-	-	246.91	-	-	-	76.85	-	323.76
Balance as at 31 March 2023	37.08	61.04	48.88	10.11	688.20	10.14	10.75	0.11	46.39	3.48	916.18
Accumulated depreciation											
Balance as at 01 April 2022	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	3.58	10.37	1.80	83.21	1.70	2.82	0.04	5.62	1.37	110.51
Disposals	-	-	-	-	19.93	-	-	-	-	-	19.93
Balance as at 31 March 2023	-	3.58	10.37	1.80	63.28	1.70	2.82	0.04	5.62	1.37	90.58
Gross carrying amount											
Balance as at 31 March 2023	37.08	61.04	48.88	10.11	688.20	10.14	10.75	0.11	46.39	3.48	916.18
Impact on account of different transition date of 01 April, 2023 (Refer Note 2)	-	-	(1.26)	(0.03)	(5.26)	(0.06)	(0.04)	(0.04)	-	(0.04)	(6.73)
Balance as at 01 April 2023	37.08	61.04	47.62	10.08	682.94	10.08	10.71	0.07	46.39	3.44	909.44
Additions	-	1.00	9.64	25.05	618.23	3.21	5.92	-	3.52	2.47	669.04
Disposals	-	-	-	-	21.54	-	-	-	12.38	-	33.92
Balance as at 31 March 2024	37.08	62.04	57.26	35.13	1,279.63	13.29	16.63	0.07	37.53	5.91	1,544.56
Accumulated depreciation											
Balance as at 31 March 2023	-	3.58	10.37	1.80	63.28	1.70	2.82	0.04	5.62	1.37	90.58
Impact on account of different transition date of 01 April, 2023 (Refer Note 2)	-	-	(1.26)	(0.03)	(5.26)	(0.06)	(0.04)	(0.04)	-	(0.04)	(6.73)
Balance as at 01 April 2023	-	3.58	9.11	1.77	58.02	1.64	2.78	-	5.62	1.33	83.83
Depreciation charge during the year	-	3.76	12.76	1.97	93.43	1.89	2.65	0.04	5.88	1.59	123.97
Disposals	-	-	-	-	20.64	-	-	-	9.80	-	30.44
Balance as at 31 March 2024	-	7.33	21.87	3.74	130.81	3.53	5.43	0.04	1.70	2.92	177.36
Gross carrying amount											
Balance as at 01 April 2024	37.08	62.04	57.26	35.13	1,279.63	13.29	16.63	0.07	37.53	5.91	1,544.57
Additions	-	-	46.63	10.09	490.48	7.37	10.04	-	45.46	3.62	613.69
Disposals	-	-	-	-	15.37	0.07	-	-	0.04	-	15.48
Balance as at 31 March 2025	37.08	62.04	103.89	45.22	1,754.74	20.59	26.67	0.07	82.95	9.53	2,142.78
Accumulated depreciation											
Balance as at 01 April 2024	-	7.33	21.87	3.74	130.81	3.53	5.43	0.04	1.70	2.92	177.37
Depreciation charge during the year	-	3.72	14.46	4.48	215.74	2.38	4.17	0.03	8.39	2.08	255.45
Disposals	-	-	-	-	8.62	0.01	-	-	0.04	-	8.67
Balance as at 31 March 2025	-	11.05	36.34	8.23	337.93	5.90	9.60	0.06	10.05	5.00	424.15
Net carrying amount as at 31 March 2025	37.08	50.99	67.56	36.99	1,416.81	14.69	17.07	0.01	72.90	4.53	1,718.63
Net carrying amount as at 31 March 2024	37.08	54.71	35.39	31.38	1,148.83	9.76	11.20	0.04	35.83	2.99	1,367.20
Net carrying amount as at 31 March 2023	37.08	57.46	38.51	8.31	624.92	8.44	7.93	0.07	40.77	2.11	825.60

*During the year ended 31 March 2025 group has capitalised borrowings cost of INR 0.29 million (31 March 2024 INR 13.70 million, 31 March 2023 INR 1.33 million)

Note - For details of property, plant and equipment given as security to lenders refer note 23

Deemed Cost -

The Group has availed the deemed cost exemption as per IND AS 101 in relation to property, plant and equipment as on the date of transition i.e. 01 April 2022 and hence the Net carrying amount (as per IGAAP) has been considered as the gross carrying amount (as per Ind AS) on that date i.e. 01 April 2022. Refer note below for the gross carrying amount and the accumulated depreciation on 01 April 2022 under the Previous GAAP and deemed cost -

Particulars	Freehold Land	Building	Leasehold Improvements	Electrical Installation	Plant & Machinery	Furniture & Fixtures	Office Equipment	Factory Equipment	Vehicles	Computers	Total
Gross carrying amount as at 1 April 2022	6.00	100.71	91.07	36.23	1,081.48	24.10	17.39	1.26	33.72	10.27	1,402.24
Accumulated depreciation as at 1 April 2022	-	40.43	44.41	26.50	478.88	15.83	11.41	1.15	24.10	7.73	650.44
Deemed cost as at 1 April 2022	6.00	60.28	46.66	9.73	602.60	8.27	5.99	0.11	9.62	2.54	751.80

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Annexure VII - Notes to the Restated Financial Information
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7 LEASES

Group as a lessee

The Group has entered into various agreements to take premises on rent for official purposes. The agreements are subject to termination, renewal and escalation clauses for lease rentals.

The weighted average incremental borrowing rate applied to lease liabilities is 8.65%

Information about leases for which the Group is a lessee is presented below:

(a) Right-of-use asset

Particulars	Leasehold Land and Building	Plant & Equipment	Total
Gross carrying amount (deemed cost)			
Balance as at 01 April 2022	174.87	12.51	187.38
Additions	0.80	-	0.80
Balance as at 31 March 2023	175.67	12.51	188.18
Accumulated depreciation			
Balance as at 01 April 2022	-	-	-
Depreciation charged during the year	37.97	2.78	40.75
Balance as at 31 March 2023	37.97	2.78	40.75
Gross carrying amount			
Balance as at 01 April 2023	175.67	12.51	188.18
Additions	372.91	15.92	388.83
Balance as at 31 March 2024	548.58	28.43	577.01
Accumulated depreciation			
Balance as at 01 April 2023	37.97	2.78	40.75
Depreciation charged during the year	36.60	8.08	44.68
Balance as at 31 March 2024	74.57	10.86	85.43
Gross carrying amount			
Balance as at 01 April 2024	548.58	28.43	577.01
Additions	198.64	-	198.64
Balance as at 31 March 2025	747.22	28.43	775.65
Accumulated depreciation			
Balance as at 01 April 2024	74.57	10.86	85.43
Depreciation charged during the year	76.22	8.08	84.30
Balance as at 31 March 2025	150.79	18.94	169.73
Net carrying amount as at 31 March 2025	596.43	9.49	605.92
Net carrying amount as at 31 March 2024	474.01	17.57	491.58
Net carrying amount as at 31 March 2023	137.70	9.73	147.42

(b) Lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	422.69	86.69	120.30
Add: Additions during the year	195.14	373.40	0.79
Add: Interest on lease liabilities	39.49	10.05	8.40
Less: Lease payments	(100.46)	(47.45)	(42.80)
Balance at the end of the year	556.86	422.69	86.69
Current portion of lease liabilities	77.56	54.38	25.22
Non-current portion of lease liabilities	479.30	368.31	61.47

Maturity analysis of lease liabilities is disclosed in (Refer Note 48)

(c) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Refer note	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation charge of right-of-use assets	36	84.30	44.68	40.75
Interest expense (included in finance costs)	35	39.49	10.05	8.40
Expense relating to short-term leases (included in rent expenses under other expenses)	37	12.80	16.27	7.06
Variable lease payments (included in rent expenses under other expenses)		7.54	-	-

(d) Amounts recognised in the cash flow statement

The cash flow statement shows the following amounts relating to leases:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Principal payment of lease liabilities	60.97	37.40	34.40
Interest payment on lease liabilities	39.49	10.05	8.40

8 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	84.34	1.90	10.05
Add: Addition during the year	665.93	84.05	1.90
Less: Capitalisation during the year	298.33	1.61	10.05
Closing balance	451.94	84.34	1.90

(a) Ageing of capital work-in-progress

As at 31 March 2025	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	451.58	0.36	-	-	451.94
(ii) Projects temporarily suspended	-	-	-	-	-
Total	451.58	0.36	-	-	451.94

As at 31 March 2024	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	84.05	0.29	-	-	84.34
(ii) Projects temporarily suspended	-	-	-	-	-
Total	84.05	0.29	-	-	84.34

As at 31 March 2023	Amounts in capital work-in-progress for				
Particulars	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	1.90	-	-	-	1.90
(ii) Projects temporarily suspended	-	-	-	-	-
Total	1.90	-	-	-	1.90

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended.

9 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying amount (Deemed cost)		
Balance as at 01 April 2022	6.81	6.81
Additions	0.19	0.19
Disposals	-	-
Balance as at 31 March 2023	7.00	7.00
Accumulated amortization		
Balance as at 01 April 2022	-	-
Amortization charge during the year	2.47	2.47
Disposals	-	-
Balance as at 31 March 2023	2.47	2.47
Gross carrying amount		
Balance as at 01 April 2023	7.00	7.00
Additions	-	-
Disposals	-	-
Balance as at 31 March 2024	7.00	7.00
Accumulated amortization		
Balance as at 01 April 2023	2.47	2.47
Amortization charge during the year	2.32	2.32
Disposals	-	-
Balance as at 31 March 2024	4.79	4.79
Gross carrying amount		
Balance as at 01 April 2024	7.00	7.00
Additions	1.26	1.26
Disposals	-	-
Balance as at 31 March 2025	8.26	8.26
Accumulated amortization		
Balance as at 01 April 2024	4.79	4.79
Amortization charge during the year	2.14	2.14
Disposals	-	-
Balance as at 31 March 2025	6.93	6.93
Net carrying amount as at 31 March 2025	1.33	1.33
Net carrying amount as at 31 March 2024	2.21	2.21
Net carrying amount as at 31 March 2023	4.53	4.53

Deemed Cost -

The Group has availed the deemed cost exemption as per IND AS 101 in relation to Intangible assets as on the date of transition i.e. 01 April 2022 and hence the Net carrying amount (as per IGAAP) has been considered as the gross carrying amount (as per Ind AS) on that date, i.e., 01 April 2022. Refer note below for the gross carrying amount and the accumulated amortization as on 01 April 2022 under the Previous GAAP and deemed cost-

Particulars	Computer Software	Total
Gross carrying amount as at 1 April 2022	18.41	18.41
Accumulated amortization as at 1 April 2022	11.60	11.60
Deemed cost as at 1 April 2022	6.81	6.81

10 INVESTMENTS (NON-CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Investment in other entities at FVTOCI (unquoted)			
72,000 (31 March 2024: 72,000, 31 March 2023: Nil) equity shares of Toray Kusumgar Advanced Textile Private Limited [Face Value INR 1000 (31 March 2024: INR 1000, 31 March 2023: Nil), each fully paid]	149.66	121.79	-
1000 (31 March 2024: 1000, 31 March 2023: 1000) equity shares of Saraswat Co-operative Bank [Face Value INR 10 (31 March 2024: INR 10, 31 March 2023: INR 10), each fully paid]	0.01	0.01	0.01
100 (31 March 2024: 100, 31 March 2023: 100) equity shares of SVC Bank [Face Value INR 25(31 March 2024: INR 25, 31 March 2023: INR 25), each fully paid]*	0.00	0.00	0.00
Total	149.67	121.80	0.01
Aggregate amount of unquoted investments	149.67	121.80	0.11
Aggregate amount of impairment in value of investments	-	-	(0.10)

*Amounts shown as "0" are non-zero figures rounded off to the nearest INR million

11 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Security deposits (Refer Note 43)	38.67	30.29	21.23
Fixed deposit			
Against bank guarantees	20.94	25.94	-
Against letter of credit	-	17.50	-
Total	59.61	73.73	21.23

12 NON-CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Income tax asset (net)	28.20	-	3.51
Total	28.20	-	3.51

13 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balance with statutory & government authorities	-	-	2.90
Advance paid to creditors-Capital	195.53	83.14	49.11
Total	195.53	83.14	52.01

14 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Raw Material*	510.56	726.11	203.25
Semi Finished Fabric	235.27	234.95	180.70
Finished Fabric	556.75	445.31	266.95
Stores & Spares	66.44	30.74	26.73
Total	1,369.02	1,437.11	677.63

*Raw material includes Stock in Transit amounting to INR 16.30 million (31 March 2024: INR 151.13 million, 31 March 2023: Nil)

Notes:

(a) Provision for inventory write-down of INR 39.57 million (31 March 2024: INR 180.45 million, 31 March 2023: 27.21 million) was recognised in the Statement of Profit and Loss.

(b) For details of Inventories given as security to lenders Refer Note 23

15 TRADE RECEIVABLES

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Unsecured			
Considered good (Refer Note 43)	629.77	453.01	574.20
Less- Allowance for expected credit loss (Refer Note 48)	(68.67)	(30.62)	(20.78)
Total	561.10	422.39	553.42

Note - For details of Trade receivables given as security to lenders Refer Note 23

As at 31 March 2025	Current						
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Receipts				
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed trade receivables							
- considered good	-	453.86	130.08	26.92	6.67	5.78	2.19
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- considered good	-	-	-	-	-	-	4.27
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Subtotal	-	453.86	130.08	26.92	6.67	5.78	6.46
Less: Allowance for expected credit loss							
Total							629.77
							(68.67)
							561.10

As at 31 March 2024		Current						
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	-	-	425.91	10.18	8.17	2.38	2.10	448.74
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- considered good	-	-	-	-	-	4.27	-	4.27
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	-	-	425.91	10.18	8.17	6.65	2.10	453.01
Less: Allowance for expected credit loss								(30.62)
Total								422.39

As at 31 March 2023		Current						
Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	-	-	489.91	74.32	4.25	1.45	-	569.93
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- considered good	-	-	-	-	4.27	-	-	4.27
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Subtotal	-	-	489.91	74.32	8.52	1.45	-	574.20
Less: Allowance for expected credit loss								(20.78)
Total								553.42

16 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balances with banks*			
In current accounts	214.37	325.59	100.12
Deposits with original maturity of less than three months	90.00	-	-
Cash on hand	0.57	1.21	1.00
Total	304.94	326.80	101.12

*Cash and cash equivalents as at 31 March 2025, 31 March 2024 and 31 March 2023 include restricted cash and bank balances of INR 7.79 million and INR 1.63 million and INR Nil respectively. These amounts represent unspent funds allocated for Corporate Social Responsibility (CSR) activities in accordance with Section 135 of the Companies Act, 2013, and the applicable CSR Rules. The funds are restricted in use and are not available for general business purposes. They will be utilised solely for eligible CSR activities.

17 OTHER BANK BALANCES

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Bank deposits having original maturity of more than 3 months but less than 12 months	70.78	1,098.80	1.22
Fixed deposit			
Against bank guarantees	11.10	3.12	7.67
Against letter of credit	25.05	4.21	2.51
Total	106.93	1,106.13	11.40

18 LOANS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Loans considered good - Unsecured			
Other parties*	155.69	-	-
Total	155.69	-	-

*The unsecured loan carries an interest rate ranging from 9.00% to 9.10% per annum and is repayable within 12 months from the reporting date.

19 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Security deposit	234.43	21.68	38.08
Less- Allowance for expected credit loss	-	-	(0.80)
	234.43	21.68	37.28
Interest accrued	3.95	4.89	0.63
Total	238.38	26.57	37.91

20 OTHER CURRENT ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balance with statutory & government authorities	266.78	137.57	71.86
Advance paid to creditors	84.16	151.31	20.04
Prepaid expenses*	19.01	9.38	6.64
Employee's loan	6.58	6.15	2.47
Total	376.53	304.41	101.01

*As at 31 March 2025, prepaid expenses include INR 7.03 million incurred in connection with the proposed initial public offering (IPO) of equity shares of the Company.

21 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Authorized share capital			
24,00,00,000 (31 March 2024: 3,00,000, 31 March 2023: 3,00,000) Equity Shares of INR 1 (31 March 2024: INR 100, 31 March 2023: INR 100) each	240.00	30.00	30.00
	240.00	30.00	30.00
Issued, subscribed and paid up			
10,14,90,000 (31 March 2024: 1,99,000, 31 March 2023: 1,99,000) Equity Shares of INR 1 (31 March 2024: INR 100, 31 March 2023: INR 100) each fully paid	101.49	19.90	19.90
Total	101.49	19.90	19.90

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,99,000	19.90	1,99,000	19.90	1,99,000	19.90
Add: Split of shares from INR 100 each to INR 1 each	1,97,01,000	-	-	-	-	-
Add: Bonus shares issued during the year	8,15,90,000	81.59	-	-	-	-
Outstanding at the end of the year	10,14,90,000	101.49	1,99,000	19.90	1,99,000	19.90

(b) Rights, preferences and restrictions attached:

- 1) The Holding Company has only one class of Equity Shares having a par value of INR 1 per share (31 March 2024: INR 100 per share, 31 March 2023: INR 100 per share). Each holder of Equity Shares is entitled to one vote per share.
- 2) They are also entitled to dividend if proposed by the Board of Directors and approved by the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- 3) In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Holding Company after distribution of all preferential amount, in proportion to their share holding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in Holding Company

Name of shareholder	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Siddharth Y Kusumgar	6,56,94,630	64.73%	1,28,813	64.73%	1,28,813	64.73%
Sapna S Kusumgar	3,13,99,170	30.94%	61,567	30.94%	61,567	30.94%

(d) Details of Equity shares held by Promoters at the end of the year

Promoter name	As at 31 March 2025			As at 31 March 2024			As at 31 March 2023		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Siddharth Y Kusumgar	6,56,94,630	64.73%	0.00%	1,28,813	64.73%	0.00%	1,28,813	64.73%	-0.02%
Sapna S Kusumgar	3,13,99,170	30.94%	0.00%	61,567	30.94%	0.00%	61,567	30.94%	0.00%
Siddharth Y Kusumgar HUF	43,35,000	4.27%	0.00%	8,500	4.27%	0.00%	8,500	4.27%	0.00%
Yogesh K Kusumgar	51,000.00	0.05%	0.00%	100.00	0.05%	0.00%	100	0.05%	0.00%

(e) The members in its Ordinary General meeting passed a resolution held on 01 October 2024 approving the sub-division of each equity share of face value of INR 100 each fully paid up into face value of INR 1 each fully paid up.

Also, the members in its Ordinary General meeting dated 29 January 2025 have approved increase in the authorised share capital from INR 30 million divided into 30 million equity shares of INR 1 each (post split of shares) to INR 240 million divided into 240 million equity shares of INR 1 each.

Further, the Board of Directors have also passed a resolution on 29 January 2025 and approved the issue of bonus equity shares in its meeting which was further approved by shareholders in the meeting held on 20 February 2025 in the ratio of 3 equity shares of INR 1 each for every 1 equity share of INR 1 each by capitalization of such sum standing to the credit of free reserves of the Company.

Further, the Board of Directors have also passed a resolution on 17 March 2025 and approved the issue of bonus equity shares in its meeting which was further approved by shareholders in the meeting held on 25 March 2025 in the ratio of 11 equity shares of INR 1 each for every 40 equity share of INR 1 each by capitalization of such sum standing to the credit of free reserves of the Company.

(f) No class of shares have been bought back by the Holding Company during the period of five years immediately preceding the current year end, i.e. 31 March 2025.

Kusumgar Limited (formerly known as Kusumgar Private Limited)

Annexure VII - Notes to the Restated Financial Information

(All amounts are in INR millions, unless otherwise stated)

22 OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Securities premium	269.39	269.39	269.39
General reserve	0.21	58.12	58.12
Retained earnings	3,244.00	2,152.00	1,316.35
Other comprehensive Income	35.69	11.81	-
Share based payment reserve (Refer Note 49)	34.57	-	-
Common control adjustment deficit account (Refer Note 51)	(1,107.62)	(1,107.62)	(1,107.62)
Foreign Currency Translation Reserve	(0.21)	(0.01)	-
Total	2,476.03	1,383.69	536.24

(a) Securities premium

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	269.39	269.39	269.39
Add : Securities premium credited on share issue	-	-	-
Closing balance	269.39	269.39	269.39

(b) General reserve

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	58.12	58.12	58.12
Less : Utilised towards bonus issue	(57.91)	-	-
Closing balance	0.21	58.12	58.12

(c) Retained Earnings

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	2,152.00	1,316.35	943.86
Add: Profit for the year	1,119.88	843.96	372.17
Add/(Less) - Remeasurement gain/(loss) of net defined benefit plan	(4.20)	(8.31)	0.32
Less: Utilised towards bonus issue	(23.68)	-	-
Closing balance	3,244.00	2,152.00	1,316.35

(d) Other comprehensive Income

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	11.81	-	-
Add - Gain on FVTOCI equity investments	23.88	11.81	-
Closing balance	35.69	11.81	-

(e) Share based payment reserve

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-	-
Add: Expense for the year	34.57	-	-
Closing balance	34.57	-	-

(f) Common control adjustment deficit account

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	(1,107.62)	(1,107.62)	(1,107.62)
Add: Movement during the year	-	-	-
Closing balance	(1,107.62)	(1,107.62)	(1,107.62)

(g) Foreign Currency Translation Reserve

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	(0.01)	-	-
Add: Movement during the year	(0.20)	(0.01)	-
Closing balance	(0.21)	(0.01)	-

Nature and purpose of reserves

(a) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

(b) Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013 including for dividends and bonus issue.

(c) Retained earnings are the profits that the Group has earned/incurred till date, less any transfers to general reserve, bonus share issue, dividends or other distributions paid to shareholders.

(d) Other comprehensive Income reserve represents the cumulative gains and losses arising on the revaluation of equity investments measured at fair value through other comprehensive income.

(e) The share options outstanding reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

(f) Common control adjustment deficit account pertains to the impact of accounting for common control business combinations as detailed in note 51. The same will be utilised for the purposes as permitted by the Companies Act, 2013.

(g) Foreign Currency Translation Reserve is the exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognized in other comprehensive income and is presented within equity.

23 BORROWINGS

(a) Non-current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Secured			
(i) Term loan (from Bank) (refer note (1) below)	881.68	462.47	258.25
Less: Current maturities of long-term debt	(145.49)	(127.63)	(78.01)
	736.19	334.84	180.24
(ii) Vehicle Loan (refer note (2) below)	33.49	17.79	28.29
Less: Current maturities of long-term debt	(12.04)	(4.58)	(11.98)
	21.45	13.21	16.31
Total	757.64	348.05	196.55

(b) Current borrowings

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Secured			
Working capital demand loan from a bank (refer note (3) below)	1,430.50	35.52	5.00
Packing credit foreign currency loans (PCFC)	73.80	245.44	176.77
Buyers credit	16.02	-	-
Cash credit	18.48	-	4.49
Current maturities of long-term borrowings (Term Loan - including bank interest payable)	156.53	131.74	80.25
Current maturities of long-term borrowings (Vehicle Loan)	12.04	4.58	11.98
Total	1,707.37	417.28	278.49

Refer Note 48

Note 1- Term loans

a. The Group has availed a term loan from HDFC Bank Limited amounting to INR 215 million which was sanctioned in two parts INR 180 million on 06 March 2020 and INR 35 million on 03 December 2021, secured by a hypothecation charge on Plant and Machinery acquired from the loan proceeds, immovable properties located at Plot Nos. 10 and 11, Kosamba, and personal guarantees provided by the Mr. Yogesh Kusumgar (Director) and Mr. Siddharth Kusumgar (Managing Director).

b. The Group has also obtained an additional term loan from HDFC Bank Limited amounting to INR 450 million on 20 June 2022 secured by a hypothecation charge on Plant and Machinery purchased out of the term loan proceeds, immovable properties located at Plot Nos. 1271 and 1273, Tadkeshwar, and personal guarantees of the Mr. Yogesh Kusumgar(Director) and Mr. Siddharth Kusumgar (Managing Director).

c. Further, the Group has availed another term loan from HDFC Bank Limited amounting to INR 1000 million on 15 January 2025. Out of this, INR 530.04 million was disbursed during the year ended 31 March 2025, secured by a hypothecation charge on Plant and Machinery and immovable property situated at Fairdeal Textile Park, Composite Unit 2, Block Ni 692/A, Surat, industrial property located at Vasundhara Canning Compound, near Pardi railway station, Killa Pardi, District Valsad 396125, Gujarat and Plot No. 1274, Village Tadkeshwar, opp General Polytex Co. Pvt Ltd, Teh Mandvi, District - Surat-394170 and personal guarantees of the Mr. Yogesh Kusumgar (Director upto 04 March 2025) and Mr. Siddharth Kusumgar (Managing Director).

d. Two of the aforementioned term loans, amounting to INR 450 million and the INR 1000 million are under a repayment moratorium period of one year from the date of disbursement of each loan. However, the Group was required to service the interest on the outstanding loan amounts during the applicable moratorium period.

Term loans repayment schedule

Sr. No.	Bank name	Rate of Interest (%)	Instalment period	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023
1	SBI	10.95	23 January 2018 to 04 July 2023	-	-	28.23
2	HDFC Bank Ltd	8.34 to 8.73	29 June 2020 to 05 May 2027	69.36	100.18	131.00
3	HDFC Bank Ltd	8.34 to 8.73	18 June 2020 to 13 Sep 2025	3.00	9.00	15.00
4	HDFC Bank Ltd	8.34 to 8.73	31 Dec 2021 to 31 Dec 2026	12.08	18.99	25.89
5	HDFC Bank Ltd	8.34 to 8.73	31 March 2022 to 31 March 2028	269.92	334.30	50.35
6	HDFC Bank Ltd	8.60	28 Jan 2025 to 28 Jan 2031	527.32	-	-
7	SVC Bank Ltd	10.90	06 Nov 2024	-	-	7.78
Total				881.68	462.47	258.25

(There is no default in terms of repayment of Principle and Interest)

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(All amounts are in INR millions, unless otherwise stated)

Note 2- Vehicle loans
Vehicle loans repayment schedule

Sr. No.	Bank name	Rate of Interest (%)	Maturity period	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023
1	Daimler Financial Services India Private	6.7 to 7.90	04-May-27	3.08	4.36	5.56
2	SVC Co Op Bank Ltd	7.75	26-Aug-27	-	-	6.24
3	HDFC Bank Ltd	6.7 to 7.90	05-Nov-27	8.70	11.53	14.16
4	HDFC Bank Ltd	6.7 to 7.90	04-May-27	1.43	1.90	2.33
5	HDFC Bank Ltd	8.60	05-Nov-27	20.28	-	-
Total				33.49	17.79	28.29

Note 3 - Working capital demand loan

Working Capital Loan which ranges from 8.34% to 9.25% from Banks are secured by hypothecation charge on the stock of raw Materials, finished and semi finished goods and book debts arising out of Business transactions.

The quarterly returns or statements filed by the respective Companies for working capital limits with such banks are generally in agreement with the books of account of the respective Companies. However, for the quarters specified below, difference between the value of stock as per holding company's books and the stock value reported in the quarterly stock statement submitted to the bank are primarily due to changes in the valuation of closing inventories.

Sr. No.	Bank name	Quarter Ended	Amount as per books of accounts	Amount as per quarterly return/statement	Difference
1	HDFC Bank Ltd. And CITI Bank	Jun 2024	955.00	945.00	(10.00)
2	HDFC Bank Ltd. And CITI Bank	Sep 2024	1,049.00	1,112.00	63.00
3	HDFC Bank Ltd. And CITI Bank	Dec 2024	1,289.00	1,168.00	(121.00)

24 EMPLOYEE BENEFIT OBLIGATIONS (NON CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Grauity (Refer Note 42)	10.45	11.78	1.40
Leave encashment payable (Refer Note 42)	15.07	6.12	7.31
Total	25.52	17.90	8.71

25 TRADE PAYABLES

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note 48)	50.42	14.32	19.96
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 48)	402.46	489.21	170.60
Total outstanding dues to related parties (Refer Note 43 & 48)	19.19	19.19	-
Total	472.07	522.72	190.56

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to micro and small enterprises is as below:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the year:			
- Principal	50.42	14.32	19.96
- Interest	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	-	-

Trade Payables ageing schedule

As at 31 March 2025		Current					
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- MSME	-	39.60	10.76	-	0.02	0.04	50.42
- Others	16.30	174.28	226.73	0.22	2.23	1.89	421.65
Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	16.30	213.88	237.49	0.22	2.25	1.93	472.07

As at 31 March 2024		Current					
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- MSME	-	7.34	6.72	0.02	0.23	0.01	14.32
- Others	151.13	139.56	208.45	6.88	0.47	1.91	508.40
Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	151.13	146.91	215.17	6.90	0.69	1.94	522.72

As at 31 March 2023		Current					
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- MSME	-	17.80	1.92	0.23	0.00	0.01	19.96
- Others	-	69.20	98.54	0.98	1.01	0.87	170.60
Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	-	87.00	100.46	1.21	1.01	0.88	190.56

26 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Sundry creditors for capital goods	53.15	25.59	6.39
Employee dues payable	32.56	31.66	15.96
Foreign currency forward contract*	-	1.82	-
Purchase consideration payable	-	1,118.53	1,118.53
Interest payable	-	-	0.07
Expenses payables	17.93	159.37	14.69
Scrap deposit	0.35	0.35	0.35
Total	103.98	1,337.32	1,155.99

*Derivatives contract not designated as hedge are carried at fair value through profit or loss

27 EMPLOYEE BENEFIT OBLIGATIONS (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Gratuity (Refer Note 42)	7.23	4.17	2.93
Leave encashment payable (Refer Note 42)	1.84	1.14	1.52
Total	9.07	5.32	4.45

28 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Advance from customers	27.44	1,264.61	29.18
Liability towards corporate social responsibility	20.38	8.22	3.48
Statutory dues	49.03	35.04	9.59
Total	96.85	1,307.87	42.25

29 CURRENT TAX LIABILITY

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Income tax liability (net)	-	29.70	-
Total	-	29.70	-

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30 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customer			
Sale of products:			
Manufactured goods	7,685.98	4,545.65	2,919.44
Sale of services	14.97	11.29	34.08
	7,700.95	4,556.94	2,953.52
Other Operating Income			
Government grants	18.04	52.34	-
Duty drawback	29.33	27.20	16.63
RODTEP income	21.03	24.55	24.05
Sale of scrap	20.62	18.05	19.61
MEIS income	-	-	1.47
TED income	-	-	1.20
	89.02	122.14	62.96
Total	7,789.97	4,679.08	3,016.48

31 OTHER INCOME

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Foreign exchange gain	46.95	32.40	8.67
Interest income on:			
Fixed deposit	57.57	29.52	1.30
Unwinding of discount on security deposits	2.06	0.98	1.28
Other interest income	0.27	0.39	0.30
Allowance for expected credit loss reversal	-	-	6.78
Profit on sale of assets	0.71	1.67	1.30
Sundry balance written back	0.53	0.05	0.63
Miscellaneous income	4.06	1.42	0.42
Total	112.15	66.43	20.68

32 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Stock	726.11	203.25	136.38
Add: Purchases	3,498.16	2,525.72	1,602.83
Less: Closing stock	(510.56)	(726.11)	(203.25)
Total	3,713.71	2,002.86	1,535.96

33 CHANGES IN INVENTORIES OF FINISHED GOODS AND SEMI-FINISHED GOODS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year:			
Finished stock	556.75	445.31	266.95
Semi-finished stock	235.27	234.95	180.70
	792.02	680.26	447.65
Inventories at the beginning of the year:			
Finished stock	445.31	266.95	192.85
Semi-finished stock	234.95	180.70	108.82
	680.26	447.65	301.67
Net (increase)	(111.76)	(232.62)	(145.98)

34 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	537.74	370.79	280.81
Staff welfare expenses	49.37	21.80	18.18
Contribution to provident and other funds (Refer Note 42)	24.37	16.39	11.17
Share based payment to employees (Refer Note 49)	34.57	-	-
Leave encashment expenses	0.11	0.88	0.44
Gratuity expenses (Refer Note 42)	9.57	4.99	4.52
Total	655.73	414.85	315.12

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35 FINANCE COSTS

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on:			
Borrowings	91.73	31.00	33.31
Lease liabilities	39.49	10.05	8.40
Bank and Other finance charges	15.09	22.17	11.07
Total	146.31	63.22	52.78

36 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (Refer Note 6)	255.46	123.97	110.51
Depreciation of right to use assets (Refer Note 7)	84.30	44.68	40.75
Amortization of intangible assets (Refer Note 9)	2.14	2.32	2.47
Total	341.90	170.97	153.73

37 OTHER EXPENSES

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	333.31	211.14	216.65
Job work and labour charges (Refer Note 43)	362.57	186.91	92.35
Royalty expense	129.64	325.08	-
Consumption of stores	162.53	104.34	67.63
Travelling and conveyance	83.91	52.32	45.56
Freight and forwarding charges	128.25	51.15	35.74
Professional and legal fees	88.96	45.05	34.71
Effluent treatment charges	39.12	35.88	36.85
Advertisement and marketing	29.51	15.85	18.08
Repairs & maintenance on:			
Plant and machinery	36.96	28.34	11.60
Building	9.59	3.73	2.26
Others	10.03	8.22	5.39
Rates and taxes	38.42	11.32	9.13
Testing charges (Research & Development)	12.31	4.32	6.74
Testing charges	3.70	-	-
Corporate social responsibility expenses	12.46	6.92	4.10
Fair value loss on foreign currency forward contract	-	1.82	-
Insurance charges	10.66	4.16	2.96
Rent expenses (Refer Note 7(c) & 43)	20.34	16.27	7.06
Brokerage and commission*	14.71	9.23	0.85
Allowance for expected credit loss	38.05	9.84	-
Payment to auditors (Refer Note 37.1)	2.57	2.05	0.63
Provision for impairment of investment	-	-	0.10
Loss on sale of assets	2.58	0.05	-
Bad debts	3.67	-	-
Sundry balances written off	2.50	3.05	-
Contribution to political parties	0.50	-	-
Donation	0.16	0.05	0.04
Miscellaneous and Administration expenses	71.39	38.43	34.34
Total	1,648.40	1,175.52	632.77

*The Group has applied the practical expedient under Ind AS 115 and recognised brokerage and commission costs incurred to obtain contracts as an expense, given that the expected amortisation period is one year or less.

37.1 DETAILS OF PAYMENT TO AUDITORS (EXCLUSIVE OF GOODS AND SERVICE TAX)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:			
To statutory auditors:			
-For Audit	2.20	2.05	-
-For Others	0.37	-	0.63
Total	2.57	2.05	0.63

38 TAX EXPENSE

(a) Income tax expense:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	408.91	289.13	126.93
Short provision for tax relating to prior years	0.05	0.69	-
Deferred tax expense/(credit)	(21.01)	16.93	(6.32)
Income tax expense reported in the statement of profit or loss	387.95	306.75	120.61

(b) Income tax expense charged to Other Comprehensive income (OCI)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability	1.41	2.80	(0.11)
Gain on FVTOCI equity investments	(3.99)	(1.97)	-
Income tax charged to OCI	(2.58)	0.83	(0.11)

(c) Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	1,507.83	1,150.71	492.78
Enacted income tax rate applicable	25.17%	25.17%	25.17%
Current tax expenses on profit before tax at the enacted income tax rate	379.49	289.61	124.02
Effect of non-deductible expense	6.97	10.17	1.03
Short tax provision for earlier years	0.05	0.69	-
Others	1.43	6.28	(4.44)
Income tax expense	387.95	306.75	120.61

The Company has opted for new tax rate under section 115BAA of Income Tax Act, 1961 from the FY 2021-22. Hence, the enacted tax rate for current and deferred tax for current year is 25.168% (22% + surcharge + cess).

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(d) Deferred tax balances:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Deferred tax assets			
Fair valuation of security deposit	4.72	4.37	0.95
Provision for credit allowances on trade receivables	17.29	7.71	5.23
Lease liabilities	140.16	106.38	21.82
Transaction cost impact on term loan	0.59	-	-
Provision for employee benefits	8.72	5.25	2.69
MAT (Minimum Alternate Tax) Entitlement	-	-	0.36
	171.48	123.71	31.05
Deferred tax liability			
Property, plant and equipment	29.56	47.75	27.47
Right-of-use assets	152.51	108.62	22.00
Transaction cost impact on term loan	-	0.34	0.45
Fair value gain on Investments in unquoted equity shares.	5.95	1.97	-
Corporate Guarantee	-	-	0.00
	188.02	158.68	49.92
Deferred tax liability [net]	16.54	34.97	18.87

Movement in deferred tax assets and deferred tax liabilities from 01 April 2024 to 31 March 2025:

Particulars	As at 01 April 2024	Recognised in profit or loss	Recognised in OCI	As at 31 March 2025
Property, plant and equipment	47.75	(18.20)	-	29.56
Right-of-use assets	108.62	43.89	-	152.51
Transaction cost impact on term loan	0.34	(0.93)	-	(0.59)
Fair value gain on Investments in unquoted equity shares.	1.97	-	3.99	5.95
Provision for employee benefits	(5.24)	(2.07)	(1.41)	(8.72)
Fair valuation of security deposit	(4.37)	(0.35)	-	(4.72)
Provision for credit allowances on trade receivables	(7.71)	(9.59)	-	(17.29)
Lease liabilities	(106.40)	(33.75)	-	(140.16)
Deferred tax liability [net]	34.97	(21.01)	2.58	16.54

Movement in deferred tax assets and deferred tax liabilities from 01 April 2023 to 31 March 2024:

Particulars	As at 01 April 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
Property, plant and equipment	27.47	20.28	-	47.75
Right-of-use assets	22.00	86.62	-	108.62
Transaction cost impact on term loan	0.45	(0.11)	-	0.34
Fair value gain on Investments in unquoted equity shares.	-	-	1.97	1.97
Provision for employee benefits	(2.69)	0.25	(2.80)	(5.24)
Fair valuation of security deposit	(0.95)	(3.42)	-	(4.37)
Provision for credit allowances on trade receivables	(5.23)	(2.48)	-	(7.71)
Lease liabilities	(21.82)	(84.57)	-	(106.40)
Corporate Guarantee	(0.00)	0.00	-	-
MAT Entitlement	(0.36)	0.36	-	-
Deferred tax liability [net]	18.87	16.93	(0.83)	34.97

Movement in deferred tax assets and deferred tax liabilities from 01 April 2022 to 31 March 2023:

Particulars	As at 01 April 2022	Recognised in profit or loss	Recognised in OCI	As at 31 March 2023
Property, plant and equipment	28.01	(0.54)	-	27.47
Right-of-use assets	32.06	(10.06)	-	22.00
Fair valuation of security deposit	(1.27)	0.32	-	(0.95)
Provision for credit allowances on trade receivables	(6.94)	1.71	-	(5.23)
Lease liabilities	(30.28)	8.46	-	(21.82)
Transaction cost impact on term loan	0.78	(0.33)	-	0.45
Corporate Guarantee	0.00	0.00	-	0.00
Provision for employee benefits	(2.90)	0.10	0.11	(2.69)
MAT Entitlement	(1.69)	1.33	-	(0.36)
Revaluation impact on Land	7.31	(7.31)	-	-
Deferred tax liability [net]	25.08	(6.32)	0.11	18.87

(e) Deferred tax assets & liabilities disclosed in Statement of Assets and Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	0.56	-	-
Deferred tax liabilities	17.10	34.97	18.87

39 EARNINGS PER SHARE

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to ordinary equity holders	1,119.88	843.96	372.17
Weighted average number of equity shares outstanding for calculation of Basic EPS (Nos.) in millions (Face Value per share - Equity shares: INR 1 each)	101.49	101.49	101.49
Basic earnings per share (INR)*	11.03	8.32	3.67
Profit attributable to ordinary equity holders	1,119.88	843.96	372.17
Weighted average number of equity shares outstanding for calculation of Basic EPS (Nos.) in millions	101.49	101.49	101.49
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.) in millions	2.06	-	-
Total of Weighted average number of shares outstanding for calculation of Diluted EPS (Nos.) in millions	103.55	101.49	101.49
Diluted earnings per share (INR)*	10.81	8.32	3.67

* In line with the requirements of Ind AS 33, the basic and diluted earnings per share for the current period and previous periods presented have been calculated after considering the share split and bonus issue (Refer Note 21(e)).

40 CONTINGENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Letter of credit	53.11	47.12	18.17
Corporate guarantee given to related party	-	75.00	75.00

41 CAPITAL COMMITMENTS

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Plant & Machinery	852.70	570.19	642.88
Total	852.70	570.19	642.88

42 EMPLOYEE BENEFITS

(a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Group has no further obligations towards specified contributions. The contributions are charged to the statement of profit and loss as and when they accrue.

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Employers' Contribution to Provident Fund	21.65	14.66	10.11
Employers' Contribution to Superannuation Fund and New Pension Scheme	0.98	1.14	1.01
Total	22.63	15.80	11.12

(b) Compensated absences

The Group has a policy on compensated absences and expected cost of compensated absences (PL) is determined by actuarial valuation performed by an external actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Below are the actuarial assumptions used -

Principal assumptions used for the purpose of leave encashment

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Discount Rate	6.59% - 6.61%	6.97%	7.18% - 7.19%
Salary increase rate	6.00%	6% - 7%	7.00%
Employee turnover rate	6.00%	6.00%	6.00%
Retirement age	60 Years	60 Years	60 Years

The provision for compensated absences is as below:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Non-current	15.07	6.12	7.31
Current	1.84	1.14	1.52

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(All amounts are in INR millions, unless otherwise stated)

(c) Defined benefit plans

Gratuity:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity and currently the Group has funded gratuity plan. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method.

i) Amount recognised in balance sheet

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the end of the year	55.82	40.04	23.72
Fair Value of plan assets at the end of the year	38.14	24.09	19.39
Net liability recognized in Balance Sheet	(17.68)	(15.95)	(4.33)
Current liability	7.23	4.17	2.93
Non-current liability	10.45	11.78	1.40
Total	17.68	15.95	4.33

ii) Changes in the present value of benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	40.04	23.72	19.67
Included in profit or loss			
Interest cost	2.65	1.60	1.33
Current service cost	9.04	4.91	4.10
Past service cost	-	-	-
	11.69	6.51	5.43
Included in OCI			
Actuarial (gain)/ loss - Financial Assumptions	1.73	8.14	0.08
Actuarial (gain)/ loss - Experience	3.64	2.62	(0.53)
	5.37	10.76	(0.45)
Other			
Benefit Paid	(1.28)	(0.95)	(0.93)
Benefit paid from plan assets	-	-	-
Present value of obligation at the end of the year	55.82	40.04	23.72

iii) Changes in the fair value of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets at the beginning of the year	24.09	19.39	13.10
Included in profit or loss			
Interest income on plan assets	2.11	1.52	0.92
	2.11	1.52	0.92
Included in OCI			
Return on plan assets greater / (lesser) than discount rate	(0.24)	(0.35)	(0.02)
	(0.24)	(0.35)	(0.02)
Other			
Employer contributions	13.46	4.46	6.32
Benefits paid	(1.28)	(0.93)	(0.93)
Fair value of plan assets at the end of the year	38.14	24.09	19.39

iv) Reconciliation of balance sheet amount

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening net liability	15.95	4.33	6.57
Expense recognised in profit and loss	9.57	4.99	4.52
Expense/(income) recognised in other comprehensive income	5.61	11.11	(0.43)
Employers contribution	(13.46)	(4.46)	(6.32)
Benefits paid by the Group	-	(0.02)	-
Liability at the end of year	17.68	15.95	4.34

v) Expense recognized in the statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	9.04	4.91	4.10
Net Interest cost	0.53	0.08	0.42
Past service cost	-	-	-
- Interest expense on DBO	-	-	-
- Interest (income) on plan assets	-	-	-
Total expenses recognized in the statement of profit and loss	9.57	4.99	4.52

vi) Expense recognized in other comprehensive income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gains)/ losses arising from:			
- Experience	3.64	2.62	(0.53)
-Financial Assumptions	1.73	8.14	0.08
Return on plan assets excluding interest income	0.24	0.35	0.02
Net actuarial (gains) / losses recognised in OCI	5.61	11.11	(0.43)

vii) Principal assumptions used for the purpose of the actuarial valuation

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Discount Rate	6.59% - 6.61%	6.97%	7.18% - 7.19%
Salary increase rate	6.00%	6.00%	3% - 6%
Withdrawal rate	6.00%	6.00%	6.00%
Average attained age	33.98 - 36.25	33.21 - 36.25	32.94 - 35.26
Retirement age	60.00	60.00	60.00

viii) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Change in Discount rate			
Delta effect + 1%	51.24	36.70	22.02
Delta effect - 1%	61.16	43.97	25.69
Change in rate of salary increase			
Delta effect + 1%	60.36	43.46	25.57
Delta effect - 1%	51.75	37.02	22.09

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ix) Maturity profile of benefit payments

Year	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Year 1	7.23	4.17	3.16
Year 2	4.16	2.41	1.85
Year 3	4.08	3.46	1.79
Year 4	4.21	3.32	2.51
Year 5	3.96	3.43	2.31
Year 6 and above	18.73	14.59	9.44

The weighted average duration of defined benefit obligation is 9.20 years.

x) Gratuity is a defined benefit plan and entity is exposed to the following risks:

(i) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result in obligation at a rate that is higher than expected.
- Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(ii) Investment / Interest Risk:

The Group is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

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43 RELATED PARTY DISCLOSURES

The Group routinely enters into transactions with its related parties in the ordinary course of business. All such transactions are conducted at arm's length under normal terms of business.

(a) Name of related parties and description of relationship as identified by the Group:

Name of company	Relationship
Specialty Fabrics Private Limited Concord Weaving & Preparatory Private Limited Kusumgar Technomic Fabrics Private Limited V B Kusumgar & Co Private Limited 4S Holdings Shubita Fabrics LLP Kusumgar Holdings LLP Paraborne Systems LLP Toray Kusumgar Advanced Textile Private Limited Pertex Solution LLP	Enterprises over which Key Managerial Personnel have significant influence

(b) Key Managerial Personnel (KMP)/ others	Relationship
Yogesh Kusumgar (Director) (Until 04 March 2025)	Key Managerial Personnel
Siddharth Kusumgar (Managing Director)	Key Managerial Personnel
Kiran Shah (Director) (Until 04 March 2025)	Key Managerial Personnel
Ankur Kothari (Chief Executive Officer & Director)	Key Managerial Personnel
Sapna Kusumgar (Managing Director)	Key Managerial Personnel
Naresh Patel (Chief Financial Officer) (Until 09 December 2024)	Key Managerial Personnel
Kinnar Mehta (Chief Financial Officer) (From 01 January 2025)	Key Managerial Personnel
Devanand Mojidra (Company Secretary) (From 22 February 2025)	Key Managerial Personnel
Deepti Gupta (Independent Director) (From 17 March 2025)	Key Managerial Personnel
Kaushal Jaysingh Sampat (Independent Director) (From 17 March 2025)	Key Managerial Personnel
Amita Soni	Relatives of Key Managerial Personnel
Babita Kusumgar	Relatives of Key Managerial Personnel
Sushmi Doshi	Relatives of Key Managerial Personnel

(c) Compensation of key management personnel of the Group

Transactions with Key Managerial Personnel	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits*	66.91	51.61	45.86
Share-Based Payments	34.57	-	-
Others	9.85	5.40	3.60
Total	111.33	57.01	49.46

* Does not include post-employment benefits and other long-term benefits based on actuarial valuation as these are done for the Group as a whole.

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(All amounts are in INR millions, unless otherwise stated)

(d) Transactions with related party during the year are as follows:

Sr no	Transactions with related parties	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
1	Job Work-Sales Specialty Fabrics Private Limited	3.33	4.89	4.25
2	Fabric Sales Paraborne Systems LLP	-	0.88	6.56
3	Stores & Spares sale Paraborne Systems LLP	-	2.76	-
4	Stores & Spares purchase Paraborne Systems LLP	-	19.40	-
5	Yarn Purchase Specialty Fabrics Private Limited	4.28	0.17	-
6	Rent Paid 4S Holdings Specialty Fabrics Private Limited Amita Soni Babita Kusumgar Sushmi Doshi	11.73 6.00 1.43 1.43 1.43	9.66 6.00 1.39 1.39 1.39	8.78 - 1.35 1.35 1.35
7	Interest Received Paraborne Systems LLP	-	0.08	0.44
8	Fees paid to Consultant Kinnar Dhansukhlal Mehta Kiran Nagindad Shah	3.60 6.25	- -	- -
9	Loan taken Siddharth Kusumgar Sapna Kusumgar	194.09 90.08	- -	- -
10	Interest Paid Siddharth Kusumgar Sapna Kusumgar	2.19 0.07	- -	- -
11	Loan repaid Siddharth Kusumgar Sapna Kusumgar	194.09 90.08	- -	- -
12	Deposit given 4S Holdings Amita Soni Babita Kusumgar Sushmi Doshi	0.10 0.10 0.10 0.10	- - - -	- - - -
13	Deposit received 4S Holdings	17.50	-	-
	Total	627.98	48.01	24.08

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(e)	Sr no	Balances outstanding with related parties	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	1	Deposit given			
		4S Holdings	6.10	23.50	23.50
		Amita Soni	0.10	-	-
		Babita Kusumgar	0.10	-	-
		Sushmi Doshi	0.10	-	-
		Total	6.40	23.50	23.50
	2	Other Investment			
		Toray Kusumgar Advanced Textile Private Limited	149.66	121.79	-
		Total	149.66	121.79	-
	3	Other Receivable			
		Specialty Fabrics Private Limited	-	-	1.11
		Total	-	-	1.11
	4	Other Payable			
		Paraborne Systems LLP	19.19	19.19	0.04
		Total	19.19	19.19	0.04

(f) Intra-group transactions eliminated upon consolidation and combination

Sr no	Transactions with subsidiaries	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
1	Engineered Coated Fabric Private Limited			
	Job Work-Expenses	72.71	110.71	44.45
	Chemical & Packing Material Sale	30.20	29.59	87.18
	Fabric Sales	277.38	360.47	784.68
	Guarantee income	-	0.69	0.75
	Fabric Purchase	365.48	111.47	174.87
	Chemical Purchase	-	2.27	0.04
	Interest on borrowing	-	0.06	0.13
2	Kusumgar Middle East FZ LLC			
	Interest Received	0.47	-	-

(g) Intra-group balances eliminated upon consolidation and combination

Sr no	Balances outstanding with related parties	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
1	Engineered Coated Fabric Private Limited			
	Other Receivable	-	47.76	214.13
	Investments in Subsidiaries	1,118.53	-	-
	Other Payable	-	1.12	6.38
	Unearned financial guarantee commission	-	-	0.63
2	Kusumgar Middle East FZ LLC			
	Other Receivable	1.71	1.37	-
	Investments in Subsidiaries	2.37	-	-
	Loan given	9.48	-	-
	Interest accrued	0.47	-	-

Terms and Conditions of Transaction with Related Parties:

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest-free and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties.

The Group has availed the following term loans from HDFC Bank Ltd., which are secured by way of hypothecation of plant and machinery acquired out of the respective loan proceeds. These loans are further secured by personal guarantees provided by the Mr. Yogesh Kusumgar (Director until 04 March 2025) and Mr. Siddharth Kusumgar (Managing Director):

(a) Term loan secured by hypothecation of plant and machinery located at Plot Nos. 10 and 11, Kosamba.

(b) Term loan secured by hypothecation of plant and machinery located at Plot Nos. 1271 and 1273, Tadkeshwar.

(c) Term loan secured by hypothecation of plant and machinery located at Fairdeal Textile Park, Composite Unit 2, Block No. 692/A, Surat and industrial property located at Vasundhara Canning Compound, near Pardi railway station, Killa Pardi, District Valsad 396125, Gujrat and Plot No. 1274, Village Tadkeshwar, opp General Polytex Co. Pvt Ltd, Teh Mandvi, District - Surat-394170.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

44 REVENUE AS PER IND AS 115

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	For the year ended 31 March 2025			
	Revenue From Fabrics & solutions	Revenue from ancillary products & others	Revenue from Service	Total
Revenue from operation				
Sale of products				
Manufactured goods	7,377.18	308.80	-	7,685.98
Sale of services	-	-	14.97	14.97
Gross revenue from contracts with customers	7,377.18	308.80	14.97	7,700.95
Less: Consideration payable to customers	-	-	-	-
Net revenue from contracts with customers	7,377.18	308.80	14.97	7,700.95
Geographical markets				
Within India	5,622.29	275.62	14.97	5,912.88
Outside India	1,754.89	33.18	-	1,788.07
Net revenue from contracts with customers	7,377.18	308.80	14.97	7,700.95
Timing of revenue recognition				
Goods or services transferred at a point in time	7,377.18	308.80	-	7,685.98
Goods or Services transferred over a period of time	-	-	14.97	14.97
Net revenue from contracts with customers	7,377.18	308.80	14.97	7,700.95

Particulars	For the year ended 31 March 2024			
	Revenue From Fabrics & solutions	Revenue from ancillary products & others	Revenue from Service	Total
Revenue from operation				
Sale of products				
Manufactured goods	4,485.46	60.19	-	4,545.65
Sale of services	-	-	11.29	11.29
Gross revenue from contracts with customers	4,485.46	60.19	11.29	4,556.94
Less: Consideration payable to customers	-	-	-	-
Net revenue from contracts with customers	4,485.46	60.19	11.29	4,556.94
Geographical markets				
Within India	3,327.96	50.26	11.29	3,389.51
Outside India	1,157.50	9.92	-	1,167.43
Net revenue from contracts with customers	4,485.46	60.19	11.29	4,556.94
Timing of revenue recognition				
Goods or services transferred at a point in time	4,485.46	60.19	-	4,545.65
Goods or Services transferred over a period of time	-	-	11.29	11.29
Net revenue from contracts with customers	4,485.46	60.19	11.29	4,556.94

Particulars	For the year ended 31 March 2023			
	Revenue From Fabrics & solutions	Revenue from ancillary products & others	Revenue from Service	Total
Revenue from operation				
Sale of products				
Manufactured goods	2,888.16	31.28	-	2,919.44
Sale of services	-	-	34.08	34.08
Gross revenue from contracts with customers	2,888.16	31.28	34.08	2,953.52
Less: Consideration payable to customers	-	-	-	-
Net revenue from contracts with customers	2,888.16	31.28	34.08	2,953.52
Geographical markets				
Within India	1,790.32	2.24	14.69	1,807.25
Outside India	1,097.84	29.04	19.39	1,146.27
Net revenue from contracts with customers	2,888.16	31.28	34.08	2,953.52
Timing of revenue recognition				
Goods or services transferred at a point in time	2,888.16	31.28	-	2,919.44
Goods or Services transferred over a period of time	-	-	34.08	34.08
Net revenue from contracts with customers	2,888.16	31.28	34.08	2,953.52

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(b) Performance Obligation

Sale of Products:

The performance obligation in case of sale of product is satisfied at a point in time i.e., when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of Services:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligations for the services rendered.

(c) Contract Balances

The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables	561.10	422.39	553.42
Unbilled revenue-Contract assets	-	-	-
Deferred revenue-Contract liability	27.44	1,264.61	29.18

Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

Set out below is the amount of revenue recognised from:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Contract liabilities	-	-	-
Opening balance	1,264.61	29.18	11.40
Addition during the year	27.44	1,264.61	29.18
Revenue recognised during the year	(1,264.61)	(29.18)	(11.40)
Closing balance	27.44	1,264.61	29.18

45 SEGMENT REPORTING

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating Segments, the Group's business activities, as reviewed by the management, fall within a single operating segment, namely manufacturing of technical textiles fabrics. Consequently, no additional segmental disclosures are required in these financial statements beyond those already provided.

Operations of the Group are managed from India and United Arab Emirates. Accordingly, the following have been identified as operating and reportable segments: (a) "Within India", and (b) "Outside India". In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

(a) Break up of revenue based on geographical segment

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
In India:			
India	5,912.88	3,389.51	1,807.25
	5,912.88	3,389.51	1,807.25
Outside India:			
USA	678.94	465.58	520.46
Germany	403.52	276.60	129.14
South Africa	62.55	67.20	142.54
Srilanka	102.79	-	-
Bangladesh	-	41.70	-
France	208.24	72.35	-
Others	332.02	243.99	354.13
	1,788.07	1,167.43	1,146.27
Total	7,700.94	4,556.94	2,953.52

(b) The carrying amount of non-current operating assets by location of assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Within India	3,001.55	2,028.47	1,034.97
Outside India	-	-	-
Total	3,001.55	2,028.47	1,034.97

(c) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue from operations:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Customer one	24.97%	46.00%	-
Customer two	27.97%	-	-

46 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial Assets and financial Liabilities which are classified as below -

Particulars	Amortised Cost	FVTOCI	FVTPL	Total
As at 31 March 2025				
Financial Assets				
Current				
Trade receivables	561.10	-	-	561.10
Cash and cash equivalents	304.94	-	-	304.94
Other bank balances	106.93	-	-	106.93
Loans	155.69	-	-	155.69
Other financial assets	238.38	-	-	238.38
	1,367.04	-	-	1,367.04
Non-current				
Investment	-	149.67	-	149.67
Other financial assets	59.61	-	-	59.61
	59.61	149.67	-	209.28
Financial Liabilities				
Current				
Borrowings	1,707.37	-	-	1,707.37
Lease liability	77.56	-	-	77.56
Trade payables	472.07	-	-	472.07
Other financial liabilities	103.98	-	-	103.98
	2,360.99	-	-	2,360.99
Non-current				
Borrowings	757.64	-	-	757.64
Lease liability	479.30	-	-	479.30
	1,236.94	-	-	1,236.94
As at 31 March 2024				
Financial Assets				
Current				
Trade receivables	422.39	-	-	422.39
Cash and cash equivalents	326.80	-	-	326.80
Other bank balances	1,106.13	-	-	1,106.13
Other financial assets	26.57	-	-	26.57
	1,881.90	-	-	1,881.90
Non-current				
Investment	-	121.80	-	121.80
Other financial assets	73.73	-	-	73.73
	73.73	121.80	-	195.53
Financial Liabilities				
Current				
Borrowings	417.28	-	-	417.28
Lease liability	54.38	-	-	54.38
Trade payables	522.72	-	-	522.72
Other financial liabilities	1,335.50	-	1.82	1,337.32
	2,329.88	-	1.82	2,331.70
Non-current				
Borrowings	348.05	-	-	348.05
Lease liability	368.31	-	-	368.31
	716.36	-	-	716.36
As at 31 March 2023				
Financial Assets				
Current				
Trade receivables	553.42	-	-	553.42
Cash and cash equivalents	101.12	-	-	101.12
Other bank balances	11.40	-	-	11.40
Other financial assets	37.91	-	-	37.91
	703.85	-	-	703.85
Non-current				
Investment	-	0.01	-	0.01
Other financial assets	21.23	-	-	21.23
	21.23	0.01	-	21.24
Financial Liabilities				
Current				
Borrowings	278.49	-	-	278.49
Lease liability	25.22	-	-	25.22
Trade payables	190.56	-	-	190.56
Other financial liabilities	1,155.99	-	-	1,155.99
	1,650.26	-	-	1,650.26
Non-current				
Borrowings	196.55	-	-	196.55
Lease liability	61.47	-	-	61.47
	258.02	-	-	258.02

(b) Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Group has classified its financial instruments into the three levels prescribed under the Ind AS as below-

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
FVTOCI-Investments in unquoted equity instruments	-	-	149.66	149.66
As at 31 March 2024				
FVTOCI-Investments in unquoted equity instruments	-	-	121.79	121.79
Derivative financial instruments - loss on outstanding foreign exchange forward contracts	-	1.82	-	1.82
As at 31 March 2023				
FVTOCI-Investments in unquoted equity instruments	-	-	-	-
Derivative financial instruments - loss on outstanding foreign exchange forward contracts	-	-	-	-

Fair value of Financial Assets and Liabilities measured at amortized cost:

The fair value of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets (current), borrowings (current), trade payables and other financial liabilities (current) are approximate to the carrying amounts because of the short-term nature of these financial instruments.

Fair value measurements using observable inputs (level 2)

The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs as at reporting date.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2025, 31 March 2024 and 31 March 2023:

Particulars	Unlisted equity securities	Total
As at 31 March 2023	-	-
Acquisitions	108.00	108.00
Disposal	-	-
Gains(losses) recognised in other comprehensive income	13.79	13.79
Transfer from level 2	-	-
As at 31 March 2024	121.79	121.79
Acquisitions	-	-
Disposal	-	-
Gains(losses) recognised in other comprehensive income	27.87	27.87
Transfer from level 2	-	-
As at 31 March 2025	149.66	149.66

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 March 2025 and 31 March 2024 as shown below:
Description of significant unobservable inputs to valuation:

As at 31 March 2025

Financial instrument	Valuation technique	Key Unobservable Inputs	Range in (%)	Sensitivity of the Input to Fair Value
FVTOCI assets in unquoted equity shares	Discounted cash flow method	Discount Rate	17.60%	Increase and decrease in discount rate by 1% would decrease and increase fair value by 13.68 million and 16.15 million respectively.
		Growth Rate	5.00%	Increase and decrease in terminal growth rate by 1% would increase and decrease fair value by 3.80 million and 10.94 million respectively.

As at 31 March 2024

Financial instrument	Valuation technique	Key Unobservable Inputs	Range in (%)	Sensitivity of the Input to Fair Value
FVTOCI assets in unquoted equity shares	Discounted cash flow method	Discount Rate	13.30%	Increase and decrease in discount rate by 1% would decrease and increase fair value by 9.06 million and 10.60 million respectively.
		Growth Rate	0.50%	Increase and decrease in terminal growth rate by 0.50% would increase and decrease fair value by 2.82 million and 2.60 million respectively.

47 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium, all other equity reserves attributable to the shareholders of the Group. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans including interest accrued, and by reducing cash and cash equivalents, bank balances other than cash and cash equivalents.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Net Debt	2,465.01	765.33	475.04
Less: Cash and cash equivalents	(304.94)	(326.80)	(101.12)
Less: Bank balances other than cash and cash equivalents	(106.93)	(1,106.13)	(11.40)
Net adjusted debt (A)	2,053.14	(667.60)	362.52
Equity	2,577.52	1,403.59	556.14
Total equity (B)	2,577.52	1,403.59	556.14
Total debt and equity (C) = (A)+(B)	4,630.66	736.00	918.65
Gearing ratio (A) / (C)	0.44	0.00	0.39

48 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board. These risks are categorised into market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Group exposed to below two market risks-

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable borrowings, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on profit before tax		
	1% increase/ 1% decrease		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Borrowings (Impact on profit and loss)	(0.92)/0.92	(0.31)/0.31	(0.33)/0.33

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's trade receivable and trade payable.

The foreign currency trade receivables/trade payables balances (unhedged) are as follows:

Particulars	Amount in foreign currency (in millions)		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables			
USD	3.22	2.04	2.73
EURO	0.28	0.38	0.14
CHF	-	0.03	-
JPY	-	34.20	3.44
Trade payables			
USD	1.44	2.34	0.37
EURO	0.04	-	0.01
CHF	-	-	0.00
JPY	-	-	0.00

Particulars	Equivalent amount in INR (In millions)		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Receivables			
USD	281.49	169.90	224.65
EURO	25.95	34.38	12.69
CHF	-	2.72	-
JPY	-	18.84	1.92
Payables			
USD	123.36	194.76	30.09
EURO	4.02	-	1.22
CHF	-	-	0.20
JPY	-	-	0.00

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Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date:

Particulars	Financial Impact (+/-)		
	31 March 2025	31 March 2024	31 March 2023
USD (+/- 10% movement)	(15.81)	2.49	19.46
EURO (+/- 10% movement)	2.19	3.44	1.15
CHF (+/- 10% movement)	-	0.25	0.02
JPY (+/- 10% movement)	-	1.88	0.19

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's trade receivables, loans, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables	561.10	422.39	553.42
Cash and cash equivalents	304.94	326.80	101.12
Other bank balances	106.93	1,106.13	11.40
Investments	149.67	121.80	0.01
Loans	155.69	-	-
Other financial assets	297.99	100.30	59.14
Total	1,576.32	2,077.42	725.09

Balances with banks and fixed deposits are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

Investments - The Group limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties.

The Group is exposed to credit risk on its loan receivables and other financial assets. However, there is no material concentration of credit risk, as exposures are well diversified and no single counterparty presents a significant risk.

The Group applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Group's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies, hence no adjustment for forward looking factors is carried.

Reconciliation of loss allowance for trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening provision	30.62	20.78	27.56
Addition	38.05	9.84	-
Reversal	-	-	(6.78)
Amounts written off	-	-	-
Closing provision	68.67	30.62	20.78

Other financial assets: (except fixed deposit with bank and interest accrued)

Based on the assessment carried out by the Group, credit risk on certain aged security deposits has increased significantly and these balances are considered credit-impaired.

Reconciliation of loss allowance for security deposits

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening provision	-	0.80	0.80
Addition	-	-	-
Reversal	-	-	-
Amounts written off	-	(0.80)	-
Closing provision	-	-	0.80

Note-Credit risk for security deposit other than above and other receivables has not increased significantly.

Kusumgar Limited (formerly known as Kusumgar Private Limited)**Annexure VII - Notes to the Restated Financial Information***(All amounts are in INR millions, unless otherwise stated)***(c) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The table below summarizes the undiscounted maturity profile of the Group's financial liabilities on an undiscounted basis:

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at 31 March 2025				
Borrowings	1,707.37	670.33	89.65	2,467.35
Lease liabilities	122.85	414.95	222.34	760.14
Trade payables:	467.66	4.40	-	472.06
Other financial liabilities	103.98	-	-	103.98
Total	2,401.87	1,089.68	311.99	3,803.53
As at 31 March 2024				
Borrowings	417.28	349.42	-	766.70
Lease liabilities	83.82	335.14	168.69	587.65
Trade payables:	513.21	9.53	-	522.74
Other financial liabilities	1,337.32	-	-	1,337.32
Total	2,351.63	694.09	168.69	3,214.41
As at 31 March 2023				
Borrowings	278.49	198.32	-	476.81
Lease liabilities	31.68	70.61	-	102.29
Trade payables:	187.46	3.10	-	190.56
Other financial liabilities	1,155.99	-	-	1,155.99
Total	1,653.62	272.03	-	1,925.65

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49 EMPLOYEE STOCK OPTION PLAN
Equity-settled share option plan

Kusumgar ESOP Plan 2024 ("ESOP 2024") was approved by the Board of Directors and the Shareholders of the Group on 22 October 2024. The ESOP 2024 covers grant of Options to the specified employees of the Group covered under ESOP 2024.

As per the scheme, the number of shares that will vest is conditional upon the employee rendering the requisite service. The shares will be issued in tranches over the vesting period, in accordance with the terms of the plan. This valuation report has been prepared using the Black-Scholes model, which takes into account key components such as historical volatility, exercise price, and the risk-free rate of return.

(a) Reconciliation of total outstanding share options

Particulars	For the year ended 31 March 2025	
	No. of stock options	Weighted average exercise price (INR)
Options Outstanding at the beginning of year	-	-
Options Granted during the year	20,71,222	1.00
Options Exercised during the year	-	-
Options Forfeited / Expired during the year	-	-
Options Outstanding at the end of year	20,71,222	1.00
Exercisable at the end of the year	-	-

(b) Tranche wise terms of options

i)	Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted	Exercise price (INR)	Fair Value of option as on the date of grant (INR)
	Tranche 1	October 2024 - October 2025	12 Months	22-Oct-25	58,806	1.00	281.53
	Tranche 2	October 2024 - April 2026	18 Months	01-Apr-26	22,420	1.00	281.54
	Tranche 3	October 2024 - April 2027	30 Months	01-Apr-27	40,612	1.00	281.55
	Tranche 4	October 2024 - April 2028	42 Months	01-Apr-28	40,612	1.00	281.56
	Tranche 5	October 2024 - April 2029	54 Months	01-Apr-29	40,612	1.00	281.57
	Tranche 6	October 2024 - April 2030	66 Months	01-Apr-30	40,612	1.00	281.58
	Tranche 7	October 2024 - April 2031	78 Months	01-Apr-31	40,612	1.00	281.59
	Tranche 8	October 2024 - April 2032	91 Months	01-Apr-32	40,612	1.00	281.60
	Tranche 9	October 2024 - April 2033	103 Months	01-Apr-33	40,612	1.00	281.61
	Tranche 10	October 2024 - April 2034	115 Months	01-Apr-34	40,612	1.00	281.61
	Total				4,06,122		

ii)	Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted*	Exercise price (INR)	Fair Value of option as on the date of grant (INR)
	Tranche 1	February 2025 - October 2025	8 Months	22-Oct-25	1,76,418	1.00	281.53
	Tranche 2	February 2025 - April 2026	14 Months	01-Apr-26	67,260	1.00	281.54
	Tranche 3	February 2025 - April 2027	26 Months	01-Apr-27	1,21,836	1.00	281.55
	Tranche 4	February 2025 - April 2028	38 Months	01-Apr-28	1,21,836	1.00	281.56
	Tranche 5	February 2025 - April 2029	50 Months	01-Apr-29	1,21,836	1.00	281.57
	Tranche 6	February 2025 - April 2030	62 Months	01-Apr-30	1,21,836	1.00	281.58
	Tranche 7	February 2025 - April 2031	74 Months	01-Apr-31	1,21,836	1.00	281.59
	Tranche 8	February 2025 - April 2032	86 Months	01-Apr-32	1,21,836	1.00	281.60
	Tranche 9	February 2025 - April 2033	98 Months	01-Apr-33	1,21,836	1.00	281.61
	Tranche 10	February 2025 - April 2034	110 Months	01-Apr-34	1,21,836	1.00	281.61
	Total				12,18,366		

iii)	Scheme	Grant date	Vesting period from grant date	Exercise date	Number of options granted*	Exercise price (INR)	Fair Value of option as on the date of grant (INR)
	Tranche 1	March 2025 - October 2025	7 Months	22-Oct-25	64,687	1.00	281.53
	Tranche 2	March 2025 - April 2026	13 Months	01-Apr-26	24,662	1.00	281.54
	Tranche 3	March 2025 - April 2027	25 Months	01-Apr-27	44,673	1.00	281.55
	Tranche 4	March 2025 - April 2028	37 Months	01-Apr-28	44,673	1.00	281.56
	Tranche 5	March 2025 - April 2029	49 Months	01-Apr-29	44,673	1.00	281.57
	Tranche 6	March 2025 - April 2030	61 Months	01-Apr-30	44,673	1.00	281.58
	Tranche 7	March 2025 - April 2031	73 Months	01-Apr-31	44,673	1.00	281.59
	Tranche 8	March 2025 - April 2032	85 Months	01-Apr-32	44,673	1.00	281.60
	Tranche 9	March 2025 - April 2033	97 Months	01-Apr-33	44,673	1.00	281.61
	Tranche 10	March 2025 - April 2034	109 Months	01-Apr-34	44,673	1.00	281.61
	Total				4,46,734		

* These are the additional options granted due to bonus share issue by the Group.

(c) The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

Particulars	Weighted average fair value of the options at the grant dates (INR)	Risk free interest rates	Expected life (in years)	Expected volatility (%)	Weighted average share price (INR)
Tranche 1	207.91	6.50%	1.00	50%	1.00
Tranche 2	79.27	6.51%	1.44	50%	1.00
Tranche 3	143.59	6.54%	2.44	50%	1.00
Tranche 4	143.60	6.57%	3.44	50%	1.00
Tranche 5	143.60	6.59%	4.44	50%	1.00
Tranche 6	143.61	6.61%	5.44	50%	1.00
Tranche 7	143.61	6.63%	6.44	50%	1.00
Tranche 8	143.61	6.65%	7.44	50%	1.00
Tranche 9	143.62	6.67%	8.44	50%	1.00
Tranche 10	143.62	6.68%	9.44	50%	1.00
Total	1,436.04				

The Group expects that employees will be able to exercise their options at any time after the vesting period. Accordingly, the Group considers the vesting date to be the grant date for valuation purposes.

The expected volatility factor reflects the fluctuations in share returns over time and is measured by the annualized standard deviation of stock returns. As the Company is not listed, historical volatility of comparable listed companies has been used as a proxy to estimate the expected volatility of the Company's shares.

(d) Expense recognised in profit or loss from share based payment transaction

Particulars	For the year ended 31 March 2025
Employee share based payment expense recognised in statement of profit and loss	34.57

(e) Amounts presented in balance sheet as a part of the scheme as follows (Share based payment reserve):

Particulars	As at 31 March 2025
Balance at the beginning of the year	-
Add: Employee stock option expense recognised	34.57
Less: Options exercised during the year	-
Balance at the end of the year	34.57

50 SUMMARY OF NET ASSETS AND PROFIT AND LOSS

50.1 Information about subsidiary

The consolidated and combined financial information of the Group include subsidiaries listed in the table below:

Name of the entity	Country of incorporation	% equity interest			Principal activities
		As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	
Engineered Coated Fabric Private Limited *	India	100%	100%	100%	Manufacturing, processing, designing, importing, exporting, whole sale trading and distribution of all kinds of fabrics and textile materials, to undertake fabrication and sales and marketing of all types of fabrics and textile materials
Kusumgar Middle East FZ LLC	UAE	100%	100%	NA	Trading in textile business.

*Refer note 2(a) and 52

50.2 Additional information required by Schedule III in respect of subsidiaries

As at and for the year ended 31 March 2025

Name of the entity in the group	Net assets i.e. total assets minus liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Kusumgar Limited	139.19%	3,587.57	97.25%	1,089.12	101.72%	19.82	97.33%	1,108.94
Subsidiaries								
Engineered Coated Fabric Private Limited	4.31%	111.14	2.84%	31.85	-0.68%	(0.13)	2.78%	31.72
Kusumgar Middle East FZ LLC	-0.01%	(0.18)	-0.10%	(1.08)	-0.31%	(0.06)	-0.10%	(1.14)
Consolidation adjustments	-43.49%	(1,121.01)	0.00%	(0.01)	-0.73%	(0.14)	-0.01%	(0.15)
Total	100.00%	2,577.52	100.00%	1,119.88	100.00%	19.49	100.00%	1,139.36

As at and for the year ended 31 March 2024

Name of the entity in the group	Net assets i.e. total assets minus liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Kusumgar Limited	174.13%	2,444.11	96.15%	811.44	101.38%	3.55	96.17%	814.99
Subsidiaries								
Engineered Coated Fabric Private Limited	5.66%	79.41	4.01%	33.85	-1.38%	(0.05)	3.99%	33.80
Kusumgar Middle East FZ LLC	-0.10%	(1.38)	-0.16%	(1.37)	-0.29%	(0.01)	-0.16%	(1.38)
Consolidation adjustments	-79.69%	(1,118.55)	0.01%	0.05	0.29%	0.01	0.01%	0.06
Total	100.00%	1,403.59	100.00%	843.96	100.00%	3.50	100.00%	847.46

As at and for the year ended 31 March 2023

Name of the entity in the group	Net assets i.e. total assets minus liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of other consolidated comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Kusumgar Limited	292.92%	1,629.06	98.32%	365.90	6.16%	0.02	98.24%	365.92
Subsidiary								
Engineered Coated Fabric Private Limited	8.20%	45.61	1.68%	6.26	93.84%	0.30	1.76%	6.57
Consolidation adjustments	-201.12%	(1,118.53)	0.00%	0.00	0.00%	-	0.00%	0.00
Total	100.00%	556.14	100.00%	372.17	100.00%	0.32	100.00%	372.49

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51 BUSINESS COMBINATION UNDER COMMON CONTROL

Pursuant to the business transfer agreement dated 05 December 2024, the Kusumgar Limited ("the Company") has acquired Engineered Coated Fabric Private Limited ("ECFPL") on a going concern basis.

The Company is engaged in the business of manufacturing and marketing of various critical technical textiles. The Company is owned by Kusumgar Family wherein Mr. Siddharth Y Kusumgar and Mrs. Sapna S Kusumgar jointly owns 95.67% of the entity. The Company decided to acquire a 100% stake in Engineered Coated Fabric Private Limited ('ECFPL'), which was then owned by Mr. Siddharth Y Kusumgar and Mrs. Sapna S Kusumgar equally, to attain economies of scale.

Considering the above ECFPL pre and post the acquisition would ultimately be controlled by the same group of people i.e. Siddharth Y Kusumgar and Sapna S Kusumgar and thus common control accounting as per IND AS 103 is applicable.

As a result, the transaction has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C (Business Combinations of Entities under Common Control) of Indian Accounting Standard 103 (Ind AS 103), notified under the Companies' Act, 2013.

The Company has acquired ECFPL for a total cash consideration of INR 1,118.53 million, determined at arms' length basis fair value of the business acquired. As per the "Pooling of Interest Method" referred above, the assets and liabilities of the acquired business have been recorded in the books of the Company at their carrying amounts and no adjustments have been made to reflect fair values (of tangible/intangible assets acquired by the Company). Also, as required by the Appendix C to Ind AS 103, there is no recognition of any new asset (tangible/intangible) or liability arising from this business combination irrespective of their market/fair values on the acquisition date. The retained earnings of the ECFPL have been merged with the retained earnings of the Company. The difference between the purchase consideration paid for the acquisition and the net assets acquired as of the acquisition date as well as each reporting date before the acquisition date was transferred to Common control adjustment deficit account and presented separately within other equity.

As required under Ind AS 103, the current accounting period and comparative accounting period presented in the financial statements of the Company and accompanying Notes have been prepared by including the accounting effects of the acquisition of the business, as stated above, as if the purchase had occurred from the beginning of the comparative period in the financial statements, i.e. 01 April 2022.

Computation of Common control adjustment deficit account in relation to the common control acquisition of ECFPL

Particulars	Amount in INR millions			
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
ASSETS				
Property, plant and equipment	29.12	39.34	45.92	52.54
Right to use Asset	8.74	13.33	-	-
Investments	0.00	0.00	0.00	0.00
Deferred tax asset (net)	0.56	-	-	-
Inventories	53.83	73.55	67.38	0.02
Trade Receivables	-	22.71	184.22	66.90
Cash and cash equivalents	40.65	9.72	1.38	0.10
Non Current tax assets (net)	1.58	-	2.37	2.60
Other bank balances	0.91	0.86	0.80	0.80
Other current assets	0.09	0.67	1.10	6.03
Other financial assets	3.08	2.95	3.82	4.44
TOTAL ASSETS (A)	138.56	163.13	306.99	133.43
Liabilities				
Borrowings	-	-	7.84	15.85
Deferred Tax	-	0.97	1.53	0.77
Employee benefit obligations	4.28	3.28	2.45	2.37
Trade Payables	-	53.06	236.29	-
Income tax liability	-	1.68	-	-
Lease Liability	9.11	12.99	-	-
Other current liabilities	7.17	1.44	1.11	0.29
Other financial liabilities	6.84	10.30	12.16	75.11
TOTAL LIABILITIES (B)	27.40	83.72	261.38	94.39
OTHER EQUITY				
General Reserve	0.21	0.21	0.21	0.21
Retained Earning	100.04	68.29	34.49	27.92
TOTAL OTHER EQUITY (C)	100.25	68.50	34.70	28.13
PURCHASE CONSIDERATION (D)	1,118.53	1,118.53	1,118.53	1,118.53
COMMON CONTROL ADJUSTMENT DEFICIT ACCOUNT (A-B-C-D)	(1,107.62)	(1,107.62)	(1,107.62)	(1,107.62)

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52 OTHER MATTERS - AUDIT TRAIL

The Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except that the audit trail feature at the application level was enabled from 11 January 2025 for Purchase module, 12 February 2025 for Customer Module, 25 June 2024 for Sales module and was not enabled at the database level to log any direct data changes for the year ended 31 March 2025.

53 ADDITIONAL REGULATORY INFORMATION:

(i) Title deeds of Immovable Properties not held in name of the Group

The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

(ii) Fair valuation of investment property

The Group does not have any investment property.

(iii) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets

The Group has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(iv) Details of benami property held

The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

(v) Wilful Defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) Relationship with struck off companies

The Group does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

(vii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction there which are yet to be registered with the Registrar of Companies beyond the statutory period.

(viii) Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) Compliance with approved Scheme(s) of Arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) Utilisation of Borrowed funds and share premium:

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xi) Undisclosed income

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(xii) Utilisation of Borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xiii) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

54 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the code came into effect on 03 May 2023. However, the final rules/interpretation have not yet been issued. The Group will complete their evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

55 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by schedule III of the Act.

Kusumgar Limited (formerly known as Kusumgar Private Limited)
Annexure VII - Notes to the Restated Financial Information
(All amounts are in INR millions, unless otherwise stated)

56 SUBSEQUENT EVENTS

The Group evaluated all events or transactions that occurred after the balance sheet date through the date at which the financial statements were available to be issued and determined that there are no other items to disclose except those already disclosed in the Restated Financial Information in earlier notes.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Kusumgar Limited
CIN: U65990MH1990PLC056871

Amrish Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: 04 September 2025

Siddharth Kusumgar
Managing Director
DIN: 01676799

Place: Mumbai
Date: 04 September 2025

Ankur Kothari
Chief Executive Officer & Director
DIN: 07694977

Place: Mumbai
Date: 04 September 2025

Kinnar Mehta
Chief Financial Officer

Place: Mumbai
Date: 04 September 2025

Devanand Mojidra
Company Secretary
ACS: 14644

Place: Mumbai
Date: 04 September 2025

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from the Restated Financial Information required to be disclosed under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations and other non-GAAP measures are set forth below. The table below should be read in conjunction with the sections titled “*Risk Factors*”, “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, on pages 32, 254 and 320, respectively.

Particulars	As at/for the Fiscals ended March 31,		
	2025	2024	2023
Restated earnings per equity share (Face value of ₹1 each) - Basic EPS (in ₹)	11.03	8.32	3.67
Restated earnings per equity share (Face value of ₹1 each) – Diluted EPS (in ₹)	10.81	8.32	3.67
Return on Net Worth (in %)	43.45%	60.13%	66.92%
Net Asset Value per Equity Share (in ₹)	25.40*	7,053.22	2,794.64
EBITDA (in ₹ million)	1,883.89	1,318.47	678.61

* Pursuant to a special resolution of our shareholders dated October 1, 2024 each equity share of our Company of face value of ₹ 100 was sub-divided into Equity Shares of face value of ₹ 1 each and accordingly, the issued, subscribed and paid-up Equity Share capital of our Company was sub-divided from 199,000 equity shares of face value of ₹100 each into 19,900,000 Equity Shares of face value of ₹ 1 each. The earnings per Equity Share (basic and diluted) and Net Asset Value per Equity Shares has been calculated after giving effect to such sub-division.

Notes: The ratios based on Restated Financial Information have been computed as below:

⁽¹⁾Basic EPS (₹) = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year.

⁽²⁾Diluted EPS (₹) = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year.

⁽³⁾Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year divided by Net Worth as at the end of the year. “Net Worth” has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

⁽⁴⁾Net Asset Value per Equity Share = Net Worth at the end of the year divided by total number of equity shares outstanding at the end of year.

⁽⁵⁾EBITDA = Aggregate of restated profit/(loss) before tax, finance cost, depreciation and amortisation, less other income.

⁽⁶⁾EBITDA Margin is calculated as EBITDA divided by total income.

For reconciliation of Non-GAAP measures, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations–Key Performance Indicators and Certain Non-GAAP Measures*” on page 325.

Other financial information

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and Engineering Coated Fabric Private Limited as at and for the Fiscals ended March 31, 2025, March 31, 2024, and March 31, 2023, (“**Audited Financial Statements**”) are available at <https://www.kusumgar.com/investor-relations/home/>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of our Company or any entity in which our Shareholders have significant influence or any of its advisors, nor BRLMs or the Promoter Selling Shareholders, nor any of their respective employees, directors, affiliates, agents, or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations for the Fiscals ended March 31, 2025, March 31, 2024 and March 31, 2023, see “*Restated Financial Information – Note 43- Related Party Disclosures*” on page 299.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2025, derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with “*Management's Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Information*” and “*Risk Factors*” on pages 320, 254 and 32, respectively.

(₹ in million, except ratios)		
Particulars	Pre-Offer as at March 31, 2025	As adjusted for the proposed Offer**
Borrowings		
Current borrowings*	1,549.84	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings) **	915.17	[●]
Total borrowings (A)	2,465.01	[●]
Equity		
Equity share capital*	101.49	[●]
Other equity*	2,476.03	[●]
Total equity (B)	2,577.52	[●]
Ratio: Non-current borrowings / total equity (in times)	0.36	[●]
Ratio: Total borrowings / total equity (A/B)	0.96	[●]

*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

**These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been provided in the statement above. To be updated upon finalisation of the Offer Price.

Notes:

- Our Company has issued 100 and 3,501,272 CCPS of face value of ₹5 each, at a premium of ₹360 per CCPS, amounting to an issue price of ₹365 for each CCPS, on September 15, 2025 and September 24, 2025, respectively. Such CCPS shall be converted to 3,501,372 Equity Shares of face value of ₹1 each which will be completed prior to the filing of the Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For details, see “*Capital Structure*” on page 89.

FINANCIAL INDEBTEDNESS

Our Company avails loans and financing facilities in the ordinary course of business for, *inter alia*, meeting working capital requirements, capital expenditure and other business requirements.

Our Board is empowered to borrow money in accordance with Section 179, Section 180 of the Companies Act and our Articles of Association. For details of the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 232.

The details of the indebtedness of our Company (on a consolidated basis) as on August 15, 2025, is provided below:

(₹ in million)

Category of borrowing	Sanctioned amount [#]	Outstanding amount as on August 15, 2025 [#]
Secured		
<i>Fund based</i>		
- Working capital loan	1,890	1,606.47
- Term loan	1,800	1,185.66
- Vehicle loan	49	28.39
Total secured fund based (A)	3,739	2,820.52
<i>Non-fund based</i>		
- Bank guarantee (Sub limit of fund based)	(1,100)	9.40
- Letter of credit (Sub limit of fund based)	(1,400)	138.61
Total secured non fund based (B)	0	148.01
Total secured (C = A+B)	3,739	2,968.53
Unsecured		
<i>Fund based</i>		
- Loan from Directors*	250	250
Total unsecured fund based (D)	250	250
Total borrowings (E=C+D)	3,989	3,218.53

[#]As certified by M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), pursuant to their certificate dated September 27, 2025.

*Includes loan given to our Company by Siddharth Yogesh Kusumgar aggregating to ₹200 million and by Sapna Siddharth Kusumgar aggregating to ₹50 million.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

1. **Interest:** Our financing arrangements typically have floating rates of interest linked to a base rate such as the repo rate and treasury rate, as specified by respective lenders. The rate of interest for our term loans and working capital facilities are mutually agreed and typically range from 6.5% per annum to 8.60% per annum.
2. **Penal interest:** The terms of certain facilities availed by our Company prescribe penalties for non-payment of certain obligations by us, *inter alia*, non-payment of interest or instalments, failure in creation or perfection of security within agreed timelines or any other breach of terms and conditions, as laid down in such facility documents or as may be stipulated by the concerned lender, as the case may be. The penalty for such non-compliance under the relevant financing documentation typically involves a flat penalty fee or penal interest between 2% to 4% per annum on the outstanding amount, as per the terms of the financing documentation.
3. **Pre-payment penalty:** The terms of the borrowings availed by us typically have pre-payment provisions, which allow for pre-payment of the outstanding amount on giving notice to the concerned lender. Certain borrowing arrangements availed by our Company are further subject to the payment of prepayment penalty, which typically ranges from 1% to 2% on the principal outstanding amount, in accordance with the relevant financing documentation or is at the discretion of the lender.
4. **Validity/Tenor:** The working capital facilities availed by us are typically available for a period of 12 months, subject to periodic review by the relevant lender. The tenor of the term loans availed by us

typically range from 60 months to 72 months with a moratorium period of 6 months for certain borrowings. Further, the non-fund based facilities availed by us are typically valid for 12 months and are subjected to periodic renewal by the relevant lender.

5. **Security:** As of March 31, 2025, our borrowings are secured by way of *inter alia*:
 - (a) *pari passu* charge on the entire movable fixed assets of our Company, both present and future, excluding those are funded by term loan ;
 - (b) *pari passu* charge on the entire current assets of our Company, both present and future;
 - (c) *pari passu* charge on the entire raw materials, stock-in-process, book debt of the Company finished goods, stores, spares and receivables and other current assets;
 - (d) *pari passu* charge on the lien on the fixed deposit receipt equivalent to 15% of total released limits;
 - (e) *pari passu* charge on demand promissory note and letter of continuity of ₹ 350 millions;
 - (f) personal guarantees by our Sidharath Yogesh Kusumgar and Yogesh Kantilal Kusumgar; and corporate guarantee by 4S Holding.

Please note that the abovementioned list is indicative and there may be additional securities created under various borrowing arrangements by us.
6. **Repayment:** The working capital facilities availed by our Company are typically repayable on demand or 12 months or on their respective due dates within the maximum tenure, in accordance with the relevant financing documentation. The term loans availed by us are typically repayable in structured quarterly instalments.
7. **Key covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, including but not limited to the following:
 - (a) effecting any change in the composition or the management of our Company;
 - (b) effecting any change in our shareholding or capital structure or constitution;
 - (c) making any amendments in the Memorandum of Association or Articles of Association;
 - (d) sell, assign, mortgage or otherwise dispose of any assets charged by the lender;
 - (e) formulating any scheme of merger, de-merger, amalgamation, acquisition, compromise or reconstruction;
 - (f) Invest in, extend any advance / loans, to any group companies / associates / subsidiary / any other party;
 - (g) prepayment of the whole or any part of the outstanding loan;
 - (h) undertaking any new project or expansion or modernization scheme or make any capital expenditure other than those estimated; and
 - (i) change or reduction in ownership of the Promoter in our Company.
8. **Events of default:** In terms of the financing arrangements entered into by our Company, the occurrence of any of the following, *inter alia*, constitutes an event of default:
 - (a) breach of covenants, representations, warranties, undertakings and conditions stipulated in the financing documentation;
 - (b) default in payment of interest, other charges or instalment amount due or repayment of principal amounts;

- (c) failure in business, commission of an act of bankruptcy, general assignment for the benefit of the creditors;
- (d) any change of ownership, control and/or management of our Company;
- (e) material adverse change affecting the profits or business of our Company;
- (f) utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;
- (g) failure to comply with financial covenants;
- (h) any information given in connection with any of the transaction documents is incorrect or misleading in any material respect;
- (i) any security furnished to secure obligations or liabilities of our Company to the lender is or becomes invalid or unenforceable; and
- (j) cross defaults across other facilities of our Company.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. ***Consequences of occurrence of events of default:*** Upon the occurrence of events of default, our lenders may:

- (a) terminate the facility and/or declare all amounts outstanding in respect of the facility to be due and payable immediately irrespective of the maturity date;
- (b) demand cure of the default;
- (c) convert whole or part of the outstanding loan obligations into to equity (either fully or partially);
- (d) enforce security or change any of the terms of sanction;
- (e) suspend further access to or withdrawals by our Company of the facilities;
- (f) incur all expenses from our Company in connection with preservation of, or enforcement actions against us and collection of dues; and
- (g) impose a penalty upon an event of default under the various borrowing arrangements entered into by us.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see “*Risk Factors – 16. Our financing agreements contain covenants that limit our flexibility in operating our business. Any future failure to meet the conditions under our financing arrangements or obtain any consents thereunder could have a material adverse effect on our business, financial condition, results of operations and cash flows.*” on page 43.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read the following discussion of our financial condition and results of operations together with our Restated Financial Information, which are included in “Restated Financial Information” on page 254, along with “Industry Overview” and “Our Business” on pages 132 and 179, respectively.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements. For details, see “Forward-Looking Statements” on page 20.

All references in this section to a particular Financial Year or FY or Fiscal, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this section. Such measures and indicators are not standardized terms and hence a direct comparison of these measures and indicators between companies may not be possible. For further details, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Non-Generally Accepted Accounting Principles” on page 18.

Unless otherwise indicated, industry and market data used in this section have been derived from the industry report titled “Engineered Fabrics Industry Report” dated September 26, 2025 (the “**1Lattice Report**”) prepared and issued by Lattice Technologies Private Limited (“**Lattice**”). Our Company commissioned Lattice to prepare the 1Lattice Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated February 3, 2025. The data included herein includes excerpts from the 1Lattice Report and may have been re-ordered by us for the purpose of presentation. There are no portions of or data or information in the 1Lattice Report that may be relevant for the proposed Offer that have been omitted or changed in any manner. For more details on the 1Lattice Report, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data” on page 18. A copy of the 1Lattice Report is available on our Company’s website at <https://www.kusumgar.com/investor-relations/home/> from the date of this Draft Red Herring Prospectus until the Bid / Offer Closing Date.

OVERVIEW

For an overview of our business, see “Our Business – Overview” on page 179.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will be, affected by many factors. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and financial condition.

Geopolitical developments, resulting in heightened defence spending globally and stronger demand across defence related market segments

We manufacture products primarily for four diverse market segments: (i) Aerospace and Defence Fabrics; (ii) Aerospace and Defence Solutions; (iii) Industrial and Automotive Fabrics; and (iv) Outdoor and Lifestyle Fabrics. For more details, see “Our Business - Overview” on page 179. The following table sets forth our revenue from contracts with customers from these four market segments, and from sales falling outside of those four market segments, for the fiscal years indicated.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Fabrics	3,700.92	48.06%	3,134.88	68.79%	1,440.52	48.77%

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Aerospace and Defence Solutions	2,219.02	28.81%	8.64	0.19%	46.93	1.59%
Industrial and Automotive Fabrics	1,126.34	14.63%	1,113.86	24.44%	1,131.12	38.30%
Outdoor and Lifestyle Fabrics	569.00	7.39%	291.65	6.40%	311.61	10.55%
Other Sales	85.67	1.11%	7.92	0.17%	23.33	0.79%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Our revenue from Aerospace and Defence Fabrics and Aerospace and Defence Solutions in Fiscals 2025 and 2024 has grown significantly owing to geopolitical developments that have resulted in heightened defence spending globally and stronger demand across defence related market segments.

The aerospace and defence industry is experiencing significant growth, driven by rising geopolitical tensions and a surge in defence spending globally (*source: 1Lattice Report*). The 1Lattice Report notes that global defence spending is projected to grow at a CAGR of approximately 5.1% from 2024 to 2030, to reach approximately US\$ 3.4 trillion in 2030 (*source: 1Lattice Report*). Furthermore, the geopolitical tensions are accelerating investments in resilient, cutting-edge solutions and create a steady demand for specialized engineered fabrics and solutions (*source: 1Lattice Report*). Additionally, government policies supporting indigenous production are strengthening indigenous capabilities and ensuring long-term sustainability (*source: 1Lattice Report*).

The table below sets forth our revenue from contracts with customers from our four primary market segments, and from sales falling outside of those four market segments, for the fiscal years indicated and the percentage growth in such revenue from the previous fiscal year's revenue.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023
	₹ in million	% growth from the previous Fiscal	₹ in million	% growth from the previous Fiscal	₹ in million
Aerospace and Defence Fabrics	3,700.92	18.06%	3,134.88	117.62%	1,440.52
Aerospace and Defence Solutions	2,219.02	25,583.10%	8.64	(81.59%)	46.93
Industrial and Automotive Fabrics	1,126.34	1.12%	1,113.86	(1.53%)	1,131.12
Outdoor and Lifestyle Fabrics	569	95.10%	291.65	(6.41%)	311.61
Other Sales	85.67	981.69%	7.92	(66.05%)	23.33
Revenue from contracts with customers	7,700.95	68.99%	4,556.94	54.29 %	2,953.52

Increased demand from Indian customers driven by favourable global trade dynamics, including the shift towards a “China + 1” sourcing strategy

The demand for our products from Indian customers increased primarily due to favourable global trade dynamics. Favourable global trade dynamics included the shift towards a “China + 1” sourcing strategy (due to factors such as trade tariffs and trade barriers impacting the price of imports from China), supply chain diversification by multinational corporations, and a broader shift by global buyers towards India as a sourcing hub. In particular, in respect of the “China + 1” sourcing strategy, as companies seek to diversify their supply chains away from China, India has witnessed rapid development in industries such as electronics, pharmaceuticals, and automotive manufacturing (*source: 1Lattice Report*). Supporting this shift, the Production-Linked Incentive scheme has as of May 2025 attracted ₹1.7 trillion in investments across 14 sectors (*source: 1Lattice Report*).

The table below sets forth our revenue from contracts with customers from within India and outside India for the fiscal years indicated.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Within India	5,912.88	76.78%	3,389.51	74.38%	1,807.25	61.19%

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Outside India	1,788.07	23.22%	1,167.43	25.62%	1,146.27	38.81%
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

The table below sets forth our revenue from contracts with customers from within India and outside India and the percentage growth in such revenue from the previous fiscal year's revenue.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023
	₹ in million	% growth from the previous Fiscal	₹ in million	% growth from the previous Fiscal	₹ in million
Within India	5,912.88	74.45%	3,389.51	87.55%	1,807.25
Outside India	1,788.07	53.17%	1,167.43	1.85%	1,146.27
Revenue from contracts with customers	7,700.95	68.99%	4,556.94	54.29%	2,953.52

Revenue from New Customers

Our revenue from new customers (which we define as customers in a fiscal year who were not our customers within the previous two fiscal years (“**New Customers**”)) has made a material contribution to our revenue for Fiscals 2025, 2024 and 2023. The table below sets forth our revenue from contracts with existing customers (which we define as customers in a fiscal year who were our customers within the previous two fiscal years (“**Existing Customers**”)) and revenue from contracts with New Customers and such revenue as a percentage of our revenue from contracts with customers.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Existing Customers	5,312.27	68.98%	1,966.90	43.16%	2,001.38	68.76%
New Customers	2,388.68	31.02%	2,590.04	56.84%	952.14	32.24%
Revenue from contracts with customer	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

The table below sets forth our revenue from Existing Customers and New Customers and revenue from contracts with customers for the fiscal years indicated and the percentage increase in such revenue from the previous fiscal year's revenue.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023
	₹ in million	% increase from the previous Fiscal	₹ in million	% increase from the previous Fiscal	₹ in million
Existing Customers	5,312.27	170.08%	1,966.90	(1.72)	2,001.38
New Customers	2,388.68	(7.77%)	2,590.04	172.02%	952.14
Revenue from contracts with customer	7,700.95	68.99%	4,556.94	54.29%	2,953.52

Our Ability to Upgrade our Existing Products and Introduce New Products

We dedicate significant efforts and resources into research and development to upgrade our products and develop new products and these upgraded and new products have made a material contribution to our revenue from operations. The table below sets forth our revenue from new SKUs introduced during the fiscal year and our revenue from SKUs introduced in prior fiscal years, in each of the fiscal years indicated, and such revenue as a percentage of our revenue from contracts with customers.

	Fiscal 2025		Fiscal 2024		Fiscal 2023
	₹ in million	% increase from the previous Fiscal	₹ in million	% increase from the previous Fiscal	₹ in million
Revenue from new SKUs introduced during the Fiscal [A]	2,864.21	18.14%	2,424.32	921.94%	237.23
Revenue from SKUs introduced in prior Fiscals [B]	4,726.22	156.96%	1,839.27	0.44%	1,831.17

The table below sets forth examples of the new types of products (i.e., a new type of product and not a variation of an existing product) we launched in the periods indicated.

Particulars	Type of new product
Fiscal 2025	Combat Free Fall (CFF) parachute systems
Fiscal 2023	Infrared reflective fabric and fabric for extreme cold weather clothing

The table below sets forth our revenue from contracts with customers from each of the above listed new type of products.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers	₹ in million	% of revenue from contracts with customers
Infrared reflective fabric and fabric for extreme cold weather clothing	1,986.88	25.80%	2,153.40	47.26%	-	-
Combat Free Fall (CFF) parachute systems	2,225.88	28.90%	-	-	-	-
Revenue from contracts with customers	7,700.95	100.00%	4,556.94	100.00%	2,953.52	100.00%

Cost of Materials Consumed and Changes in Inventories of Finished Goods and Semi-Finished Goods

The cost of materials consumed and changes in inventories of finished goods and semi-finished goods together represent a significant percentage of revenue from our sale of products. The table below sets forth our cost of materials consumed, changes in inventories of finished goods and semi-finished goods, the total of the foregoing, and the total as a percentage of our revenue from sale of products for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	₹ in million, except percentages		
Cost of materials consumed [A]	3,713.71	2,002.86	1,535.96
Changes in inventories of finished goods and semi-finished goods [B]	(111.76)	(232.62)	(145.98)
Total [C = A + B]	3,601.95	1,770.24	1,389.98
Total as a percentage of sale of products [D = C/E] (%)	46.86%	38.94%	47.61%
Sale of products [E]	7,685.98	4,545.65	2,919.44

The prices of the raw materials we need are affected by numerous factors beyond our control, including, among others, trade policies, the price of oil, production capacity and transportation costs (*source: 1Lattice Report*). Fluctuations in global demand and supply, and currency exchange rates further exacerbate the situation, as they influence the base prices of various raw materials (*source: 1Lattice Report*).

If the prices of the raw materials we need rapidly increase, we may be unable to increase the prices for our products in sufficient time to fully offset increasing raw material prices. Our ability to transfer increases in raw material costs to our customers is dependent on, among others, market conditions as well as pricing of similar products by our competitors. In Fiscals 2025, 2024 and 2023, we have been successful in transferring increases in raw material costs to customers through increased prices, although there has typically been a time lag.

For details, see “Our Business – Strengths – Our track record has given us access to technology and markets through partnerships.” on page 184. We expect product upgrades and new products to make a meaningful contribution to our revenue from operations in the future.

Capacity utilisation and increase in production capacity

Given the nature of our business, our profitability is partially dependent on our ability to spread fixed production costs over higher production volumes. A higher capacity utilisation spreads fixed costs over more units, boosting margins, while low utilisation spreads fixed costs over fewer units, decreasing margins. At the same time, an increase in production capacity, even without a corresponding rise in capacity utilisation, can support profitability so long as margins on incremental sales exceed the additional fixed production costs. In such cases, the added capacity allows the Company to meet higher demand, reduce bottlenecks, and benefit from economies of scale as volumes increase over time.

The table below sets forth our aggregate installed capacity, actual production volume and capacity utilisation across all our manufacturing facilities for the fiscal years indicated:

Metric	Fiscal 2025 ⁽¹⁾	Fiscal 2024	Fiscal 2023
Installed Capacity ⁽²⁾ (metres in million)	147.52	66.58	66.58
Actual Production ⁽³⁾ (metres in million)	62.41	60.05	56.57
Capacity Utilisation ⁽⁴⁾ (%)	56.36%	87.02%	85.82%

Notes:

⁽¹⁾ The Company's total installed capacity increased from 66.58 million metres as at March 31, 2024 to 147.52 million metres as at March 31, 2025 due to its commencement of operations at an additional manufacturing facility located at Block No. 172, Old Block No. 157, Kothwa, Taluka Mangrol, District Surat, on April 1, 2024 for scouring, dyeing, finishing, processing and coating nylon and polyester fabrics. The addition of this manufacturing facility also led to an increase in the Company's final output capacity from 48.86 million metres as at March 31, 2024 to 127.80 million metres as at March 31, 2025. While the Company's total installed capacity is the aggregate of installed capacity at all its factories, the Company's final output capacity is the aggregate of the installed capacity at its processing, dyeing, finishing, printing and coating factories. The capacity of weaving factories, which make up the remainder of the Company's factories, is not included in the Company's final output capacity as fabric that is only weaved is an intermediate product that is not sold. The Company only sells finished fabric, being fabric that has been processed, dyed, finished, printed and/or coated at one of its other factories.

⁽²⁾ Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the industry in which we operate. Assumptions and estimates taken into account for measuring installed capacities include 355 working days in a year.

⁽³⁾ Actual production represents the quantum of production in the relevant Fiscal.

⁽⁴⁾ Capacity utilisation has been calculated on the basis of actual production in the relevant Fiscal divided by the installed capacity as at the end of such Fiscal.

For details regarding our installed capacity, actual production and capacity utilisation for Fiscals 2025, 2024 and 2023, see "Our Business – Manufacturing Capabilities" on page 192.

Capital investments resulting in increases in depreciation

Capital investments and associated operating costs are related to the commissioning of new processing and weaving units.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Depreciation and amortisation expense	341.90	170.97	153.73
Of which:			
Depreciation of property, plant and equipment	255.46	123.97	110.51
Depreciation of property, plant and equipment as a percentage of sale of products	3.32%	2.73%	3.79%
Sale of products	7,685.98	4,545.65	2,919.44

Employee Benefits Expense

The table below sets forth our total number of employees as at the dates indicated and our employee benefits expense for the fiscal years indicated and as a percentage of revenue from operations.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	₹ in million, except as noted		
Total number of employees	1,082	878	684
Employee benefits expense [A]	655.73	414.85	315.12
Employee benefits expense as a percentage of revenue from operations [B = A/C] (%)	8.42%	8.87%	10.45%
Revenue from operations [C]	7,789.97	4,679.08	3,016.48

Changes in Currency Exchange Rates

Although our Company's reporting currency is in Indian Rupees, we transact a portion of our business in several other currencies. Certain portions of our income and expenses are generated or incurred in other currencies and certain portions of our assets (trade receivables and cash and cash equivalents) and liabilities (trade payables) are in other currencies, such as USD and Euros.

The table below sets forth our total foreign currency receivables, total trade payables, total foreign currency borrowings, the total value of our outstanding forward contracts against net receivables and borrowings, and net gain/(loss) on foreign currency transactions and translation as at and for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ in million)		
Total foreign currency trade receivables	307.44	225.85	239.26
Cash and cash equivalents in foreign currency (In Exchange Earning Foreign Currency (EEFC) account and cash in hand)	37.29	48.92	42.47
Trade payables in foreign currency	127.38	194.76	31.51
Foreign currency borrowings (current)	16.02	-	-
Foreign currency borrowings (non-current)	-	-	-
Outstanding forward contracts against net receivables and borrowings	-	714.56	-
Net gain/(loss) on foreign currency transactions and translation	46.95	32.40	8.67

The exchange rates between the Indian Rupee and the currencies in which we receive payments for such exports, primarily the USD, have fluctuated in the past and our results of operations have been affected by such fluctuations in the past and may be impacted by such fluctuations in the future. Due to our inherent net foreign currency long position, depreciation of the Indian Rupee against foreign currencies will generally have a positive effect on our revenues and our results of operations and appreciation of the Indian Rupee against foreign currencies will generally have a negative effect on our revenues and our results of operations. There can be no guarantee that such fluctuations will not adversely affect our results of operations. However, the positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable effect on our results of operations in any given financial period due to other variables affecting our results of operations during the same period. Moreover, we expect that our cost of imported goods, such as raw materials, imported stores and spares, and other expenses incurred by us may rise during a sustained depreciation of the Indian Rupee against the USD.

Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a different currency from our functional currency). We from time to time hedge a significant portion of our net foreign exchange exposure through forward contracts and foreign currency borrowings. We are exposed to foreign currency risk on the unhedged exposure of foreign currency translation of receivables and trade payables. For additional quantitative disclosures on foreign currency risk, see "Restated Financial Information – Note 48 – Financial Risk Management Objectives and Policies – (a) Market Risk – (ii) Foreign Currency Risk" on page 306.

KEY PERFORMANCE INDICATORS AND CERTAIN NON-GAAP MEASURES

In evaluating our business, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators are not intended to be considered in isolation or as a substitute for the Restated Financial Information. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under the Ind AS and are not

presented in accordance with the Ind AS. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to the Ind AS measures of financial performance or as an indicator of our financial condition, results of operations or cash flows.

For details of certain Ind AS financial measures, non-GAAP financial measures and statistical measures, see “*Our Business – Overview*” and “*Basis for Offer Price – Key Performance Indicators (“KPIs”)*” on page 179 and 116, respectively.

Reconciliation of Non-GAAP Financial Measures

The following table sets forth our EBITDA and EBITDA Margin, which are non-GAAP financial measures, for the fiscal years indicated.

Particulars	For the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Profit for the year	1,119.88	843.96	372.17
Less:			
Other income	112.15	66.43	20.68
Add:			
Total income tax expense	387.95	306.75	120.61
Finance costs	146.31	63.22	52.78
Depreciation and amortisation expense	341.90	170.97	153.73
EBITDA [A]	1,883.89	1,318.47	678.61
Revenue from operations [B]	7,789.97	4,679.08	3,016.48
EBITDA Margin [A/B] (%)	24.18%	28.18%	22.50%

The following table sets forth our PAT Margin, which is a non-GAAP financial measure, for the fiscal years indicated.

Particulars	For the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Profit for the year (PAT) [A]	1,119.88	843.96	372.17
Total income [B]	7,902.12	4,745.51	3,037.16
PAT Margin [C = A/B] (%)	14.17%	17.78%	12.25%

The following table sets forth our Net Debt and Net Debt to EBITDA Ratio, which is a non-GAAP financial measure, as at the dates indicated.

Particulars	For the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Non-current borrowings	757.64	348.05	196.55
Current borrowings	1,707.37	417.28	278.49
Total Borrowings	2,465.01	765.33	475.04
Less:			
Cash and cash equivalents	304.94	326.80	101.12
Bank balances other than cash and cash equivalents	106.93	1,106.13	11.40
Net Debt [A]	2,053.14	(667.60)	362.52
EBITDA [B]	1,883.89	1,318.48	678.61
Net Debt to EBITDA Ratio [C = A/B]	1.09	(0.51)	0.53

The following table sets forth our Return on Equity, which is a non-GAAP financial measure, for the fiscal years indicated.

Particulars	For the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Profit for the year (PAT) [A]	1,119.88	843.96	372.17
Equity share capital	101.49	19.90	19.90
Other equity	2,476.03	1,383.69	536.24
Opening total equity [B]	1,403.59	556.14	183.65
Closing total equity [C]	2,577.52	1,403.59	556.14
Average total equity [D = (B+C)/2]	1990.56	979.87	369.89
Return on Equity [E = A/D] (%)	56.26%	86.13%	100.61%

The following table sets forth our Return on Capital Employed, which is a non-GAAP financial measure, for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ in million, except percentages)		
Profit before tax	1,507.83	1,150.71	492.78
Finance costs	146.31	63.22	52.78
EBIT [A]	1,654.14	1,213.93	545.56
Total assets	6,323.98	5,847.41	2,538.70
Less:			
Current liabilities	2,466.90	3,674.59	1,696.96
Capital Employed [B]	3,857.08	2,172.82	841.74
Return on Capital Employed (ROCE) [C = A/B] (%)	42.89%	55.87%	64.81%

The following table sets forth our Fixed Assets Turnover Ratio, which is a non-GAAP financial measure, for the fiscal years indicated.

Particulars	As at and for the year ended March 31,		
	2025	2024	2023
	(₹ in million, except ratios)		
Revenue from operations [A]	7,789.97	4,679.08	3,016.48
Opening property, plant and equipment [B]	1,367.20	825.60	751.80
Closing property, plant and equipment [C]	1,718.63	1,367.20	825.60
Average property, plant and equipment [D = (B+C)/2]	1,542.91	1,096.40	788.70
Fixed Assets Turnover Ratio [A/D]	5.05	4.27	3.82

The following table sets forth our Net Working Capital Days, which is a non-GAAP financial measure, for the fiscal years indicated.

Particulars	As at March 31,		
	2025	2024	2023
	(₹ in million, except ratios)		
Current assets	3,112.59	3,623.41	1,482.49
Current liabilities	2,466.90	3,674.59	1,696.96
Opening Net Working Capital [A]	(51.18)	(214.47)	(514.04)
Closing Net Working Capital [B]	645.69	(51.18)	(214.47)
Average Net Working Capital [C = (A+B)/2]	297.26	(132.83)	(364.26)
Revenue from operations [D]	7,789.97	4,679.08	3,016.48
Working capital ratio [E = D/C]	26.21	(35.23)	(8.28)
Net Working Capital Days [F = days in the fiscal year/E] (days)	14	(10)	(44)

BASIS OF PREPARATION OF RESTATED FINANCIAL INFORMATION

Basis of preparation

Statement of compliance

The Restated Financial Information of the Group comprises the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows, the Restated Statement of Changes in Equity for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, the summary of material accounting policies and other explanatory information (collectively, the “**Restated Financial Information**”).

The Restated Financial Information has been prepared by the management of the Company for the purpose of inclusion in this Draft Red Herring Prospectus to be filed with the SEBI, the NSE and the BSE in connection with the Offer, prepared in accordance with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act;
- (b) the SEBI ICDR Regulations;
- (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended; and
- (d) the electronic mail dated October 28, 2021 from the SEBI to the Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with the Ind AS for all the three years.

The Restated Financial Information has been compiled by the management from:

- (a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2025 prepared in accordance with the Ind AS as prescribed under section 133 of the Companies Act read with the Ind AS Rules (as amended) and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 10, 2025;
- (b) the audited special purpose combined financial statements of the Group as at and for the year ended March 31, 2024 prepared based on the following:
 - i. the audited standalone statutory financial statements of the Company as at and for the year ended March 31, 2024, prepared in accordance with the Ind AS as prescribed under section 133 of the Companies Act read with the Ind AS Rules (as amended) and other recognised accounting practices and policies generally accepted in India; and
 - ii. pursuant to the Ind AS Rules (as amended from time to time), the Company’s subsidiary ECFPL adopted April 1, 2023 as its reporting date for the first-time adoption of the Ind AS as notified under these rules, and consequently April 1, 2023 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2025. Hence, the general purpose financial statements of ECFPL as at and for the year ended March 31, 2025 were the first financials statements prepared in accordance with the Ind AS. Up to and for the financial year ended March 31, 2024, ECFPL had prepared its general purpose financial statements in accordance with accounting standards notified under section 133 of the Companies Act, read together with the Companies (Accounting Standards) Rules, 2021 (the “**Indian GAAP**” or “**Previous GAAP**”) due to which these special purpose financial statements are prepared. In addition, these special purpose financial statements are not the statutory financial statements of ECFPL under the Companies Act. These special purpose financial statements of ECFPL as at and for the year ended March 31, 2024 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per the Ind AS 101) consistent with that used at the date of transition to the Ind AS (being April 1, 2023) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III to the Companies Act disclosures

followed as at and for the year ended March 31, 2025, and which have been approved by the Board of Directors at their meeting held on September 3, 2025; and

- (c) the audited special purpose combined financial statements of the Group as at and for the year ended March 31, 2023 prepared based on the following:
- i. the audited standalone special purpose financial statements of the Company as at and for the year ended 31 March, 2023, prepared in accordance with the Ind AS as prescribed under section 133 of the Companies Act read with the Ind AS Rules (as amended) and other recognised accounting practices and policies generally accepted in India; and
 - ii. pursuant to the Ind AS Rules (as amended from time to time), ECFPL adopted April 1, 2023 as its reporting date for the first-time adoption of the Ind AS as notified under these rules, and consequently April 1, 2023 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2025. Hence, the general purpose financial statements of ECFPL as at and for the year ended March 31, 2025 were the first financials statements prepared in accordance with the Ind AS. Up to and for the financial year ended March 31, 2024, ECFPL had prepared its general purpose financial statements in accordance with accounting standards notified under section 133 of the Companies Act, read together with the Companies (Accounting Standards) Rules, 2021 (the “**Indian GAAP**” or “**Previous GAAP**”) due to which these special purpose financial statements are prepared. In addition, these special purpose financial statements are not the statutory financial statements of ECFPL under the Companies Act. These special purpose financial statements of ECFPL as at and for the year ended March 31, 2023 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per the Ind AS 101) consistent with that used at the date of transition to the Ind AS (being April 1, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III to the Companies Act disclosures followed as at and for the year ended March 31, 2025, and which have been approved by the Board of Directors at their meeting held on September 3, 2025.

The Company acquired ECFPL on December 4, 2024. The statutory transition date to the Ind AS for ECFPL was April 1, 2023. For the purpose of preparing the Restated Financial Information, however, the Company adopted a transition date of April 1, 2022. Accordingly, ECFPL applied the same accounting policies and policy choices, including both mandatory exceptions and optional exemptions availed under Ind AS 101 “*First-time Adoption of Indian Accounting Standards*” as applicable, as on April 1, 2022, consistent with those initially adopted on the statutory transition date of April 1, 2023. This acquisition has been classified as a common control transaction in accordance with Appendix C to Ind AS 103 “*Business Combinations*”. Accordingly, the audited standalone statutory financial statements of the Company for the year ended March 31, 2024, special purpose standalone financial statements of the Company for the year ended March 31, 2023, and audited special purpose financial statements of ECFPL acquired vide this common control transaction for the years ended March 31, 2023 and March 31, 2024 have been combined in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI. For more details on the acquisition of ECFPL, see “*Restated Financial Information – Note 51 – Business Combination Under Common Control*” on page 311.

Consequently, a reconciliation of total equity and total comprehensive income between the audited consolidated financial statements for March 31, 2025 and the audited special purpose combined financial statements as at and for the years ended March 31, 2024 and March 31, 2023 has been presented in “*Restated Financial Information – Part A – Statement of Adjustments to Audited Consolidated Financial Statements and Audited Special Purpose Combined Financial Statements*” on page 280.

The Restated Financial Information was authorised for issue by the Board of Directors on September 4, 2025.

Principles of consolidation

The Restated Financial Information comprises the financial statements of the Company and its Subsidiaries, being entities controlled by the Group, and have been prepared in accordance with Ind AS 110 “*Consolidated Financial Statements*”, as prescribed under section 133 of the Companies Act.

The Group controls an investee only if the Group has power over the investee (that is, existing rights that give it the current ability to direct the relevant activities of the investee), exposure (or rights) to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Financial Information from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Restated Financial Information is prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group used accounting policies other than those adopted in the Restated Financial Information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Financial Information to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, that is, March 31 of the applicable year.

The Restated Financial Information have been prepared by combining like items of assets, liabilities, equity, income, expenses and cash flows of the entities forming part of Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of Group have been eliminated and profits or losses arising from intragroup transactions have been eliminated in full.

Combined financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Basis of measurement

The Restated Financial Information has been prepared on accrual basis and under historical cost convention, except for the following:

- (a) certain financial assets and liabilities are measured at fair value;
- (b) employees' defined benefit obligations and leave encashment are recognised as per their actuarial valuation; and
- (c) liability for share-based payments is measured at fair value.

All assets and liabilities have been classified as current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended to be sold or consumed in, the normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is due to be settled within twelve months after the reporting period; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of the Group's business and the time interval between the acquisition of assets for processing and the realisation of the acquired assets in cash or cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of the classification of assets and liabilities into current and non-current.

Use of estimates, judgements and assumptions

The preparation of the Restated Financial Information requires the management to make estimates and assumptions that affect the reported assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the relevant year, and disclosures of contingent liabilities as at the balance sheet date. Estimates and assumptions used in the Group's financial statements are based on the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from estimates. Estimates and assumptions are reviewed on a periodic basis. Any revision to accounting estimates is recognised in the year in which the estimates are revised and in any future years affected.

The following are the key estimates and assumptions applied in the preparation of the Restated Financial Information as at the end of the applicable Financial Year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial Year.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets are determined on the basis of the estimated benefits to be derived from the use of such intangible assets. These reviews may result in changes in the depreciation or amortisation expense in future periods.

Actuarial valuation

The Group's liability for defined benefit obligations to employees is determined through an independent actuarial valuation including the determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends on assumptions determined after taking into account the discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in the notes to the relevant financial statements. For more information on the actuarial valuation applied, see "*Restated Financial Information – Note 42 – Employee Benefits*" on page 296.

Impairment of non-financial assets

In assessing impairment, the management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount it. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claims and/or litigation against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. The litigation and claims to which the Group is exposed are assessed by the management, in certain cases with the support of external specialised lawyers.

Income taxes

The management's judgement is required for the calculation of provisions for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. Factors

applied in estimates may differ from actual outcomes which could lead to significant adjustment to the amounts reported in the Restated Financial Information.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 “Leases”. The identification of a lease requires significant judgement. The Group hence applies significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend the lease if it is reasonably certain that the Group will exercise that option, and periods covered by an option to terminate the lease if it is reasonably certain that the Group will not exercise that option. In assessing whether it is reasonably certain that the Group will exercise an option to extend a lease, or not exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve the application of judgements and assumptions.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate the expected credit loss (“ECL”) for trade receivables and contract assets. The provision matrix is initially based on the Group’s historical observed default rates, with such historical rates updated at each reporting date. The assessment of the correlation between historically observed default rates and ECL is a significant estimate. The Group’s historical credit loss experience may in addition not be representative of the customer’s actual default in the future.

Share based payments

For measuring the fair value of equity-settled transactions with employees at the grant date, the Group uses the Black Scholes model for employee stock options. For more information on the assumptions and models applied in estimating the fair value of equity-settled transactions with employees at the grant date, see “*Restated Financial Information – Note 49 – Employee stock option plan*”.

Presentation currency and rounding off

All amounts included in the Restated Financial Information are reported in Indian Rupees (“**INR**”) in million, rounded to two decimal places in accordance with the requirements of Schedule III of the Companies Act, unless stated otherwise. Figures reported as “0” denote amounts that are not zero but that have been rounded to the nearest INR million. INR is both the functional currency of the Group and the currency of the primary economic environment in which it operates.

Going concern

The Restated Financial Information is prepared on a going concern basis as the management is satisfied that the Group will be able to continue its business in the foreseeable future and no material uncertainty that may cast significant doubt on the going concern assumption exists. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies applied in the preparation of the Restated Financial Information. These accounting policies have been applied consistently to all periods presented in the Restated Financial Information.

1. *Property, plant and equipment*

Property, plant and equipment are stated at the historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises their purchase price net of any discounts and rebates, import duties and other taxes (other than those subsequently recovered from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use.

The Group identifies and determines the cost of each part of an item of property, plant and equipment separately if that part has a cost which is significant to the total cost of that item of property, plant and equipment and has a useful life that is materially different from that of the remaining item.

Subsequent costs are included in the item's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the year in which they are incurred.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

i. **Depreciation methods, estimated useful lives**

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, or re-assessed by the Group. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounting for prospectively as a change in the accounting estimate.

The estimated useful lives to provide for depreciation on property, plant and equipment applied by the Group are as follows:

Property, plant and equipment	Estimated useful life by the management
Buildings	3 to 30 years
Plant and machinery	7.5 to 15 years
Electrical installation	10 years
Furniture and fixtures	10 years
Vehicles	8 to 10 years
Office or factory equipment	5 years
Computers	3 years

Depreciation on additions to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on the sale of or deduction from property, plant and equipment is provided up to the date preceding the date of sale or deduction, as the case may be. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and included in the Group's statement of profit and loss under other income and other expenses respectively.

2. *Capital work in progress*

The cost of assets not ready for their intended use, as on the balance sheet date, is shown as capital work in progress. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management, and borrowing costs. Expenses directly attributable to the

construction of property, plant and equipment that were incurred up to such asset being ready for its intended use are identified and allocated on a systematic basis on the cost of related assets.

3. *Other intangible assets*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the asset's estimated useful life to reflect the pattern in which the asset's economic benefits are consumed. The estimated useful life of an asset and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. The amortisation of intangible assets is included in depreciation and amortisation expenses in the Group's Statement of Profit and Loss.

Software is amortised over the management's estimate of its useful life, being 6 years.

Each intangible asset with a finite life is assessed for impairment whenever there is an indication that the intangible asset may be impaired.

4. *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's ("CGU") fair value less the costs of its disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculations on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

5. *Inventories*

Inventories are valued at the lower of cost or net realizable value. The cost raw materials, stores spares, packing materials and others includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of purchased inventory is determined after deducting rebates and discounts. For finished goods and work-in-progress, the cost includes the cost of direct material and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowing cost.

Spare parts that do not constitute property, plant and equipment are carried as inventory.

Transit stocks are valued at cost.

6. *Cash and cash equivalents and cash flow statement*

Cash and cash equivalents in the balance sheet comprises cash at banks, cash on hand, and fixed deposits having an original maturity of less than three months which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profits before tax are adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

7. Foreign currency translation

i. Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii. Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date at which the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Consolidated Statement of Profit and Loss.

iii. Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions.

Any exchange differences arising from the translation of foreign operations are recognised in the Consolidated Statement of Other Comprehensive Income. These exchange differences are accumulated in equity under a separate component known as the foreign currency translation reserve.

8. Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events, and either it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arise from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed where an inflow of economic benefits is probable.

9. Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability that is accessible to the Group.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price, being the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value and adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in the Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

At initial recognition, in the case of a financial asset measured not at fair value through profit or loss, the financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories: (a) at amortised cost; (b) at fair value through other comprehensive income; or (c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss.
- Fair value through other comprehensive income – Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains or losses.

- Fair value through profit or loss – Assets that do not meet the criteria for amortised cost or measurement at fair value through other comprehensive income are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value under other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as at fair value through other comprehensive income, all fair value changes on the instrument, excluding dividends, are recognised under other comprehensive income. There is no recycling of the amounts from other comprehensive income to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments measured at fair value through profit or loss are measured at fair value with all changes recognised in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109 “*Financial Instruments*”, the Group applies the ECL model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure.

- For trade receivables, the Group follows the “simplified approach” for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 “*Revenue from Contracts with Customers*”. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, from its initial recognition.
- For other financial assets, the Group recognises impairment loss on financial assets and risk exposure by determining whether credit risk has increased significantly since initial recognition. If credit risk has not increased significantly, the 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, the lifetime ECL is used. If in subsequent years, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the entity then reverts to recognizing impairment loss allowance based on the 12-month ECL. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the entity expects to receive (that is, all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Derecognition of financial assets

The Company derecognises a financial asset only when the rights to receive the cash flows from the asset expire or are transferred, or if it retains the contractual rights to receive the cash flows from the asset but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred, the asset is derecognised only if substantially all risks and rewards of ownership of the asset are transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is not transferred and the relevant entity does not retain substantially all risks and rewards of ownership of the asset, the asset is derecognised only if the Group has not retained control of the asset. In such case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

ii. Financial liabilities and equity instruments

An instrument issued by a Group is classified as either a financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

After initial recognition, subsequent measurement of financial liabilities depends on their classification, as follows:

- financial liabilities measured at fair value through profit or loss – Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss;
- derivative financial instruments – The Group uses derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign exchange risk. These contracts are generally entered into with banks as counterparties. Derivatives that are not designated as hedging instruments, or those designated as hedges but deemed ineffective under Ind AS 109, are accounted for as financial assets or financial liabilities at fair value through profit or loss. Such derivatives are initially recognised at fair value on the contract date, with any attributable transaction costs recognised in the Statement of Profit and Loss when incurred. Subsequently, these derivatives are re-measured at fair value through profit or loss, and any resulting gains or losses are recorded in other income or other expenses. Derivatives with a positive fair value are classified as financial assets, while those with a negative fair value are classified as financial liabilities;
- borrowings – Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss. The entity's long-term borrowings are all at a variable interest rate. Therefore, the unamortised transaction costs incurred on these borrowings are amortised on a straight-line basis instead of using the effective interest rate method; and
- financial liabilities at amortised cost – All the financial liabilities of the Group are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

11. Corporate guarantees

Corporate guarantees given are treated as deferred income and amortised over the term of the guarantee on a systematic basis. The amortisation is recognised under other income in the Statement of Profit and Loss, reflecting the usage pattern of the guarantees.

12. Leases

As a lessee, at inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset, or the Group designed the asset in a way that predetermines how and for what purposes it will be used.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of a right-of-use asset is determined on the same basis as the useful life of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to not recognise leases with a lease term of 12 months or less, or of low value in the balance sheet, and lease costs for those short-term leases or low-value leases are recognised on a straight-line basis over the lease term in the Statement of Profit and Loss. For practicality and expediency, the Group has elected to apply the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component.

13. Employee benefits

i. Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, and discounting the benefit to determine its present value. The present value of obligations under such benefit plan is determined based on an actuarial valuation using the projected unit credit method which recognises each period of service that gives rise to additional units of employee benefit entitlement and measures each unit separately to build up to the final obligation. Obligation is measured at present values of estimated future cash flows, with the discounted rates used for determining the present values based on market yields on government securities as at the balance sheet date.

Defined benefit costs are categorized into:

- the current service cost of the defined benefit plan, which is recognised in the Statement of Profit and Loss under employee benefits expense, and which reflects the increase in the defined benefit obligation resulting from employees' service in the current year, benefit changes, curtailments and settlements (past service costs, which comprise plan amendments and curtailments, and gains or losses on the settlement of pension benefits, are recognised immediately in the Statement of Profit and Loss when they occur;
- the net interest cost, which is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, and is included under finance cost in the Statement of Profit and Loss; and
- re-measurements, which comprise actuarial gains and losses and the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), and which are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

ii. Defined contribution plans

Contributions to defined contribution plans are recognised as an expense when employees have rendered services entitling them to such benefits. The Group provides benefits treated as defined contribution plans to its employees, such as a provident fund.

iii. Short-term employee benefit obligations

Employee benefits payable wholly within 12 months of receiving the employee's services are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia payments. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

iv. Compensated absences

Compensated absences which are expected to occur within 12 months after the end of the period in which the employee renders the related services are recognised as an undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within 12 months after the end of the period in which the

employee renders the related services are recognised using the projected unit credit method as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

For the purpose of the presentation of defined benefit plans and compensated absences, the allocation between current and non-current provisions has been as determined by an actuary.

14. Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of the promised goods or services to a customer at an amount that reflects the consideration which the Group is expected to be entitled to in exchange for those goods or services. Such amount is measured at the transaction price (net of variable consideration) allocated to that performance obligation. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

i. Sale of products

In respect of the sale of products, the performance obligation is satisfied at the relevant point in time specified in the contract, such as when the goods are shipped to the customer or on delivery to the customer. Revenue from the sale of products is hence recognised when the control on the goods have been transferred to the customers.

ii. Rendering of services

Revenue from rendering services is recognised over time by measuring the progress made towards satisfaction of the performance obligations for the services rendered.

iii. Other operating revenue

Grants are recognised as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them and the grant or subsidy will be received in accordance with Ind AS 20 *“Accounting for Government Grants and Disclosure of Government Assistance”*.

Revenue from export incentives, including those arising under the Remission of Duties and Taxes on Exported Products Scheme (**“RODTEP”**), Merchandise Exports from India Scheme (**“MEIS”**), Terminal Excise Duty (**“TED”**), and Duty Drawback Scheme, is recognised on an accrual basis, post-export, at the rates at which the entitlements accrue.

Income from the above grants and subsidies is presented under the other operating income segment of revenue from operations.

15. Other income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, being the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that discounts exactly the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to that financial asset's net carrying amount.

Interest income is included under other income in the Statement of Profit and Loss.

16. Taxes

Tax expenses for a year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for that year.

i. Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provisions arising in the same tax jurisdiction, where the Group intends to settle the asset and liability on a net basis. Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either under other comprehensive income or directly under equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii. Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right to such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside profit or loss, either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

17. Earnings per share

The basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events that have changed the number of equity shares outstanding without a corresponding change in resources, such as an issue of bonus shares, other than the conversion of potential equity shares.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

18. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, and which operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available.

The Group is engaged in the selling of goods and the chief operating decision maker has identified the entire business to be a single reportable segment, namely manufacturing of technical textiles fabrics. Hence, segment reporting is not applicable to the Group. For more details, see "*Restated Financial Information – Note 45 – Segment Reporting*" on page 303.

19. Employee stock compensation cost

The fair value of options granted under the Group's employee stock option scheme (measured as the excess of the fair value over the exercise price of the option at the date of grant) is recognised as an employee benefit expense

with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, including any market performance conditions (for example, the entity's share price) and the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified time period), and excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Together with a corresponding increase in the share options' outstanding account in equity, that cost is recognised under employee benefits expense over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised under employee benefits expense. The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of diluted earnings per share.

For more details on employee stock compensation cost, see "*Restated Financial Information – Note 49 – Employee stock option plan*" on pages 309.

20. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to be readied for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs comprise interest and other costs incurred in connection with the borrowing of funds.

21. Business combination under common control

A common control business combination refers to a business combination involving entities in which all the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

The financial information in the Restated Financial Information in respect of prior periods has been restated as if the business combination had occurred from the beginning of the earliest period presented in the Restated Financial Information, irrespective of the actual date of the combination. This is with the exception of business combinations that have occurred after that beginning date, for which the information in respect of the prior period has been restated only from the date of the business combination.

The difference, if any, between the purchase consideration paid either in the form of share capital or cash or other assets and the amount of net assets of the entities acquired is transferred to capital reserve (in the case of credit balance) and the common control adjustment deficit account (in the case of debit balance), and presented separately from other reserves within equity.

DESCRIPTION OF KEY COMPONENTS OF OUR RESTATED STATEMENT OF PROFIT AND LOSS

Income

Our total income consists of revenue from operations and other income.

Revenue from operations

Our revenue from operations is generated from: (i) revenue from contracts with customers, which includes revenue from (a) the sale of products (being manufactured goods) and (b) the sale of services; and (ii) other operating income, which includes revenue from (a) government grants, (b) duty drawback, (c) Remission of

Duties and Taxes on Exported Products scheme (the “**RODTEP**”) income, (d) sale of scrap, (e) Merchandise Exports from India Scheme (the “**MEIS**”) income and (f) Terminal Excise Duty (“**TED**”) income.

Other income

Our other income consists of: (i) foreign exchange gain; (ii) interest income, which includes (a) interest income on fixed deposits, (b) interest income on the unwinding of discounts on security deposits and (c) other interest income; (iii) allowance for ECL reversal; (iv) profit on the sale of assets; (v) sundry balance written back; and (vi) miscellaneous income. Components of our miscellaneous income for the past three Fiscals have included interest subsidy for a term loan.

Expenses

Our total expenses consist of: (i) cost of materials consumed; (ii) changes in inventories of finished goods and semi-finished goods; (iii) employee benefits expense; (iv) finance costs; (v) depreciation and amortisation expense; and (vii) other expenses.

Cost of materials consumed

Our cost of materials consumed is the net of our opening stock plus the purchases during the relevant financial year less our closing stock.

Changes in inventories of finished goods and semi-finished goods

Our changes in inventories of finished goods and semi-finished goods indicate the difference between inventory of finished stock and semi-finished stock at the beginning of the year, and at the end of the year.

Employee benefits expense

Our employee benefits expense consists of: (i) salaries and wages; (ii) staff welfare expenses; (iii) contributions to provident and other funds (including superannuation funds and new pension schemes); (iv) share based payments to employees; (v) leave encashment expenses; and (vi) gratuity expenses.

Finance costs

Our finance costs consist of: (i) interest expense, which include (a) interest expense on borrowings, and (b) interest expense on lease liabilities; and (ii) bank and other finance charges.

Depreciation and amortisation expense

Our depreciation and amortisation expense consists of: (i) depreciation of property, plant and equipment; (ii) depreciation on right-of-use assets; and (iii) amortisation of intangible assets.

Other expenses

Our other expenses primarily consist of: (i) power and fuel; (ii) job work and labour charges (including charges arising from transactions with related parties); (iii) royalty expenses; (iv) consumption of stores; (v) travelling and conveyance; (vi) freight and forwarding charges; (vii) professional and legal fees; and (viii) miscellaneous and administration expenses. Components of our miscellaneous expenses (other than administration expenses) for the past three Fiscals have included factory expenses, postage and courier and telegrams, and membership fees. For more details on certain of our job work and labour charges, see “*Restated Financial Information – Note 43 – Related Party Disclosures*” on page 299.

Tax expenses

Our tax expenses consist of: (i) current tax; (ii) short provision for tax relating to prior years; and (iii) deferred tax expense/(credit).

OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our restated statement of profit and loss for the fiscal years indicated and such amounts expressed as a percentage of total income.

Particulars	For the year ended March 31,					
	2025		2024		2023	
	₹ in million	As a % of total income	₹ in million	As a % of total income	₹ in million	As a % of total income
Income:						
Revenue from operations	7,789.97	98.58%	4,679.08	98.60%	3,016.48	99.32%
Other income	112.15	1.42%	66.43	1.40%	20.68	0.68%
Total income	7,902.12	100.00%	4,745.51	100.00%	3,037.16	100.00%
Expenses:						
Cost of material consumed	3,713.71	47.00%	2,002.86	42.21%	1,535.96	50.57%
Changes in inventories of finished goods and semi-finished goods	(111.76)	(1.41%)	(232.62)	(4.90%)	(145.98)	(4.81%)
Employee benefits expense	655.73	8.30%	414.85	8.74%	315.12	10.38%
Finance costs	146.31	1.85%	63.22	1.33%	52.78	1.74%
Depreciation and amortisation expense	341.90	4.33%	170.97	3.60%	153.73	5.06%
Other expenses	1,648.40	20.86%	1,175.52	24.77%	632.77	20.83%
Total expenses	6,394.29	80.92%	3,594.80	75.75%	2,544.38	83.77%
Profit before tax	1,507.83	19.08%	1,150.71	24.25%	492.78	16.23%
Income tax expenses:						
Current tax	408.91	5.17%	289.13	6.09%	125.15	4.12%
Short provision for tax relating to prior years	0.05	0.00%	0.69	0.01%	1.78	0.06%
Deferred tax expense/(credit)	(21.01)	(0.27%)	16.93	0.36%	(6.32)	(0.21%)
Total income tax expenses	387.95	4.91%	306.75	6.46%	120.61	3.97%
Profit for the year	1,119.88	14.17%	843.96	17.78%	372.17	12.25%

Fiscal 2025 compared to Fiscal 2024

Income

Revenue from operations

Set forth below is a table showing our revenue from operations for Fiscals 2025 and 2024.

Particulars	Fiscal 2025	Fiscal 2024	Percentage Increase/ (Decrease) (%)
	₹ in million		
Revenue from operations:			
Sale of products	7,685.98	4,545.65	69.08%
Sale of services	14.97	11.29	32.60%
Revenue from contracts with customers	7,700.95	4,556.94	68.99%
Other operating income:			
Government grants	18.04	52.34	(65.53%)
Duty drawback	29.33	27.20	7.83%
RODTEP income	21.03	24.55	(14.34%)
Sale of scrap	20.62	18.05	14.24%
MEIS income	-	-	-
TED income	-	-	-
Total	7,789.97	4,679.08	66.49%

Our revenue from operations increased by 66.49% to ₹7,789.97 million for Fiscal 2025 from ₹4,679.08 million for Fiscal 2024, which increase was primarily due to a 68.99% increase in our revenue from contracts with customers, which is discussed below.

Revenue from contracts with customers

Our revenue from contracts with customers increased by 68.99% to ₹7,700.95 million for Fiscal 2025 from ₹4,556.94 million for Fiscal 2024, which increase was primarily due to an increase in our revenue from Aerospace and Defence Fabrics, Aerospace and Defence Solutions and Outdoor and Lifestyle Fabrics.

The table below sets forth our revenue from contracts with customers from our four primary market segments, and from sales falling outside of those four market segments, for Fiscal 2025 and Fiscal 2024.

Particulars	Fiscal 2025	Fiscal 2024	Percentage Increase/ (Decrease) (%)
	₹ in million		
Aerospace and Defence Fabrics	3,700.92	3,134.88	18.06%
Aerospace and Defence Solutions	2,219.02	8.64	25,583.10%
Industrial and Automotive Fabrics	1,126.34	1,113.86	1.12%
Outdoor and Lifestyle Fabrics	569.00	291.65	95.10%
Other Sales	85.67	7.92	981.69%
Revenue from contracts with customers	7,700.95	4,556.94	68.99%

Our revenue from Aerospace and Defence Fabrics increased by 18.06% to ₹3,700.92 million for Fiscal 2025 from ₹3,134.88 million for Fiscal 2024, which increase was primarily due to an increase in the volume of orders, as well as a change in our product mix. The increase in the volume of orders was primarily attributable to customers outside India.

Our revenue from Aerospace and Defence Solutions increased to ₹2,219.02 million for Fiscal 2025 from ₹8.64 million for Fiscal 2024. This increase was primarily due to a large order for Combat Free Fall (CFF) parachute systems, which was a new product introduced by us in Fiscal 2025. We recognised a revenue of ₹2,225.88 million from this large order for Fiscal 2025.

Our revenue from Outdoor and Lifestyle Fabrics increased by 95.10% to ₹569.00 million for Fiscal 2025 from ₹291.65 million for Fiscal 2024. This increase was primarily due to an increase in our final output capacity (comprising the aggregate installed capacity of our processing, dyeing, finishing, printing and coating factories) to 127.80 million metres as at March 31, 2025 from 48.86 million metres as at March 31, 2024. Our final output capacity increased due to our commencement of operations at an additional manufacturing facility located at Kothwa, Taluka Mangrol, District Surat, Gujarat, India on April 1, 2024. We use this manufacturing facility for scouring, dyeing, finishing, processing and coating nylon and polyester fabrics. For more details on our manufacturing capabilities, see “Our Business – Manufacturing Capabilities” on page 192.

Other operating income

Other operating income decreased by 27.12% to ₹89.02 million for Fiscal 2025 from ₹122.14 million for Fiscal 2024, which was primarily due to a decrease in government grants.

Other income

Other income increased by 68.82% to ₹112.15 million for Fiscal 2025 from ₹66.43 million for Fiscal 2024. This increase was primarily due to an increase in foreign exchange gain to ₹46.95 million for Fiscal 2025 from ₹32.40 million for Fiscal 2024, and an increase in interest income on fixed deposits to ₹57.57 million for Fiscal 2025 from ₹29.52 million for Fiscal 2024.

Expenses

Cost of materials consumed and changes in inventories of finished goods and semi-finished goods

Set forth below is a table showing the components of our cost of materials consumed and changes in inventories of finished goods and semi-finished goods for Fiscals 2025 and 2024.

Particulars	Fiscal 2025	Fiscal 2024	Percentage Increase/ (Decrease) (%)
	₹ in million		
Cost of materials consumed:			
Opening stock	726.11	203.25	257.25%
Add: Purchases	3,498.16	2,525.72	38.50%

Particulars	Fiscal 2025	Fiscal 2024	Percentage Increase/ (Decrease) (%)
	₹ in million		
Less: Closing stock	(510.56)	(726.11)	(29.69%)
Cost of materials consumed [A]	3,713.71	2,002.86	85.42%
Add: Changes in inventories of finished goods and semi-finished goods [B]	(111.76)	(232.62)	N.C.
Cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) [C = A + B]	3,601.95	1,770.24	103.47%
Cost of material consumed (including changes in inventories of finished goods and semi-finished goods) as a percentage of revenue from contracts with customers [D = C/E] (%)	46.77%	38.85%	20.39%
Revenue from contracts with customers [E]	7,700.95	4,556.94	68.99%

Note:

N.C. means not comparable

Our cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) increased by 103.47% to ₹3,601.95 million for Fiscal 2025 from ₹1,770.24 million for Fiscal 2024. This was primarily due to an increase in purchases during Fiscal 2025 by 38.50% to ₹3,498.16 million for Fiscal 2025 from ₹2,525.72 million for Fiscal 2024, and an increase in opening stock by 257.25% to ₹726.11 million for Fiscal 2025 from ₹203.25 million for Fiscal 2024. Our cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) as a percentage of our revenue from contracts with customers increased by 20.39% in Fiscal 2025 as compared to Fiscal 2024.

Employee benefits expense

Our employee benefits expense increased by 58.06% to ₹655.73 million for Fiscal 2025 from ₹414.85 million for Fiscal 2024. This was primarily due to an increase in salaries and wages to employees by 45.03% to ₹537.74 million for Fiscal 2025 from ₹370.79 million for Fiscal 2024. Our number of employees increased from 878 employees at March 31, 2024 to 1,082 employees at March 31, 2025. However, our employee benefits expense as a percentage of revenue from operations decreased by 5.06% in Fiscal 2025 as compared to Fiscal 2024.

Finance costs

Our finance costs increased by 131.43% to ₹146.31 million for Fiscal 2025 from ₹63.22 million for Fiscal 2024. This increase was primarily due to a 219.66% increase in interest expenses to ₹131.22 million for Fiscal 2025 from ₹41.05 million for Fiscal 2024, which was in turn primarily due to a 195.90% increase in interest expense on borrowings to ₹91.73 million for Fiscal 2025 from ₹31.00 million for Fiscal 2024, and a 292.94% increase in lease liabilities to ₹39.49 million for Fiscal 2025 from ₹10.05 million for Fiscal 2024.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 99.98% to ₹341.90 million for Fiscal 2025 from ₹170.97 million for Fiscal 2024, primarily due to an increase in depreciation of property, plant and equipment by 106.07% to ₹255.46 million for Fiscal 2025 from ₹123.97 million for Fiscal 2024.

Other expenses

Our other expenses increased by 40.23% to ₹1,648.40 million for Fiscal 2025 from ₹1,175.52 million for Fiscal 2024. Our other expenses increased primarily due to a 93.98% increase in our job work and labour charges to ₹362.57 million for Fiscal 2025 from ₹186.91 million for Fiscal 2024, a 57.86% increase in power and fuel to ₹333.31 million for Fiscal 2025 from ₹211.14 million for Fiscal 2024, and a 150.73% increase in freight and forwarding charges to ₹128.25 million for Fiscal 2025 from ₹51.15 million for Fiscal 2024. The increase in job work and labour charges was primarily due to a requirement for additional capacity to fulfil customer orders, the increase in power and fuel was primarily due to a combination of increased sales and utility charges, and the increase in freight and forwarding charges was primarily due to increase sales orders. The foregoing was offset slightly by a decrease in royalty expenses by 60.12% to ₹129.64 million for Fiscal 2025 from ₹325.08 million for

Fiscal 2024, which was due to a decrease in royalty related fulfilled orders in Fiscal 2025 as compared to Fiscal 2024.

Tax expenses

Our total tax expenses increased by 26.47% to ₹387.95 million for Fiscal 2025 from ₹306.75 million for Fiscal 2024. Our current tax increased by 41.43% to ₹408.91 million for Fiscal 2025 from ₹289.13 million for Fiscal 2024. Our total tax expense as a percentage of profit before tax was 25.73% for Fiscal 2025 compared to 26.66% for Fiscal 2024.

Profit for the year

Primarily for the reasons stated above, our profit for the year increased by 32.69% to ₹1,119.88 million for Fiscal 2025 from ₹843.96 million for Fiscal 2024.

Fiscal 2024 compared to Fiscal 2023

Income

Revenue from operations

Set forth below is a table showing our revenue from operations for Fiscals 2024 and 2023.

Particulars	Fiscal 2024	Fiscal 2023	Percentage Increase/ (Decrease) (%)
	₹ in million		
Revenue from operations:			
Sale of products	4,545.65	2,919.44	55.70%
Sale of services	11.29	34.08	(66.88%)
Revenue from contracts with customers:	4,556.94	2,953.52	54.29%
Other operating income:			
Government grants	52.34	-	N.C.
Duty drawback	27.20	16.63	63.56%
RODTEP income	24.55	24.05	2.08%
Sale of scrap	18.05	19.61	(7.96%)
MEIS income	-	1.47	N.C.
TED income	-	1.20	N.C.
Total	4,679.08	3,016.48	55.12%

Note:

N.C. means not comparable

Our revenue from operations increased by 55.12% to ₹4,679.08 million for Fiscal 2024 from ₹3,016.48 million for Fiscal 2023. This increase was due to a 54.29% increase in our revenue from contracts with customers, which is discussed below.

Revenue from contracts with customers

The revenue from contracts with customers increased by 54.29% to ₹4,556.94 million for Fiscal 2024 from ₹2,953.52 million for Fiscal 2023, which increase was primarily due to an increase in our revenue from Aerospace and Defence Fabrics.

The table below sets forth our revenue from contracts with customers from our four primary market segments, and from sales falling outside of those four market segments, for Fiscal 2024 and Fiscal 2023.

Particulars	Fiscal 2024	Fiscal 2023	Percentage Increase/ (Decrease) (%)
	₹ in million		
Aerospace and Defence Fabrics	3,134.88	1,440.52	117.62%
Aerospace and Defence Solutions	8.64	46.93	(81.59%)
Industrial and Automotive Fabrics	1,113.86	1,131.12	(1.53%)
Outdoor and Lifestyle Fabrics	291.65	311.61	(6.41%)
Other Sales	7.92	23.33	(66.05%)
Revenue from contracts with customers	4,556.94	2,953.52	54.29%

Our revenue from Aerospace and Defence Fabrics increased by 117.62% to ₹3,134.88 million for Fiscal 2024 from ₹1,440.52 million for Fiscal 2023, which increase was primarily due to an increase in the volume of orders, as well as a change in the product mix. The increased volume of orders was primarily attributable to large orders from customers outside India for military fabric consisting of infrared reflective fabric and fabric for extreme cold weather clothing, which were products we newly introduced in Fiscal 2024. We recognised an aggregate revenue ₹2,153.40 million from orders of infrared reflective fabric and fabric for extreme cold weather clothing for Fiscal 2024.

Other operating income

Other operating income increased by 94.00% to ₹122.14 million for Fiscal 2024 from ₹62.96 million for Fiscal 2023, which increase was primarily due to the presence of government grants in Fiscal 2024, which were absent in Fiscal 2023.

Other income

Other income increased by 221.23% to ₹66.43 million for Fiscal 2024 from ₹20.68 million for Fiscal 2023. This increase was primarily due to an increase in foreign exchange gain to ₹32.40 million for Fiscal 2024 from ₹8.67 million for Fiscal 2023 and an increase in interest income on fixed deposits to ₹29.52 million for Fiscal 2024 from ₹1.30 million for Fiscal 2023.

Expenses

Cost of materials consumed and changes in inventories of finished goods and semi-finished goods

Set forth below is a table showing components of our cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) for Fiscals 2024 and 2023.

Particulars	Fiscal 2024	Fiscal 2023	Percentage Increase/ (Decrease) (%)
	₹ in million		
Cost of materials consumed:			
Opening stock	203.25	136.38	49.04%
Add: Purchases during the year	2,525.72	1,602.83	57.58%
Less: Closing stock	(726.11)	(203.25)	(257.25%)
Cost of materials consumed [A]	2,002.86	1,535.96	30.40%
Add: Changes in inventories of finished goods and semi-finished goods [B]	(232.62)	(145.98)	N.C.
Cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) [C = A + B]	1,770.24	1,389.98	27.36%
Cost of material consumed (including changes in inventories of finished goods and semi-finished goods) as a percentage of revenue from contracts with customer [D = C/E] (%)	38.85%	47.06%	(17.45%)
Revenue from contracts with customer [E]	4,556.94	2,953.52	54.29%

Note:

N.C. means not comparable

Our cost of materials consumed (including changes in inventories of finished goods and semi-finished goods) increased by 27.36% to ₹1,770.24 million for Fiscal 2024 from ₹1,389.98 million for Fiscal 2023. This increase was primarily due to a 57.58% increase in purchases during Fiscal 2024 to ₹2,525.72 million for Fiscal 2024 from ₹1,602.83 million for Fiscal 2023. Our cost of material consumed (including changes in inventories of finished goods and semi-finished goods) as a percentage of revenue from contracts with customers decreased by 17.45% in Fiscal 2024 as compared to Fiscal 2023.

Employee benefits expense

Our employee benefits expense increased by 31.65% to ₹414.85 million for Fiscal 2024 from ₹315.12 million for Fiscal 2023. This increase was primarily due to a 32.04% increase in salaries and wages to employees to ₹370.79 million for Fiscal 2024 from ₹280.81 million for Fiscal 2023. Our number of employees increased from 684

employees at March 31, 2023 to 878 employees at March 31, 2024. Our employee benefits expense as a percentage of revenue from operations decreased by 15.13% in Fiscal 2024 as compared to Fiscal 2023.

Finance costs

Our finance costs increased by 19.78% to ₹63.22 million for Fiscal 2024 from ₹52.78 million for Fiscal 2023. This increase was primarily due to a 100.27% increase in bank and other finance charges to ₹22.17 million for Fiscal 2024 from ₹11.07 million for Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 11.21% to ₹170.97 million for Fiscal 2024 from ₹153.73 million for Fiscal 2023, primarily due to a 12.18% increase in depreciation of property, plant and equipment to ₹123.97 million for Fiscal 2024 from ₹110.51 million for Fiscal 2023.

Other expenses

Our other expenses increased by 85.77% to ₹1,175.52 million for Fiscal 2024 from ₹632.77 million for Fiscal 2023. Our other expenses increased primarily due to a 102.39% increase in our job work and labour charges to ₹186.91 million for Fiscal 2024 from ₹92.35 million for Fiscal 2023, and the incurrence of ₹325.08 million of royalty expenses in Fiscal 2024 as compared to nil royalty expenses in Fiscal 2023. The increase in job work and labour charges was primarily due to a requirement for additional capacity to fulfil customer orders. The incurrence of royalty expenses was due to the payment of royalties pursuant to a royalty agreement entered into by us with the technology partner for the grant of a licence to certain intellectual property rights to manufacture, sell and market special prints on certain fabrics and textiles. The licence allowed us to print infrared reflective fabric at one of our manufacturing facilities. This royalty agreement has been terminated.

Tax expenses

Our total tax expenses increased by 154.33% to ₹306.75 million for Fiscal 2024 from ₹120.61 million for Fiscal 2023. Our current tax increased by 131.03% to ₹289.13 million for Fiscal 2024 from ₹125.15 million for Fiscal 2023. Our total tax expense as a percentage of profit before tax was 26.66% for Fiscal 2024 compared to 24.48% for Fiscal 2023.

Profit for the year

Primarily for the reasons stated above, our profit for the year increased by 126.77% to ₹843.96 million for Fiscal 2024 from ₹372.17 million for Fiscal 2023.

Financial condition

Total assets

The table below sets forth the principal components of our total assets as at dates indicated.

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Non-current assets:			
Property, plant and equipment	1,718.63	1,367.20	825.60
Right-of-use-asset	605.92	491.58	147.42
Capital work in progress	451.94	84.34	1.90
Other intangible assets	1.33	2.21	4.53
Financial assets:			
(i) Investments	149.67	121.80	0.01
(ii) Other financial assets	59.61	73.73	21.23
Non-current tax assets (net)	28.20	-	3.51
Deferred tax assets (net)	0.56	-	-
Other non-current assets	195.53	83.14	52.01
Total non-current assets	3,211.39	2,224.00	1,056.21

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Current assets:			
Inventories	1,369.02	1,437.11	677.63
Financial assets:			
(ii) Trade receivables	561.10	422.39	553.42
(iii) Cash and cash equivalents	304.94	326.80	101.12
(iv) Other bank balances	106.93	1,106.13	11.40
(v) Loans	155.69	-	-
(vi) Other financial assets	238.38	26.57	37.91
Other current assets	376.53	304.41	101.01
Total current assets	3,112.59	3,623.41	1,482.49
Total assets	6,323.98	5,847.41	2,538.70

Our total non-current assets were ₹1,056.21 million as at March 31, 2023, increased by 110.56% to ₹2,224.00 million as at March 31, 2024 and increased by 44.40% to ₹3,211.39 million as at March 31, 2025. The increase in our non-current assets from March 31, 2023 to March 31, 2024 was primarily due to an increase in property, plant and equipment from ₹825.60 million as at March 31, 2023 to ₹1,367.20 million as at March 31, 2024, which was in turn primarily due to business expansion. The increase in our non-current assets from March 31, 2024 to March 31, 2025 was primarily due to an increase in property, plant and equipment from ₹1,367.20 million as at March 31, 2024 to ₹1,718.63 million as at March 31, 2025, as well as an increase in capital work in progress from ₹84.34 million as at March 31, 2024 to ₹451.94 million as at March 31, 2025. The increase in property, plant and equipment was primarily due to business expansion to cater to increasing customer demand and the increase in capital work in progress was primarily due to the time taken to install additional capacity in downstream processes which resulted in an increase in work in progress from upstream processes.

Our inventories were ₹677.63 million as at March 31, 2023, increased by 112.08% to ₹1,437.11 million as at March 31, 2024, and decreased by 4.74% to ₹1,369.02 million as at March 31, 2025. The increase in our inventories from March 31, 2023 to March 31, 2024 was primarily due to an increase in our inventory of raw materials by 257.25% to ₹726.11 million as at 31 March, 2024 from ₹203.25 million as at 31 March, 2023.

Our other bank balances were ₹11.40 million as at March 31, 2023, increased to ₹1,106.13 million as at 31 March, 2024, and decreased by 90.33% to ₹106.93 million as at March 31, 2025. The increase in our other bank balances from March 31, 2023 to March 31, 2024 was primarily due to an advanced payment of a customer for a large order. The decrease in our other bank balances from March 31, 2024 to March 31, 2025 was primarily due to the acquisition of ECFPL in a cash transaction and capital investments to make upgrades to our manufacturing facility.

Our financial assets comprised loans amounting to ₹155.69 million as at March 31, 2025 which was an increase from the corresponding nil amounts as at each of March 31, 2024 and March 31, 2023. This was primarily due to investments in plant, property and equipment. In addition, our other financial assets amounted to ₹37.91 million as at March 31, 2023, decreased by 29.90% to ₹26.57 million as at March 31, 2024, and increased by 797.06% to ₹238.38 million as at March 31, 2025. The increase in other financial assets from March 31, 2024 to March 31, 2025 was primarily due to an increase in earnest money deposits (EMDs)/security deposits to secure a government tender by 981.32% to ₹234.43 million as at March 31, 2025 from ₹21.68 million as at March 31, 2024.

Total equity and liabilities

The table below sets forth the principal components of our total equity and liabilities as at the dates indicated.

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Equity:			
Equity share capital	101.49	19.90	19.90
Other equity	2,476.03	1,383.69	536.24
Total equity	2,577.52	1,403.59	556.14
Liabilities:			
Non-current liabilities:			
Financial liabilities:			
(i) Borrowings	757.64	348.05	196.55

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
(ii) Lease liabilities	479.30	368.31	61.47
Deferred tax liabilities (net)	17.10	34.97	18.87
Employee benefit obligations	25.52	17.90	8.71
Total non-current liabilities	1,279.56	769.23	285.60
Current liabilities:			
Financial Liabilities:			
(i) Borrowings	1,707.37	417.28	278.49
(ii) Lease liabilities	77.56	54.38	25.22
(iii) Trade payables:			
- Total outstanding dues of micro and small enterprises	50.42	14.32	19.96
- Total outstanding dues other than micro and small enterprises	421.65	508.40	170.60
(iv) Other financial liabilities	103.98	1,337.32	1,155.99
Employee benefit obligations	9.07	5.32	4.45
Other current liabilities	96.85	1,307.87	42.25
Current tax liabilities (net)	-	29.70	-
Total current liabilities	2,466.90	3,674.59	1,696.96
Total liabilities	3,746.46	4,443.82	1,982.56
Total equity and liabilities	6,323.98	5,847.41	2,538.70

Our total equity increased from ₹556.14 million as at March 31, 2023 to ₹1,403.59 million as at March 31, 2024 and further increased to ₹2,577.52 million as at March 31, 2025. These increases were primarily due to increases in other equity, which increased from ₹536.24 million as at March 31, 2023 to ₹1,383.69 million as at March 31, 2024 and further increased to ₹2,476.03 million as at March 31, 2025, which was in turn primarily due to retained earnings.

Our total non-current liabilities increased from ₹285.60 million as at March 31, 2023 to ₹769.23 million as at March 31, 2024 and further increased to ₹1,279.56 million as at March 31, 2025. The increase as at March 31, 2024 was primarily due to an increase in non-current borrowings from ₹196.55 million as at March 31, 2023 to ₹348.05 million as at March 31, 2024, which was in turn primarily due to certain payment tranches for term loans from banks becoming due during Fiscal 2024, and an increase in non-current lease liabilities from ₹61.47 million as at March 31, 2023 to ₹368.31 million as at March 31, 2024. The increase in total non-current liabilities as at March 31, 2025 was primarily due to an increase in non-current borrowings from ₹348.05 million as at March 31, 2024 to ₹757.64 million as at March 31, 2025, which was primarily due to certain payment tranches for term loans from banks becoming due during Fiscal 2025.

Our total current liabilities increased from ₹1,696.96 million as at March 31, 2023 to ₹3,674.59 million as at March 31, 2024 and decreased to ₹2,466.90 million as at March 31, 2025. The increase as at March 31, 2024 was primarily due to an increase in advances from customers from ₹29.18 million as at March 31, 2023 to ₹1,264.61 million as at March 31, 2024, coupled with an increase in the total outstanding amounts due to creditors other than micro enterprises and small enterprises from ₹170.60 million as at March 31, 2023 to ₹508.40 million as at March 31, 2024. The decrease in total current liabilities as at March 31, 2025 was primarily due to a decrease in advances from customers from ₹1,264.61 million as at March 31, 2024 to ₹27.44 million as at March 31, 2025, coupled with the absence of any purchase consideration payable as compared to the purchase consideration of ₹1,118.53 million payable as at March 31, 2024 and March 31, 2023 for the Company's acquisition of ECFPL, and partially offset by an increase in current borrowings from ₹417.28 million as at March 31, 2024 to ₹1,707.37 million as at March 31, 2025 that was primarily attributable to an increase in a working capital demand loan from a bank.

Liquidity and capital resources

Our liquidity requirements primarily relate to operational costs incurred in the ongoing conduct of our business activities. Our sources of liquidity for Fiscals 2025, 2024 and 2023 were primarily borrowings from banks and financial institutions.

As at March 31, 2025 our cash and cash equivalents aggregated to ₹304.94 million.

Cash flows

The following table sets forth a summary of our cash flows for the fiscal years indicated.

Particulars	Year ended March 31,		
	2025	2024	2023
	₹ in million		
Net cash flows generated from/(used in) operating activities	(1,549.77)	2,009.64	175.84
Net cash flows generated from/(used in) investing activities	20.62	(1,995.80)	(175.69)
Net cash flows generated from/(used in) financing	1,507.49	211.84	21.82
Cash and cash equivalents at the beginning of the year	326.80	101.12	79.15
Net increase/(decrease) in cash and cash equivalents	(21.66)	225.68	21.97
Foreign currency translation reserve	(0.20)	-	-
Cash and cash equivalents at the end of the year	304.94	326.80	101.12

Operating activities

Fiscal 2025

Net cash flows used in our operating activities were ₹1,549.77 million for Fiscal 2025. Our profit before tax from continuing operations was ₹1,507.83 million, which was adjusted for non-cash and other items in a net amount of ₹443.82 million, resulting in an operating profit before working capital changes of ₹1,951.65 million. The key adjustments to our cash flow from operating activities included depreciation and amortisation expenses of ₹341.90 million and finance costs of ₹130.81 million.

Fiscal 2024

Net cash flows generated from our operating activities were ₹2,009.64 million for Fiscal 2024. Our net profit before tax was ₹1,150.71 million, which was adjusted for non-cash and other items in a net amount of ₹159.90 million, resulting in an operating profit before working capital changes of ₹1,310.61 million. The key adjustments to our cash flow from operating activities included depreciation and amortisation expenses of ₹170.97 million.

Fiscal 2023

Net cash flows generated from our operating activities were ₹175.84 million for Fiscal 2023. Our net profit before tax was ₹492.78 million, which was adjusted for non-cash and other items in a net amount of ₹175.28 million, resulting in an operating profit before working capital changes of ₹668.06 million. The key adjustments to our cash flow from operating activities included depreciation and amortisation expenses of ₹153.73 million.

Investing activities

Fiscal 2025

Net cash flows generated from investing activities were ₹20.62 million during Fiscal 2025. The key adjustments to our cash flow from investing activities included proceeds from bank deposits of ₹1,030.99 million, which were partially offset by payments for capital work in progress, payments for capital advances and payments to certain creditors in the aggregate amount of ₹452.41 million, and payments for the purchase of property, plant and equipment of ₹613.71 million.

Fiscal 2024

Net cash flows used in investing activities were ₹1,995.80 million during Fiscal 2024. The key adjustments to our cash flow from investing activities were investments in bank deposits of ₹1,139.12 million, and payments for the purchase of property, plant and equipment of ₹669.05 million.

Fiscal 2023

Net cash flows used in investing activities were ₹175.69 million during Fiscal 2023. The key adjustments to our cash flow from investing activities were payments for the purchase of property, plant and equipment of ₹488.13 million, which were partially offset by proceeds from the sale or disposal of property, plant and equipment of ₹305.13 million.

Financing activities

Fiscal 2025

Net cash flows generated from financing were ₹1,507.49 million during Fiscal 2025. The key adjustments to our cash flow from financing activities were proceeds from borrowings of ₹1,832.33 million, which were partially offset by the repayment of borrowings of ₹139.99 million.

Fiscal 2024

Net cash flows generated from financing were ₹211.84 million during Fiscal 2024. The key adjustments to our cash flow from financing activities were proceeds from borrowings of ₹370.67 million, which were partially offset by the repayment of borrowings of ₹82.67 million.

Fiscal 2023

Net cash flows generated from financing were ₹21.82 million during Fiscal 2023. The key adjustments to our cash flow from financing activities were proceeds from borrowings of ₹147.37 million, which were partially offset by the repayment of borrowings of ₹49.44 million, principal paid on lease liabilities of ₹34.40 million, and interest paid on borrowings of ₹33.31 million.

Borrowings

As at March 31, 2025, we had total borrowings of ₹2,465.01 million, which consisted of non-current borrowings and current borrowings.

We are bound by restrictive and other covenants in our facility agreements with various lenders, including but not limited to, restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, obtaining prior consent and waiver from existing lenders and maintenance of financial ratios, including debt to tangible net worth, debt-service coverage ratio and fixed assets coverage ratio. Further, most of our loan documents contain restrictive covenants that require us to obtain prior written approval from the appropriate lender for various corporate actions, including effecting any change in the composition or management or the shareholding or capital structure of our Company, any merger, amalgamation, acquisition, compromise or other restructuring. Our term loans and working capital facilities are secured by, among others, a charge over material, stock in process, current assets and moveable assets, fixed deposits, demand promissory notes and personal guarantees from certain of our Promoters.

In Fiscal 2025, our Company breached a financial covenant in one of our loan agreements where our Company's current ratio (being the total current assets divided by the total current liabilities), calculated on a standalone basis, fell below the prescribed threshold in the loan agreement. The lender has waived the said breach. For more details on the risks arising from covenants of such nature, see *“Risk Factors – 16. Our financing agreements contain covenants that limit our flexibility in operating our business. Any future failure to meet the conditions under our financing arrangements or obtain any consents thereunder could have a material adverse effect on our business, financial condition, results of operations and cash flows.”* on page 43.

The following table provides the types and amounts of our outstanding borrowings as at the dates indicated.

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Non-current borrowings (less: current maturities of long-term borrowings) [A]	757.64	348.05	196.55
<i>Of which secured:</i>	<i>757.64</i>	<i>348.05</i>	<i>196.55</i>

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Current borrowings (including current maturities of long-term borrowings) [B]	1,707.37	417.28	278.49
Of which secured:	1,707.37	417.28	278.49
Total Borrowings [C = A + B]	2,465.01	765.33	475.04

For further details of security, repayment terms and interest rates for our borrowings, see “*Restated Financial Information – Note 23 – Borrowings*” on pages 289.

Contractual maturities of financial liabilities

The following table summarises the undiscounted maturity profile of the Group’s financial liabilities on an undiscounted basis as at March 31, 2025.

Particulars	Payment due by period			
	Total	Less than 1 year	1-5 years	More than 5 years
	in ₹ million			
Borrowings	2,467.35	1,707.37	670.33	89.65
Lease liabilities	760.14	122.85	414.95	222.34
Trade payables	472.06	467.66	4.40	-
Other financial liabilities	103.98	103.98	-	-
Total	3,803.53	2,401.87	1,089.68	311.99

Capital Expenditure

The following table sets forth net additions to property, plant and equipment by category for the fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
	₹ in million		
Additions:			
Freehold lands	-	-	31.08
Buildings	-	1.00	0.76
Leasehold improvements	46.63	9.64	2.22
Electrical installation	10.09	25.05	0.38
Plant and machinery ⁽¹⁾	490.48	618.23	332.51
Furniture and fixtures	7.37	3.21	1.87
Office equipment	10.04	5.92	4.76
Factory equipment	-	-	-
Vehicles	45.46	3.52	113.62
Computers	3.62	2.47	0.94
Total additions [A]	613.69	669.04	488.14
Disposals:			
Plant and machinery	15.37	21.54	246.91
Furniture and fixtures	0.07	-	-
Vehicles	0.04	12.38	76.85
Total disposals⁽²⁾ [B]	15.48	33.92	323.76
Net additions to property, plant and equipment⁽³⁾ [C = A-B]	598.21	635.12	164.38

Notes:

(1) During Fiscals 2025, 2024 and 2023, we capitalised borrowing costs of ₹0.29 million, ₹13.70 million and ₹1.33 million, respectively.

(2) Only those line items for which there were disposals are included under the disposals in this table.

(3) Net additions to property plant and equipment are before depreciation. For more details, see “*Restated Financial Information – Note 6 – Property, Plant and Equipment*” on page 282.

Contingent liabilities and capital commitments

The following table sets our contingent liabilities and capital commitments as at March 31, 2025, March 31, 2024 and March 31, 2023.

Particulars	As at March 31,		
	2025	2024	2023
	₹ in million		
Contingent liabilities:			
Letter of credit	53.11	47.12	18.17
Corporate guarantee given to related party	-	75.00	75.00
Capital commitments:			
Plant and machinery	852.70	570.19	642.88

Off-balance sheet arrangements

We do not have any off-balance sheet arrangements or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Quantitative and qualitative disclosure on market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change because of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Financial instruments affected by market risk include borrowings and derivative financial instruments. In respect of market risks, the Group is exposed to interest rate risk and foreign currency risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's trade receivables and trade payables.

For quantitative disclosures on the Group's market risk, see "*Restated Financial Information – Note 48 – Financial Risk Management Objectives and Policies – (a) Market risk*" on page 306.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's trade receivables, loans, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

For quantitative disclosures on the Group's credit risk, see "*Restated Financial Information – Note 48 – Financial Risk Management Objectives and Policies – (b) Credit risk*" on page 307.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

For quantitative disclosures on the Group's liquidity risk, see "*Restated Financial Information – Note 48 – Financial Risk Management Objectives and Policies – (c) Liquidity risk*" on page 308.

Reservations, qualifications and adverse remarks

There are no reservations, qualifications or adverse remarks in the Statutory Auditors' examination report on the Restated Financial Information that requisite any adjustments to the Restated Financial Information.

The Statutory Auditors have included certain observations in the annexure to their reports on our Company's audited financial statements for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, as required under the Companies (Auditor's Report) Order, 2020, which do not require any adjustment to the Restated

Financial Information. For more details, see “*Risk Factors – 17. Certain observations have been included in the Statutory Auditor’s report on our audited standalone financial statements for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 as required under the Companies (Auditor’s Report) Order, 2020.*” on page 44.

The Statutory Auditors have also identified limitations in the audit trail functionality of our accounting software for Fiscal 2025, which may impact our compliance with Rule 11(g) of the Companies (Audit and Auditors) Rules. For more details, see “*Risk Factors – 23. The audit trail functionality of our accounting software for Fiscals 2025 and 2024, was not in compliance with Rule 11(g) of the Companies (Audit and Auditors) Rules.*” on page 48 and “*Restated Financial Information – Note 52 – Other Matters – Audit Trail*” on page 312.

The above observations have been included in Annexure VI Part A to the Restated Financial Information. For more details, see “*Restated Financial Information – Part A*” on page 280.

Unusual or infrequent events or transactions

Other than as described in this section and “*Our Business*”, “*Risk Factors*” and “*History and Certain Corporate Matters*” on pages 179, 32 and 214, respectively, there have been no events or transactions which may be described as “unusual” or “infrequent”.

Significant economic changes that materially affected or are likely to affect revenue from operations

Other than as described in this section, and in “*Our Business*”, “*Risk Factors*” and “*Industry Overview*” on pages 179, 32, and 132, respectively, there have been no significant economic changes that materially affected or are likely to affect our revenue from operations.

Known trends or uncertainties that have had or are expected to have a material adverse effect on revenue from operations or other income

Except as described in this section and in “*Risk Factors*” on page 32, to our knowledge, there are no trends or uncertainties that have had, or are expected to have, a material adverse effect on our revenue from operations or other income.

Total turnover of each major operating segment in which the issuer operated

In accordance with Ind AS 108 “*Operating Segments*”, our business activities, as reviewed by the management, fall within a single reportable operating segment, namely the manufacturing of technical textile fabrics. Therefore, there are no reportable segments for our Company under the requirements of Ind AS 108 “*Operating Segments*”. For more information, see “*Restated Financial Information – Note 45 – Segment Reporting*” on page 303.

Future relationships between costs and revenue

Other than as described in this section and in “*Our Business*” and “*Risk Factors*” on pages 179 and 32, respectively, there are no known factors that are expected to have an effect on our costs and revenue.

Material increases in revenues and sales

Material increases in our revenues and sales are primarily due to the reasons described in “– *Significant Factors Affecting our Results of Operations and Financial Condition*” on page 320.

New products or business segments

Our results of operations were materially affected by the launch of new products. For details, see “– *Significant Factors Affecting our Results of Operations and Financial Condition - Our Ability to Upgrade our Existing Products and Introduce New Products*” on page 322. We did not enter into any new business segments.

Seasonality

Our financial condition and results of operations were not materially affected by seasonal factors.

Customer and supplier concentration

Our Company has a customer concentration. For details, see “*Risk Factors – 2. Our top customer and our top 10 customers contributed 28.90% and 84.69%, respectively, of our revenue from contracts with customers for Fiscal 2025. Any decrease in sales to such customers or the loss of such customers could have an adverse effect on our business, results of operations, financial condition and cash flows.*” on page 33.

Our Company has a supplier concentration. For details, see “*Risk Factors – 3. In order to get better pricing by buying in larger volumes, we generally buy the primary materials we need from a few suppliers. For Fiscal 2025, our cost of materials consumed purchased from our top 10 suppliers represented 35.72% of our cost of materials consumed. We have not entered into long-term agreements with these suppliers and if any of our top 10 suppliers ceased selling us the materials we require in the quantities we need, and we were unable to find a supplier to replace it, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.*” on page 34.

Competitive conditions

For a description of the competitive conditions in the industries in which we operate, see “*Our Business – Competition*” and “*Industry Overview*” on pages 201 and 132, respectively.

Material developments after March 31, 2025

On September 15, 2025 and September 24, 2025, the Company allotted 100 and 3,501,272 CCPS, respectively, of face value ₹5.00 each at a premium of ₹360.00 per CCPS, amounting to an issue price of ₹365.00 for each CCPS.

Except as disclosed above, our Company is unaware of any circumstances that have arisen since March 31, 2025 that have a material adverse effect on, or are likely to affect, our trading, operations or profitability, the value of our assets or our ability to pay our liabilities within the next 12 months from the date of this Draft Red Herring Prospectus.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no other outstanding (i) criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or judicial authority) involving our Company, Subsidiaries, Directors or Promoters (“**Relevant Parties**”) and Key Managerial Personnel and Senior Management; (ii) actions taken (including any orders passed or show cause notices issued) by regulatory authorities and/or statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities) involving the Relevant Parties and Key Managerial Personnel and Senior Management; (iii) claims related to direct and indirect taxes involving the Relevant Parties, in a consolidated manner; and (iv) other litigations involving the Relevant Parties (including civil litigation / arbitration proceedings) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below) or (v) litigations involving our Group Company which may have a material impact on our Company. Further, as on the date of this Draft Red Herring Prospectus, there are no disciplinary actions (including penalties imposed) by SEBI or recognized stock exchanges, against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus including any outstanding action.

In accordance with the Materiality Policy, for the purposes of (iv) above, any other outstanding litigation or arbitration proceedings involving the Relevant Parties (including tax litigation mentioned in (iii) above) would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- (a) the value or expected impact in terms of value, to the extent quantifiable, of such outstanding litigation (including civil litigation/arbitration proceedings) exceeds the lower of the following: (a) two percent of turnover as per the latest Restated Financial Information; or (b) two percent of net worth, as per the Restated Financial Information, except in case the arithmetic value of the net worth is negative; or (c) five percent of the average of absolute value of profit or loss after tax, as per the last three Fiscals as per the Restated Financial Information. Accordingly, five percent of the average of absolute value of restated profit for the year, based on the Restated Financial Information of the preceding three Fiscals disclosed in this Draft Red Herring Prospectus, i.e., ₹38.93 million has been considered as the materiality threshold; or
- (b) any outstanding litigation (including civil litigation/arbitration proceedings), where the value or expected impact in terms of value is not quantifiable or lower than the threshold specified in (a) above, but an outcome of which could (i) materially and adversely affect our Company’s business, prospects, operations, performance, financial position or reputation; (ii) or any outstanding litigation/arbitration proceedings where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the threshold as specified in (a) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (a) above.

It is clarified that pre-litigation notices received by any of the Relevant Parties or Group Company from third parties (excluding those notices issued by any regulatory, government, tax or statutory authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation and accordingly not be disclosed in this Draft Red Herring Prospectus until such time that Relevant Parties or Group Company, as applicable, are impleaded as a party in such litigation proceedings before any judicial or arbitral forum, tribunal or government authority.

Further, in accordance with the Materiality Policy, a creditor of our Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus and on the website of our Company, if amounts due to such creditor is equivalent to or in excess of five percent of the trade payables of our Company as at the end of the most recent financial period covered in the Restated Financial Information. The consolidated trade payables of our Company as on March 31, 2025, was ₹ 472.07 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 23.60 million as on March 31, 2025.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the MSMED Act.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

(a) *Outstanding litigation proceedings against our Company*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Company.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authorities against our Company.

(iii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings initiated against our Company.

(b) *Outstanding litigation proceedings by our Company*

(i) *Criminal proceedings*

Our Company has filed a case in 2019 against Polytech Asia Pte. Ltd. Polytech Instruments Private Limited and its director (“**Accused**”) under section 138 read with section 141 of Negotiable Instruments Act, 1881 for recovery of amounts due to our Company for which cheques issued in favour of our Company by the customer have been dishonoured. The amount involved in this case is ₹1.00 million. This matter is pending before the Metropolitan Magistrate, presiding in 48th Court at Andheri, Mumbai.

(ii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other material proceedings against our Company.

(c) *Adjudication application filed by our Company*

Our Company filed an adjudication application dated September 20, 2025, under section 454 read with sections 29 and 450 of the Companies Act with the RoC (“**Adjudication Application**”). The Adjudication Application pertains to contravention of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in relation to allotments made pursuant to bonus issue of 59,700,000 Equity Shares on February 20, 2025 and bonus issue of 21,890,000 Equity Shares on March 25, 2025 (“**Bonus Issues**”). Our Company inadvertently issued fully paid Equity Shares pursuant to the Bonus Issues while the securities held by certain of the Promoters, Directors, and Key Managerial Personnel were not fully dematerialised, due to delays in obtaining a fresh ISIN following a change in the face value of equity shares from ₹100 to ₹1 pursuant to a sub-division of equity shares. Our Company has sought the levy of minimum penalty under section 450 of the Companies Act, 2013, on grounds that the Adjudication Application has been made *suo moto* and the defaults have already been rectified pursuant to the dematerialisation of the Equity Shares issued pursuant to the Bonus Issues on June 19, 2025. The matter is currently pending with the RoC.

LITIGATION INVOLVING OUR DIRECTORS

(a) *Outstanding litigation proceedings against Directors*

(i) *Criminal proceedings against our Directors*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against our Directors.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Directors.

(iii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings against our Directors.

(b) *Outstanding litigation proceedings by our Directors*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings initiated by any of our Directors.

LITIGATION INVOLVING OUR PROMOTERS

(a) *Outstanding litigation proceedings against our Promoters*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings against our Promoters.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Promoters.

(iii) *Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five Fiscals including outstanding action*

There are no disciplinary actions (including penalties imposed) initiated by SEBI or a recognised stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action.

(iv) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings against any of our Promoters.

(b) *Outstanding litigation proceedings by our Promoters*

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Promoters.

(ii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings initiated by any of our Promoters.

LITIGATION INVOLVING OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

(a) ***Outstanding litigation proceedings against our Key Managerial Personnel and Senior Management***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Key Managerial Personnel and Senior Management.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Key Managerial Personnel and Senior Management.

(b) ***Outstanding litigation proceedings initiated by our Key Managerial Personnel and Senior Management***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against by Key Managerial Personnel and Senior Management.

LITIGATION INVOLVING OUR SUBSIDIARIES

(a) ***Outstanding litigation proceedings against our Subsidiaries***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated against our Subsidiaries.

(ii) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

(iii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings against our Subsidiaries.

(b) ***Outstanding litigation proceedings initiated by our Subsidiaries***

(i) *Criminal proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Subsidiaries.

(ii) *Other material proceedings*

As on the date of this Draft Red Herring Prospectus, there are no other pending material proceedings initiated by our Subsidiaries.

TAX PROCEEDINGS

Except as disclosed below, there are no claims relating to direct and indirect taxes involving the Company, Subsidiaries, Promoters and Directors as on the date of this Draft Red Herring Prospectus.

Nature of case	Number of cases	Amount involved (in ₹million)
Our Company		
Direct tax	2	Not quantifiable
Indirect tax	Nil	Nil
Subsidiaries		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Promoters		
Direct tax	1	Not quantifiable
Indirect tax	Nil	Nil
Directors		
Direct tax	1 [^]	Not quantifiable
Indirect tax	Nil	Nil

[^] Includes one outstanding tax litigation involving our Individual Promoter, Sapna Siddharth Kusumgar, who is also the Joint Managing Director of our Company

OUTSTANDING LITIGATION INVOLVING OUR GROUP COMPANY WHICH HAS A MATERIAL IMPACT ON OUR COMPANY

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations involving our Group Company which may have a material impact on our Company.

OUTSTANDING DUES TO CREDITORS

As of March 31, 2025, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors is as follows:

Particulars	Number of creditors	Amount involved (₹ million)
Micro, small and medium enterprises*	112	50.41
Material Creditor(s)	4	206.76
Other creditors	449	214.90
Total	565	472.07

*As defined under the MSMED Act.

The details pertaining to outstanding overdues to the Material Creditors as of March 31, 2025, along with names and amounts involved for each such Material Creditor are available on the website of our Company at <https://www.kusumgar.com/investor-relations/home/>.

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 320, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our trading, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months from the date of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

We have set out below a list of approvals, consents, registrations, licenses and permissions required to be obtained by our Company from various governmental and statutory authorities, which are considered material and necessary for us to undertake our business activities and operations (the “Material Approvals”). Some of the Material Approvals may have lapsed or expired or may lapse or expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications, in accordance with applicable requirements and procedures. Further, pursuant to change in the name of our Company upon conversion from a private to a public limited company and otherwise, our Company is in the process of changing our name as it appears on various approvals and licenses.

Except as mentioned below, no further Material Approvals are required by us to undertake the Offer or to carry on our business and operations. Additionally, unless otherwise stated herein, these Material Approvals are valid as on the date of this Draft Red Herring Prospectus. Certain of such Material Approvals may expire periodically in the ordinary course and applications for renewal of such Material Approvals are submitted in accordance with applicable requirements and procedures. For details of risk associated with not obtaining or delay in obtaining requisite approvals, see “Risk Factors – 10. We are required to obtain and maintain a number of statutory and regulatory approvals for carrying out our business. A failure to obtain, keep and renew such licences, registrations, permits and approvals could have a material adverse effect on our business, financial condition, results of operation and cash flows.” on page 39. For details in connection with the applicable regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 205.

A. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 370.

B. Approvals in relation to our incorporation

For details regarding the incorporation of our Company, see “History and Certain Corporate Matters” on page 214.

C. Material Approvals in relation to our business and operations

Tax related approvals

1. Permanent account number AAACK2030M issued by the Income Tax Department under the Income-tax Act, 1961;
2. Tax deduction account number MUMM19576E issued by the Income Tax Department under the Income-tax Act, 1961;
3. Goods and services tax registration certificates under various central and state goods and services tax legislations.

Labour and employment related approvals

1. Registration under the Employees’ State Insurance Act, 1948 issued by the Employees’ State Insurance Corporation;
2. Certificates of registration under the Contract Labour (Regulation & Abolition) Act, 1970, for our facilities at Vapi, Kosamba and Karanj, issued by the Assistant Labour Commissioner, Valsad and by the Deputy Labour Commissioner Officer, Surat, respectively; and
3. Registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 issued by the Employees’ Provident Fund Organisation.

Business related approvals

Registered and Corporate Office

1. Importer Exporter Code issued by the Office of the Additional Director General of Foreign Trade, Mumbai, Ministry of Commerce and Industry, Government of India;
2. Licenses under the Export Promotion Capital Goods Scheme for export of items including, *inter alia*, synthetic fabric made out from filament yarn, coated fabrics made out from nylon filament yarn, technical textiles and parachute fabrics; and
3. Registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

Manufacturing facilities

Kothwa

1. Licence to work a factory issued by the Directorate, Industrial Safety and Health, Gujarat State, under the Factories Act, 1948 and the rules made thereunder;
2. Consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act issued by the Gujarat Pollution Control Board; and
3. Consolidated consent and authorisation to operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and Hazardous & Other Wastes (Management and Transboundary Movement) Rules 2016 framed under the Environment (Protection) Act, 1986, issued by the Gujarat Pollution Control Board.

Vapi

1. Licence to work a factory issued by the Directorate, Industrial Safety and Health, Gujarat State, under the Factories Act, 1948 and the rules made thereunder;
2. Certificate for use of a boiler for the boiler operated by the Company issued by the Gujarat Boiler Inspection Department under the Indian Boilers Act, 1923;
3. Permissions obtained from the Office of the Electrical Inspector under the Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2023; and
4. Consolidated consent and authorisation to operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and Hazardous & Other Wastes (Management and Transboundary Movement) Rules 2016 framed under the Environment (Protection) Act, 1986, issued by the Gujarat Pollution Control Board.

Karanj

1. License to work a factory issued by the Directorate, Industrial Safety and Health, Gujarat State, under the Factories Act, 1948 and the rules made thereunder;
2. Provisional consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 issued by the Gujarat Pollution Control Board;
3. Consolidated consent and authorisation to operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and Hazardous & Other Wastes (Management and Transboundary Movement) Rules 2016 framed under the Environment (Protection) Act, 1986, issued by the Gujarat Pollution Control Board;
4. Licences issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry under the Petroleum Rules, 2002 for storage of petroleum;

5. Certificate for use of a boiler for the boiler operated by the Company issued by the Deputy Director of Boilers, Gujarat Boiler Inspection Department under the Indian Boilers Act, 1923; and
6. Permissions obtained from the Office of the Electrical Inspector under the Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2023.

Kosamba - I

1. Licence to work a factory issued by the Directorate, Industrial Safety and Health, Gujarat State, under the Factories Act, 1948 and the rules made thereunder;
2. Registration certificate for “Importer” under Rule 13(2) of the Plastic Waste Management Rules, 2016, as amended, issued by the Gujarat Pollution Control Board issued to our Company;
3. Permissions obtained from the Office of the Electrical Inspector under the Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2023;
4. Consolidated consent and authorisation to operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and Hazardous & Other Wastes (Management and Transboundary Movement) Rules 2016 framed under the Environment (Protection) Act, 1986, issued by the Gujarat Pollution Control Board; and
5. Certificate for use of a boiler for the boiler operated by the Company issued by the Deputy Director of Boilers, Gujarat Boiler Inspection Department under the Indian Boilers Act, 1923.

Fabrication unit at Agra

1. Registration and licence to work a factory under the Factories Act, 1948 issued by the Labour Department, Uttar Pradesh.

D. Pending Material Approvals

(a) Material Approvals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no Material Approvals that have been applied for by our Company, but have not been received:

S. No.	Nature of approval	Date of acknowledgement of application/ date of application
1.	Application for consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act issued by the Gujarat Pollution Control Board for our second manufacturing facility at Kosamba	August 26, 2025

(b) Material Approvals which have expired and renewal to be applied for

As on the date of this Draft Red Herring Prospectus, there are no Material Approvals that have expired, but the renewal is to be applied for by our Company.

(c) Material Approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no Material Approvals required, but not obtained nor applied for by our Company.

E. Intellectual property rights

As of the date of this Draft Red Herring Prospectus, we do not have any registered trademark in the name of our Company.

Pursuant to a deed of assignment dated September 13, 2025 (“**Deed of Assignment**”), Kusumgar Holdings LLP, a member of our Promoter Group, transferred and assigned all its rights, title and interest in the trademark “KUSUMGAR” and marks consisting and comprising of “KUSUMGAR” as their leading and

essential feature including three trademarks registered in the name of Kusumgar Holdings LLP with the Trade Marks Registry in India under classes 18, 22, 24, 25, 35 and 42, along with the copyrights in the artistic works subsisting therein, to our Company. Subsequently, our Company has filed an application for change in name of the proprietor to the name of our Company.

Further, pursuant to a trademark license agreement dated September 1, 2025 entered into by and amongst Inv Performance Materials, LLC and Invista Textiles (U.K.) Limited (“**INVISTA**”) and our Company (“**Trademark Licensing Agreement**”), our Company was granted a limited, non-transferable, non-exclusive, revocable, royalty free license to use three of INVISTA’s trademarks, including CORDURA, CORDURA TrueLock and CORDURA Classic, on certain products of our Company, as identified in the Trademark Licensing Agreement, and in connection with the marketing and sales of such products for a term effective from September 1, 2025 till August 31, 2026.

For details, see “*Our Business - Intellectual Property*” and “*History and Certain Corporate Matters – Other agreements*” on page 201 and 223, for risks associated with our intellectual property, see “*Risk Factors- 45. We might unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position.*” on page 60.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed in the relevant offer documents, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, in respect of (i) above, all such companies (other than our Subsidiaries) with which our Company has had related party transactions in accordance with Indian Accounting Standard (Ind AS) 24, during the period covered in the Restated Financial Information included in this Draft Red Herring Prospectus, shall be considered as ‘Group Company’, in accordance with the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than our Subsidiaries and the companies covered under (i) above) shall be considered ‘material’ and will be disclosed as a ‘group company’, if such a company is: (i) a member of the Promoter Group; and (ii) with which our Company has entered into one or more transactions during the most recent financial year or stub period, as applicable, and such transactions, individually or in the aggregate, in value exceeds 10% of the total restated revenue from operations of our Company in the most recent financial year or relevant stub period, as applicable, based on the Restated Financial Information.

Based on the above, our Group Company is Specialty Fabrics Private Limited (“SFPL”).

Details of our Group Company

The details of our Group Company are provided below:

Registered office

The registered office of SFPL is situated at 101/ 102, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai – 400 056, Maharashtra, India.

Financial information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of SFPL for the last three Fiscals (2023, 2024 and 2025), as required by the SEBI ICDR Regulations, is available at <https://www.kusumgar.com/investor-relations/home/>, as the Group Company does not have a functional website.

Our Company is providing link to the website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on such website does not constitute a part of this Draft Red Herring Prospectus and should not be relied upon or used as a basis for any investment decision.

Nature and extent of interest of our Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years prior to the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested, directly or indirectly, in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and our Group Company.

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and our Group Company.

In transactions for acquisition of land, construction of building, supply of machinery, etc.

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery, etc.

For details in relation to our related party transactions, see “*Related Party Transactions*” on page 315.

Common pursuits between our Group Company and our Company

There are no common pursuits amongst our Group Company and our Company. In relation to the common pursuit between our Company and SFPL which has been resolved as on the date of this Draft Red Herring Prospectus, pursuant to a non-compete agreement dated June 1, 2025 entered by Siddharth Yogesh Kusumgar and Sapna Siddharth Kusumgar with our Company, see “*Risk Factors - 30. Our Promoters may be engaged in ventures that could lead to conflicts of interest with our Company. While we have adequate measures in place to prevent such conflicts of interest, in the event our Promoters conduct any business in those ventures, it may adversely affect our business, financial condition, results of operations and cash flows.*” on page 52.

Related business transactions within the Group Company and significance on the financial performance of our Company

Except the transactions disclosed in “*Related Party Transactions*” on page 315, there are no other related business transactions between the Group Company and our Company during Fiscals 2025, 2024 and 2023.

Business interests or other interests

Except in the ordinary course of business and as disclosed in “*Related Party Transactions*” on page 315, our Group Company does not have any business interest in our Company.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Company which may have a material impact on our Company.

Certain other confirmations

As on the date of this Draft Red Herring Prospectus, our Group Company does not have its securities listed on any stock exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated September 24, 2025. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated September 24, 2025.

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on September 27, 2025.

Each of the Promoter Selling Shareholders, confirms that their respective portion of the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations. The Promoter Selling Shareholders, severally and not jointly consented and/or severally and not jointly, authorised its participation in the Offer for Sale in relation to its respective portion of Offered Shares, as set out below.

S. No.	Name of the Promoter Selling Shareholder	Date of the consent letter	Aggregate amount of Offer for Sale (in ₹ million)
1.	Siddharth Yogesh Kusumgar	September 24, 2025	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 4,200 million
2.	Sapna Siddharth Kusumgar	September 24, 2025	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 2,000 million
3.	Siddharth Yogesh Kusumgar HUF	September 24, 2025	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 300 million
Total			Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 6,500 million

In- principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Subsidiaries, Promoters, members of the Promoter Group, Directors and each of the Promoter Selling Shareholders, are not prohibited from accessing in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the Securities Market

None of our other Directors are associated with the securities market in any manner.

There are no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group and the Promoter Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to their respective holding of Equity Shares, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), i.e., as at and for the Fiscals 2025, 2024 and 2023, of which more than 50% of the net tangible assets are held as monetary assets as at Fiscal 2024. However, since the Offer comprises only an Offer for Sale, the same is not applicable;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), i.e., as at and for the Fiscals 2025, 2024 and 2023, with operating profit in each of these preceding three years i.e., as at and for the Fiscals 2025, 2024 and 2023, with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), i.e., as at and for the Fiscals 2025, 2024 and 2023, calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus other than the deletion of the word “Private” from the name of our Company pursuant to conversion to a public limited company. Our Company has not undertaken any new activity pursuant to such change in name.

Our Company’s net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth, derived from the Restated Financial Information as at and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	As at and for the Financial Years ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Net tangible assets ¹	2,576.19	1,401.38	551.61
Monetary assets held ²	432.82	1,476.37	112.52
Monetary assets, as a percentage of net tangible assets, as restated (in %)	16.80%	105.35%	20.40%
Restated Operating profit ³	1,541.99	1,147.50	524.88
Net worth, as restated ³	2,577.52	1,403.59	556.14

1. Net tangible assets have been defined in Section 2(1)(gg) of the SEBI ICDR Regulations as the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standards (Ind AS) 38.

2. Monetary assets includes cash and cash equivalents, bank balance other than cash and cash equivalents and non-current bank balances.

3. Restated Operating Profit = Profit before tax + Finance costs – Other income.

4. Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations

The average of operating profits for Fiscal 2025, Fiscal 2024 and Fiscal 2023 of our Company was ₹ 1,071.45 million.

Our Company confirms that it is in compliance with the conditions specified in Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulations 7(2) and 7(3) of the SEBI ICDR Regulations, to the extent applicable:

The details of our compliance with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- Our Company, our Promoters, members of the Promoter Group, the Promoter Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;
- The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);
- None of our Directors or Individual Promoter has been declared as a Fugitive Economic Offender;
- Except for the options granted under the ESOP Scheme and conversion of outstanding CCPS which will be completed prior to filing of the Red Herring Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans or other instruments convertible into or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of this Draft Red Herring Prospectus;

- (vi) Our Company along with Registrar to the Offer has entered into tripartite agreement dated August 20, 2021 with NSDL and the tripartite agreement executed on September 19, 2025 with CDSL, for dematerialisation of the Equity Shares;
- (vii) The Equity Shares of our Company held by our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management, employees, QIBs, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable, are in dematerialised form;
- (viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- (ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the states means of finance.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000 failing which the entire application money shall be unblocked/refunded to the respective Bidders.

Each Promoter Selling Shareholder, severally and not jointly, confirms that their respective Offered Shares are fully paid up and have been held for a period of at least one year prior to the filing of this DRHP with SEBI in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, IIFL CAPITAL SERVICES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE PROMOTER SELLING SHAREHOLDERS WILL BE RESPONSIBLE, SEVERALLY AND NOT JOINTLY, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO THEMSELVES AND THEIR RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and Book Running Lead Managers

Our Company, our Directors, and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at <https://www.kusumgar.com/>, or the respective websites of the members of the Promoter Group, Subsidiaries and any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholders and our Company.

All information shall be made available by our Company, and the Book Running Lead Managers to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, Subsidiaries the Promoter Selling Shareholders and their respective directors, officers, group company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Subsidiaries, the Promoter Selling Shareholders and their respective directors, officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Promoter Selling Shareholders

The Promoter Selling Shareholders, severally and not jointly, accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus (only to the extent of those statements expressly made by such Promoter Selling Shareholder in this Draft Red Herring Prospectus solely in relation to themselves and its respective portion of the Offered Shares) or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at <https://www.kusumgar.com/>, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

Each of the Promoter Selling Shareholders, its respective directors, affiliates, associates, and officers (as applicable) accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Promoter Selling Shareholder in relation to themselves as a Promoter Selling Shareholder and its portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to each of the Promoter Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Promoter Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs (registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Promoter Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where such offers and sales are made.

Bidders are advised to ensure that any and all Bids from them do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus, in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other timeline as prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within three Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable laws.

Consents

Consents in writing of each of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company as to Indian Law, the Book Running Lead Managers, the bankers to our Company, the Registrar to the Offer, 1Lattice, Statutory Auditors, Independent Chartered Accountant and Independent Chartered Engineer have been obtained and such consents have not been withdrawn until the date of this Draft Red Herring Prospectus; and consents in writing of the Syndicate Members, Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and Sponsor Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 27, 2025 from the Statutory Auditors, MSKA & Associates, Chartered Accountants (FRN:105047W), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 4, 2025 relating to the Restated Financial Information; (ii) their report dated September 25, 2025 on the statement of special benefits available to the Company and its Shareholders, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” does not represent an “expert” within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated September 27, 2025, from M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act to the extent and in their capacity as an independent chartered accountants to our Company with respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” does not represent an “expert” within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated September 27, 2025 from Dr. M.K. Talukdar, Chartered Engineer, to include his name as an “expert” as defined under Sections 2(38) and 26(5) of the Companies Act to the extent and in their capacity as the Independent Chartered Engineer and in respect of the certificate issued by

them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated September 26, 2025 from Vinay Angane and Associates, Practicing Company Secretary, to include its name as an “expert” as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as the Practicing Company Secretary and in respect of the certificates issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated September 26, 2025 from Amit Samani & Co, Company Secretaries, practicing company secretary, to include its name as an “expert” as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as a Practicing Company Secretary and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in “*Capital Structure*” on page 89, our Company has not made any capital issuances in the three years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed group companies/subsidiaries/associates

As on date of this Draft Red Herring Prospectus, neither our Subsidiaries nor our Group Company are listed on any stock exchange. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any associates.

Particulars regarding public or rights issues during the last five years

Our Company has not made any rights issues or public issues (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects - public/ rights issue of our Company

Our Company has not undertaken any public issues or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – last public/rights issue of our listed subsidiaries/promoters

As on date of this Draft Red Herring Prospectus, our Subsidiaries are not listed, and our Company does not have any corporate promoter.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in last five years

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Price information of past issues handled by the Book Running Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal)

A. Axis Capital Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.

S. No.	Issue name	Designated stock exchange	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Euro Pratik Sales Limited [@]	NSE	4,513.15	247.00	September 23, 2025	272.10	-	-	-
2.	Bluestone Jewellery and Lifestyle Limited	NSE	15,406.50	517.00	August 19, 2025	510.00	+15.13%, [+1.40%]	-	-
3.	JSW Cement Limited	NSE	36,000.00	147.00	August 14, 2025	153.50	+1.17%, [+1.96%]	-	-
4.	National Securities Depository Limited [*]	BSE	40,109.54	800.00	August 6, 2025	880.00	+54.48%, [+0.22%]	-	-
5.	Oswal Pumps Limited	NSE	13,873.40	614.00	June 20, 2025	634.00	+17.96%, [-0.57%]	+29.28%, [+0.87%]	-
6.	Schloss Bangalore Limited	NSE	35,000.00	435.00	June 2, 2025	406.00	-6.86%, [+3.34%]	-8.17%, [-1.17%]	-
7.	Belrise Industries Limited	NSE	21,500.00	90.00	May 28, 2025	100.00	+14.08%, [+3.02%]	+58.30%, [+0.87%]	-
8.	Ather Energy Limited [§]	NSE	29,808.00	321.00	May 6, 2025	328.00	-4.30%, [+0.99%]	+8.19%, [+0.76%]	-
9.	Carraro India Limited	NSE	12,500.00	704.00	December 30, 2024	651.00	-27.73%, [-2.91%]	-56.10%, [-0.53%]	-38.17%, [+8.43%]
10.	Ventive Hospitality Limited [#]	NSE	16,000.00	643.00	December 30, 2024	716.00	+5.51%, [-2.91%]	+10.80%, [-0.53%]	+7.10%, [+8.43%]
11.	Transrail Lighting Limited	BSE	8,389.12	432.00	December 27, 2024	585.15	+24.45%, [-3.19%]	+14.25%, [-1.79%]	+48.37%, [+4.26%]

Source: www.nseindia.com and www.bseindia.com

[@] Issue Price was ₹ 234.00 per equity share to eligible employees

^{*} Issue price was ₹ 724.00 per equity share to eligible employees

[§] Issue price was ₹ 291.00 per equity share to eligible employees

[#] Issue price was ₹ 613.00 per equity share to eligible employees

Notes:

- Issue size derived from prospectus/final post issue reports, as available.
- The CNX NIFTY or S&P BSE SENSEX is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
- Price on NSE or BSE is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026*	8	196,210.59	-	-	2	1	-	4	-	-	-	-	-	-
2024-2025	20	445,928.65	-	1	2	7	6	4	-	3	3	9	1	4
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	3	7	4	4

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited.

S. No.	Issue name	Designated stock exchange	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Oswal Pumps Limited	NSE	13,873.40	614.00	June 20, 2025	634.00	+17.96%, [-0.57%]	+29.28%, [+0.87%]	N.A.
2.	Arisinfra Solutions Limited	NSE	4,995.96	222.00	June 25, 2025	205.00	-33.84%, [-0.72%]	-23.21%, [+0.33%]	N.A.
3.	Ellenbarrie Industrial Gases Limited	NSE	8,525.25	400.00	July 1, 2025	486.00	+41.09%, [-2.69%]	N.A.	N.A.
4.	HDB Financial Services Limited	NSE	1,25,000.00	740.00	July 2, 2025	835.00	+2.51%, [-2.69%]	N.A.	N.A.
5.	Smartworks Coworking Spaces Limited	NSE	5,825.55	407.00 ⁽¹⁾	July 17, 2025	435.00	+11.79%, [-1.91%]	N.A.	N.A.
6.	GNG Electronics Limited	NSE	4,604.35	237.00	July 30, 2025	355.00	+42.55%, [-1.42%]	N.A.	N.A.
7.	Aditya Infotech Limited	NSE	1,300.00	675.00 ⁽²⁾	August 5, 2025	1,015.00	+101.14%, [+0.27%]	N.A.	N.A.
8.	Bluestone Jewellery and Lifestyle Limited	NSE	15,406.50	517.00	August 19, 2025	510.00	+15.13%, [+1.40%]	N.A.	N.A.
9.	iValue Infosolutions Limited	NSE	5,602.95	299.00	September 25, 2025	284.95	N.A.	N.A.	N.A.
10.	GK Energy Limited	NSE	4,642.60	153.00	September 26, 2025	171.00	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

⁽¹⁾ A discount of ₹ 37 per equity share was offered to eligible employees bidding in the employee reservation portion.

⁽²⁾ A discount of ₹ 60 per equity share was offered to eligible employees bidding in the employee reservation portion.

*Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Capital Services Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	1	5	4	5
2024-25	16	4,81,737.17	-	-	1	6	4	5	-	2	-	6	4	4
2025-26	12	2,64,476.56	-	1	1	1	2	5	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

C. Motilal Oswal Investment Advisors Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited.

S. No.	Issue name	Designated stock exchange	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Saatvik Green Energy Limited	BSE	9001.97	465.00	September 26, 2025	460.00	Not applicable	Not applicable	Not applicable
2.	Ivalue Infosolutions Limited	NSE	5602.95	299.00	September 25, 2025	284.95	Not applicable	Not applicable	Not applicable
3.	Gem Aromatics Limited	NSE	4,512.50	325	August 28, 2025	333.10	-20.37% [1.40%]	Not applicable	Not applicable
4.	Sri Lotus Developers and Realty Limited	NSE	7920.00	150.00	August 06, 2025	178.00	21.84% [0.65%]	Not applicable	Not applicable
5.	National Securities Depository Limited	BSE	40,109.54	800.00	August 06, 2025	880.00	54.48% [0.22%]	Not applicable	Not applicable
6.	GNG Electronics Limited	NSE	4604.35	237.00	July 30, 2025	355.00	42.55% [-1.42%]	Not applicable	Not applicable
7.	HDB Financial Services Limited	NSE	125,000.00	740.00	July 02, 2025	835.00	2.51% [-2.69%]	Not applicable	Not applicable
8.	Sambhv Steel Tubes Limited	NSE	5400.00	82.00	July 02, 2025	110.00	55.74% [-2.69%]	Not applicable	Not applicable
9.	Ellenbarrie Industrial Gases Limited	NSE	8,525.25	400.00	July 01, 2025	486.00	41.09% [-2.69%]	Not applicable	Not applicable
10.	Schloss Bangalore Limited	NSE	35,000.00	435.00	June 02, 2025	406.00	-6.86% [3.34%]	-8.17% [-1.17%]	Not applicable

Source: www.nseindia.com and www.bseindia.com

Notes:

- The S&P CNX NIFTY or S&P BSE SENSEX is considered as the benchmark index, depending upon the designated stock exchange.
 - Price is taken from NSE or BSE, depending upon designated stock exchange for the above calculations.
 - The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th days
 - Not applicable – Period not completed.
2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026	10	2,45,676.56	-	-	2	2	2	2	-	-	-	-	-	1
2024-2025	7	1,08,356.97	-	-	2	1	-	4	-	1	1	-	1	3
2023-2024	7	62,704.34	-	-	2	-	1	4	-	-	2	-	2	3

The information for each of the financial years is based on issues listed during such financial year.

Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the designated stock exchange.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	https://www.iiflcap.com/
3.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

Redressal of investor grievances

In terms of the SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the Bidders shall be compensated by the SCSBs in accordance with SEBI ICDR Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

In accordance with the SEBI ICDR Master Circular, following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years, or any such period as may be specified from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SEBI SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee to review and redress the shareholders' and investors' grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management – Stakeholders' Relationship Committee*" on page 240. Our Company has also appointed Devanand Parshottam Mojindra, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 80.

In the three years preceding the date of this Draft Red Herring Prospectus, our Company has not received any investor complaints. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints in relation to our Company.

The Promoter Selling Shareholders have, severally and not jointly, authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

As on date of this Draft Red Herring Prospectus, our Subsidiaries are not listed on any stock exchange.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not applied for any exemption from complying with any provisions of securities laws before SEBI.

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Associations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholders. Expenses for the Offer shall be shared amongst the Promoter Selling Shareholders in the manner specified in “*Objects of the Offer – Offer related expenses*”, on page 111.

Ranking of the Equity Shares

The Equity Shares being Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 420.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 253 and 420, respectively.

Face Value, Price Band and Offer Price

The face value of the Equity Shares is ₹1. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. Price Band, Employee Discount (if any) and minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and [●] editions of [●] the Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to attend general meetings and exercise voting rights, unless prohibited by law;
3. The right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation, subject to any statutory and preferential claims being satisfied;
6. The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI;
7. Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association;

For a detailed description of the provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 420.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- (i) Tripartite agreement dated August 20, 2021, amongst our Company, NSDL and Registrar to the Offer; and
- (ii) Tripartite agreement dated September 19, 2025, amongst our Company, CDSL and Registrar to the Offer.

Market lot and trading lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares of face value of ₹ 1 each. For the method of Basis of Allotment, see "*Offer Procedure*" on page 398.

Joint holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Bid/Offer Programme*" on page 388.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the Bidder will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●] ⁽¹⁾
BID/ OFFER CLOSES ON	[●] ⁽²⁾⁽³⁾

⁽¹⁾ Our Company shall, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company shall, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-

allotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular and SEBI RTA Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI RTA Master Circular and the SEBI ICDR Master Circular.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Promoter Selling Shareholders or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date, or such other period as prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter Selling Shareholders shall provide reasonable support and cooperation as may be requested by the BRLMs and/or the Company to facilitate the process of listing and commencement of trading of Equity Shares on the Stock Exchanges and solely to the extent such assistance is in relation to its portion of the Offered Shares

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the Offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	

Bid/Offer Period (except the Bid/Offer Closing Date)	
Modification of Bids by QIBs and Non-Institutional Bidders categories and modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion #	Only between 10.00 a.m. and up to 4.00 p.m. IST

* UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Offer Closing Date.

QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI ICDR Master Circular. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid / Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and are advised to submit their Bids no later than 12:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. list/SMD/SM/2006 dated July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on

either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Employee Discount

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, if any, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Minimum subscription

As this is an offer for sale by the Promoter Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/offer Closing Date or; withdrawal of applications; or after technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund/unblock the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond the timeline prescribed under law, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest at the rate of 15% per annum as per the SEBI ICDR Master Circular and other applicable law. The Promoter Selling Shareholders shall reimburse to the extent of the Equity Shares offered by the Promoter Selling Shareholders in the Offer, any expenses and interest incurred by our Company on behalf of the Promoter Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Promoter Selling Shareholders shall not be responsible or liable for payment of such interest, unless such delay is solely and directly attributable to an act or omission of the respective Promoter Selling Shareholders in relation to its respective portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of any such Promoter Selling Shareholders will be adjusted or reimbursed by such Promoter Selling Shareholders, severally and not jointly, to the extent of its respective portion of the Equity Shares offered by the Promoter Selling Shareholders in the Offer, to our Company as agreed among our Company and the Promoter Selling Shareholders in writing, in accordance with Applicable Law.

If there is a delay beyond two Working days, our Company, every Director of our Company, who is an officer in default shall pay interest at the rate of 15% per annum, in accordance with the SEBI ICDR Master Circular and the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall

be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 89, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of Articles of Association*" at page 420.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] per Equity Share aggregating to ₹ 6,500 million comprising an Offer for Sale of an aggregate of up to [●] Equity Shares aggregating to ₹6,500 million by the Promoter Selling Shareholders. For details, see “*The Offer*” beginning on page 73.

The Offer comprises of a Net Offer of up to [●] Equity Shares of face value ₹1 and Employee Reservation Portion of up to [●]* Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid-up Equity Share capital of our Company.

**A discount on the Offer Price (equivalent of ₹[●] per Equity Share) may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date.*

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Bidders	Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment / allocation* ⁽²⁾	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders		Up to [●] Equity Shares
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Net Offer size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders was available for allocation, out of which: a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million; and b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, provided that the unsubscribed portion in either of the subcategories specified	Not less than 35% of the Net Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders		The Employee Reservation Portion shall constitute up to [●]% of the Offer size

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
		above may be allocated to Bidders in the other sub-category of NIBs.		
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above c) Up to 60% of the QIB portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allotment to each NIB shall not be less than the Minimum NIB Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with SEBI ICDR Regulations. For details, see “Offer	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 398.	Proportionate[#]; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million (net of Employee Discount, if any). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
		<i>Procedure” on page 398.</i>		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the bid does not exceed the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the bid does not exceed the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹0.50 million (net of Employee Discount, if any)
Mode of allotment	Compulsory in dematerialized form			
Bid Lot	[●] Equity Shares of face value of ₹ 1 each and in multiples of [●] Equity Shares of face value of ₹ 1 each thereafter			
Allotment Lot	[●] Equity Shares of face value of ₹1 each and in multiples of one Equity Share of face value of ₹ 1 each thereafter			
Trading Lot	One Equity Share of face value of ₹ 1 each			
Who can apply ⁽³⁾	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies, trusts, FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹0.20 million in value.	Eligible Employees (such that the Bid Amount does not exceed ₹ 0.50 million) (net of Employee Discount, if any)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Bidders	Individual Bidders	Eligible Employees
	funds with minimum corpus of ₹250 million and registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules, accredited investors as defined in clause (ab) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, for the limited purpose of their investment in Angel Funds registered with the Board, under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.				
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids In case of all other Bidders: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form				
Mode of Bidding [^]	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹0.50 million)	ASBA only (including the UPI Mechanism)	ASBA only (including the UPI Mechanism)	ASBA only (including the UPI Mechanism)

**Assuming full subscription in the Offer*

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million (net of Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million (net of Employee Discount, if any). In the event

of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any). In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids.

[^] Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, had mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

- (1) Subject to valid Bids being received at or above the Offer Price. Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors. For further details, see "Offer Procedure" on page 398.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.
- (3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (4) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.
- (5) Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide the SEBI ICDR Master Circular, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies is blocked.

OFFER PROCEDURE

*All Bidders should read the General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, particularly in relation to process for Bids by UPI Bidders through the UPI Mechanism. The details and process provided in the General Information Document should be read in conjunction with this section.*

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and the consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with the existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application size are up to ₹0.50 million shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

*The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

SEBI vide the SEBI ICDR Master Circular has prescribed certain additional measures for streamlining the process of initial public issues and redressing investor grievances. The SEBI RTA Master Circular has consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for the RTAs. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular and the SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023, issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The Shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/5 dated May 24, 2024 (“AV Circular”) has introduced the disclosure of audiovisual presentation of disclosures made in Offer Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by influencers. Further, investors are advised to rely only on the information contained in the Offer Documents and the pre-Offer and Price Band advertisement for making investment decision.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. Furthermore, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, net of Employee Discount, if any.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories on proportionate basis, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹0.50 million), shall be added to the Net Offer, provided that under-subscription, if any, in the QIB Portion will not be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia* equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the relevant UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidder through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI pursuant to its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI pursuant to its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase became applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular and SEBI ICDR Master Circular, in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, *inter alia*, has enhanced the per transaction limit from ₹ 0.20 million to ₹ 0.50 million for applications using UPI in initial public offerings.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Offer.
- b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.
- d) QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date. The Bid Cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available at the Registered and Corporate Office of our Company.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp may be liable for rejection. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts) provided by certain brokers.
- (iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked, including details as prescribed in Annexure XVII of the SEBI ICDR Master Circular.

All the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail Individual Bidders, QIB and NIB and also for all modes through which the applications are processed.

UPI Bidders must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of our Company.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- (a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;
- (b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
- (c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual categories on the initial public offer closure day; and
- (d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;
- (e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

Participation by Promoters, Promoter Group, the Book Running Lead Managers, associates and affiliates of the Book Running Lead Managers and the Syndicate Members and the persons related to Promoters,

Promoter Group, Book Running Lead Managers and the Syndicate Members and Bids by Anchor Investors

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associates of the Book Running Lead Managers;
- (ii) insurance companies promoted by entities which are associates of the Book Running Lead Managers;
- (iii) AIFs sponsored by the entities which are associates of the Book Running Lead Managers;
- (iv) FPIs other than individuals, corporate bodies and family offices which are associates of the Book Running Lead Managers; or
- (v) Pension funds, with minimum corpus of ₹250 million and registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, and sponsored by entities which are associates of the Book Running Lead Managers.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with BRLMs reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made, subject to applicable law.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident External Accounts (“NRE

Account”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Non-debt Instrument Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis of an Indian company listed on a recognised stock exchange or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company listed on a recognised stock exchange and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis by an Indian company listed on a recognised stock exchange or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant of an Indian company listed on a recognised stock exchange. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 457.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI, or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the automatic route).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

1. such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as “**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

1. FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
2. Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
3. Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
4. FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
5. Multiple branches in different jurisdictions of foreign bank registered as FPIs;
6. Government and Government related investors registered as Category 1 FPIs; and
7. Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in

such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The SEBI AIF Regulations, as amended prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations as amended prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Promoter Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services

company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹1 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million (net of Employee Discount, if any). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 0.20 million (net of Employee Discount, if any).

However, Allotments to Eligible Employees in excess of ₹0.20 million (net of Employee Discount, if any) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount, if any). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e., [●] colour form).
- (b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (c) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- (d) Only those Bids, which are received at or above the Offer Price would be considered for Allotment under this category
- (e) The Bids must be for a minimum of [●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹1 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹0.50 million (net of Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹0.20 million (net of Employee Discount, if any). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹0.20 million (net of Employee Discount, if any), provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹0.50 million (net of Employee Discount, if any).
- (f) Eligible Employees can apply at Cut-off Price.
- (g) If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹1 each at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (h) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (i) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.
- (k) In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹1 each at or above the Offer Price, the allocation shall be made on a proportionate basis
- (l) Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013 as amended) and 'group companies' of such Lead Manager, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date, and will be completed on the same day.
- (e) Our Company in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
 - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
 - in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- (f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- (i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associate of the BRLMs or pension funds with minimum corpus of ₹250 million and registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, and sponsored by entities which are associates of the BRLM) can apply in the Offer under the Anchor Investor Portion.
- (j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.
- (k) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid

from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with existing regulations issued by RBI, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Promoter Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters in accordance with Regulation 40 of the SEBI ICDR Regulations. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees under the Employee Reservation Portion can revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;
4. UPI Bidders shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
11. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the

respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. UPI Bidders, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
26. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure, and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
27. In case of QIBs and NIBs (other than for Anchor Investor and UPI Bidder), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
29. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;
30. UPI Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
31. UPI Bidders, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
34. Ensure that ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;
35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid / Offer Closing Date.
36. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press releases dated June 25, 2021, and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022 and March 28, 2023, and any subsequent press releases in this regard.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 or in the list displayed on SEBI's website is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by RIBs) and ₹0.50 million for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of employee discount, if any);
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Bids by HUFs not mentioned correctly as provided in “- *Bids by HUFs*” on page 405;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not submit multiple Bid application forms with same application form number;
10. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
17. If you are a UPI Bidders, do not submit more than one Bid cum Application Form for each UPI ID;
18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;
19. Do not submit the General Index Register (GIR) number instead of the PAN;
20. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders, in the UPI-linked bank account where funds for making the Bid are available;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids until the Bid / Offer Closing Date;
23. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;
25. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
26. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
27. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
28. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
29. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
30. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
31. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders); and
32. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, is liable to be rejected.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

- (a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

- (b) Bids which do not contain details of the Bid Amount and the bank account details or UPI ID (for UPI Bidders) in the ASBA Form;
- (c) Bids submitted on a plain paper;
- (d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
- (e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));
- (f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;
- (g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- (h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
- (i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- (j) Bids submitted without the signature of the First Bidder or Sole Bidder;
- (k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- (l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
- (m) GIR number furnished instead of PAN;
- (n) Bids by RIBs with Bid Amount of a value of more than ₹ 0.20 million;
- (o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- (p) Bids accompanied by stock invest, money order, postal order, or cash; and Bids uploaded by QIBs and by Non-Institutional Bidders after 4.00 pm on the Bid/Offer Closing Date and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see “*General Information – Book Running Lead Managers*” on page 81.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 80.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI RTA Master Circular and the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

For details of grounds for technical rejection of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Bidder category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of a widely circulated English national daily newspaper, [●], all editions of a widely circulated Hindi national daily newspaper, [●] and [●] editions of a widely circulated Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 20, 2021, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated September 19, 2025, amongst our Company, CDSL and Registrar to the Offer.

Undertaking by our Company

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days from the Bid / Offer Closing Date or such other time as may be prescribed;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company in consultation with the BRLMs, withdraw the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Promoter Selling Shareholders subsequently decide to proceed with the Offer thereafter;
- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- (ix) except for the allotment of Equity Shares to eligible employees pursuant to exercise of options granted under the ESOP Scheme and allotment of Equity Shares upon conversion of outstanding CCPS, if undertaken, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- (x) that the promoters' contribution in full, wherever required, shall be brought in advance before the Offer opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with SEBI ICDR Regulations; and
- (xi) that adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications when finalising the basis of allotment.

Undertakings by the Promoter Selling Shareholders

The Promoter Selling Shareholders, severally and not jointly, undertake the following in respect of themselves as the Promoter Selling Shareholders, and the Offered Shares:

- (i) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that they are the legal and beneficial owner of, and have clear and marketable title to the Offered Shares;
- (iii) the Offered Shares shall be transferred to the Allottees in the Offer, free and clear of any encumbrances;

- (iv) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (v) only the statements and undertakings provided above, in relation to the Promoter Selling Shareholders, are statements which are specifically confirmed or undertaken, severally and not jointly, by each Promoter Selling Shareholder in relation to themselves and their respective portion of the Offered Shares. All other statements or undertakings in this Draft Red Herring Prospectus in relation to the Promoter Selling Shareholders, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholders

Utilisation of Offer Proceeds

All the monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act. Since this Offer is entirely an Offer for Sale, our Company will not directly or indirectly receive any Offer Proceeds, and all the Offer Proceeds will be received by the Promoter Selling Shareholders, in proportion to their respective portion of the Offered Shares sold by them as part of the Offer. For details of the Offered Shares, see “*Other Regulatory and Statutory Disclosures*” on page 370.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

(A PUBLIC COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION*¹²

OF

KUSUMGAR LIMITED

(Company incorporated under the Companies Act, 1956)

The Articles of Association are divided into ‘**Part A**’ and ‘**Part B**’. Articles 1 to 97 contained in ‘**Part A**’ shall be applicable in so far and to the extent they are not contrary to or inconsistent with the provisions of ‘**Part B**’. In the event of any conflict or inconsistency between ‘**Part A**’ and any provisions contained in ‘**Part B**’ of these Articles of Association, the provisions contained in ‘**Part B**’ shall prevail. Without prejudice to the foregoing, Part B of these Articles shall cease to be in force and effect automatically, from the date of listing of Equity Shares of the Company on a Recognised Stock Exchange pursuant to an IPO, without any further action, including any corporate action. The termination or cessation of Part B shall not in any manner affect rights and obligations set out under Part A of the Articles.

PART A

Constitution of the Company

The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with any of the provisions contained in these Articles or modifications thereof or are not expressly or by implication excluded from these Articles.

The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by a special resolution as prescribed by the Companies Act, 2013, as amended.

Interpretation

1. (1) In these Articles—
 - a. “**Act**” means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder, and shall include all amendments, modifications and re-enactments of the foregoing. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.
 - b. “**Annual General Meeting**” shall mean a general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
 - c. “**Articles**” shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of the Act.
 - d. “**Auditor(s)**” shall mean and include those persons appointed as such for the time being by the Company.
 - e. “**Beneficial Owner**” shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act.

¹ *Amended and Restated Articles of Association of the Company was adopted vide Special Resolution passed at the Extraordinary General Meeting of Company held on June 16, 2025, in substitution for and to the exclusion of all the existing Articles thereof.

² *Amended and Restated Articles of Association of the Company was adopted vide Special Resolution passed at the Extraordinary General Meeting of the Company dated September 24, 2025, in substitution for and to the exclusion of all the existing Articles thereof.

- f. **“Board” or “Board of Directors”** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- g. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- h. **“Business Day”** shall mean a day, not being a Saturday or a Sunday or public holiday, on which banks are open for business in Mumbai, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.
- i. **“Capital” or “Share Capital”** shall mean the share Capital for the time being, raised or authorised to be raised for the purpose of the Company.
- j. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 36 herein below.
- k. **“Company” or “this Company”** shall mean Kusumgar Limited.
- l. **“Committees”** shall mean a committee constituted in accordance with Article 72.
- m. **“Debenture”** shall have the meaning assigned to it under the Act.
- n. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- o. **“Depository”** shall mean a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act and includes a Company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.
- p. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed, from time to time, in accordance with law and the provisions of these Articles.
- q. **“Dividend”** shall include interim dividends and final dividends paid to the Shareholders.
- r. **“Equity Share Capital”** shall mean the total issued and paid-up equity share Capital of the Company.
- s. **“Equity Shares”** shall mean the equity shares of the Company having a face value of such amount as specified in Clause V of the Memorandum of Association.
- t. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorising the holder thereof to negotiate or transfer the Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- u. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- v. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- w. **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations, as applicable.
- x. **“India”** shall mean the Republic of India.
- y. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or

determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

- z. **“Managing Director”** shall have the meaning assigned to it under the Act.
- aa. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- bb. **“Memorandum” or “MoA” or “Memorandum of Association”** shall mean the memorandum of association of the Company, as amended from time to time.
- cc. **“Office”** shall mean the registered office for the time being of the Company.
- dd. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- ee. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.
- ff. **“Paid up”** shall include the amount credited as paid up.
- gg. **“Person”** shall mean any natural person, sole proprietorship, partnership, Company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- hh. **“Promoters”** shall mean persons identified in accordance with the definition ascribed to such term in the Act and the regulations prescribed by SEBI, as applicable.
- ii. **“Register of Members”** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- jj. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- kk. **“Rules”** shall mean the rules made under the Act and notified from time to time.
- ll. **“Seal”** shall mean the common seal(s) for the time being of the Company.
- mm. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- nn. **“SEBI Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- oo. **“Secretary”** shall mean a Company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by the Company to perform the functions of a Company secretary under the Act.
- pp. **“Shares”** shall mean any Equity Shares and/or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- qq. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- rr. **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- ss. **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

tt. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.

uu. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “Transferred” shall be construed accordingly.

vv. **“Tribunal”** shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

(2) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company. In these Articles, all Capitalised items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

II Share Capital and variation of rights

1. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons or employees (under ESOP scheme passed by Special Resolution), in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit, in accordance with applicable law, may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.

The Company may, subject to the provisions contained in (i) Section 62 of the Act; and (ii) these Articles, issue securities on a preferential basis to any person. The Company may also, subject to the provisions contained in (i) Section 42 of the Act; and (ii) these Articles, make private placement of its securities.

Except so far as otherwise provided by the conditions of issue or by these Articles, any Capital raised by the creation of new shares shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

2. (i) Every person whose name is entered as a member in the Register of Members shall be entitled to receive, in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two Months after incorporation, in case of subscribers to the memorandum or after allotment or within one Month after the receipt of application for the registration of transfer or transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a director and the Company secretary, wherever the Company has appointed a Company secretary:

Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees (not exceeding Rs. 20 (twenty) for each certificate) as the Board shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to other securities of the Company.

4. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The Company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on Shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of Shares

19. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of Shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these Articles as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of Capital

34. The Company may, from time to time, by ordinary resolution increase the share Capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the Company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share Capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share Capital;
- (b) any Capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

38. (i) The Company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to Capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a Capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be Capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such Capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be Capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share Capital of the Company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. Subject to provisions of the Act, the number of Directors shall not be less than three and not more than fifteen. Provided the Company may appoint more than fifteen directors after passing a special resolution. Any Director is not required to hold any qualification shares.
59. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
60. The Board may pay all expenses incurred in getting up and registering the Company.
61. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
65. At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election, provided that the office of Non-executive Independent Directors shall not be liable to retirement by rotation.
66. A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.
67. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

Proceedings of the Board

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
69. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
70. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
71. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.
72. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
73. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
74. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
75. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
76. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

77. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.
78. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

The Seal

79. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two

Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

80. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
82. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
83. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid;
84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
85. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the Company.

Accounts

89. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Winding up

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

91. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Dematerialisation of Shares

92. a Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media.

92b In case of transfer of shares or other marketable Securities where the Company has not issued any Certificates and where such shares or Securities are being held in an electronic and fungible form, the provisions of Depositories Act, 1996 shall apply.

Directors' & Officers' Liability Insurance

93. Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for coverage for claims of an amount as may be decided by the Board, from time to time.

Amendment to Memorandum and Articles of Association

94. The Company may amend its Memorandum of Association and Articles of Association in accordance with Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time. The shareholders shall vote for the equity shares owned or held on record by such shareholders at any Annual or Extraordinary General meeting of the Company in accordance with these Articles.

(i) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(ii) The Articles of the Company shall not be amended unless approved by the Members by a special resolution for each such amendment/s.

General Clause

95. Subject to the Articles, wherever in the Act it has been provided that the Company would carry out any transaction only if the Company is so authorized by its Articles, then and in that case, these Articles hereby authorizes and empowers the Company to have such right, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

96. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.
97. Notwithstanding anything contained in these Articles, the instructions/guidelines issued from time to time by the Ministry of Corporate Affairs or SEBI by way of circulars notifications etc. in respect of any of the matters with regard to powers of the board/convening/conducting of board meetings/committee meetings/general meetings, minutes of the meetings, sending of annual report by e-mail, video-conferencing and maintenance of registers/records etc., shall have overriding effect on these Articles for compliance thereof.

PART B

Notwithstanding anything to the contrary in Article 1 to Article 97 (both inclusive) of Part A, provisions of this Part B, which consists of Article I to Article VII (both inclusive), shall apply during the currency of the letter agreement dated September 22, 2025, among Kusumgar Limited (hereinafter referred to as the “**Company**”), Mr. Siddharth Yogesh Kusumgar (“**Siddharth**”), Ms. Sapna Siddharth Kusumgar (“**Sapna**”), Mr. Yogesh Kantilal Kusumgar (“**Yogesh**”), Siddharth Yogesh Kusumgar HUF (hereinafter referred to as the “**Siddharth HUF**”), Ms. Sia Kusumgar (“**Sia**”), Mr. Sanay Kusumgar (“**Sanay**”), Concord Weaving Preparatory Private Limited (hereinafter referred to as the “**Concord**”), Kusumgar Holdings LLP (hereinafter referred to as the “**Kusumgar LLP**”), WhiteOak Capital India Opportunities Fund (hereinafter referred to as the “**Investor 1**”), WhiteOak Capital Equity Fund (“**Investor 2**”), Ashoka India Equity Investment Trust Plc (“**Investor 3**”), Ashoka Whiteoak Emerging Markets Trust Plc (“**Investor 4**”), Ara Investments (“**Investor 5**”), Tibrewala Electronics Limited (“**Investor 6**”), Motilal Oswal Finvest Limited (“**Investor 7**”), Frangipani Capital Advisors LLP (“**Investor 8**”), Edelweiss Discovery Fund – Series I (“**Investor 9**”) and Spark Midas Investment Fund I (“**Investor 10**”), (together with each of the foregoing, the “**Parties**”; and each a “**Party**”) as amended from time to time (the “**Letter Agreement**”), in accordance with the provisions of the Letter Agreement.

All references to “Article” or “these Articles” in this Part B shall be references to the Articles of this Part B unless otherwise specified.

ARTICLE I

DEFINITIONS AND INTERPRETATION

Article 1.01. Definitions

Wherever used in these Articles, the following terms have the following meanings:

“**Act**” shall mean the Companies Act, 2013, and includes rules, regulations, notifications, circulars and clarifications issued thereunder;

“**Affiliate**” shall mean with respect to any Person, any other Person which, directly or indirectly: (a) Controls such Person; (b) is Controlled by such Person; (c) is Controlled by the same Person who, directly or indirectly, Controls such Person or a Relative of such Person; and (d) in case of a natural Person, an Affiliate of such Person shall mean the relative of such natural Person. Without prejudice to the above, in relation to each Investor, an Affiliate shall, in addition to the above, include: (i) any fund, collective investment scheme, trust, partnership (including, any co-investment partnership), special purpose or other vehicle, in which such Investor or its Affiliate is a general partner, significant shareholder or investment manager or investment advisor; or (ii) any general partner of the Investors; or (iii) any onshore or offshore fund managed by the same investment manager/ advisor (or any investment manager/ advisor having the same ultimate beneficial owners as the current investment manager/ advisor) as that of such Investor, at a relevant point of time, as maybe applicable to each such Investor;

“**Agreed Form**” shall mean in relation to a document, the form of a document that has been mutually agreed between the Parties in writing;

“**Applicable Law(s)**” or “**Law(s)**” shall mean and include statutes, enactments, acts of legislature or the parliament, laws, regulations, ordinances, notifications, rules, judgments, orders, decrees, by-laws, Approvals, Government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by any Governmental Authority, or any interpretation or adjudication having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

“**Approvals**” shall mean all approvals, clearances, licenses, permits, consents, permissions, orders, warrants, decrees, confirmations, permissions, certificates, authorizations, authentications, registrations, declarations, notifications, exemptions or any ruling to or from any Governmental Authority or any Person, required under Applicable Laws or contract;

“**Approved Accounting Firm**” means any of the following, or their Affiliates or associated firms in India: (a) Pricewaterhouse Coopers; (b) E&Y; (c) KPMG; (d) Deloitte; (e) Binder Dijker Otte (BDO); and (f) Grant Thornton LLP;

“**Board**” shall mean the board of directors of the Company;

“Business Day(s)” shall mean any day on which banks are generally open in Mumbai, India and Chennai, India as the case may be, for normal banking business, but does not include Saturdays and Sundays;

“Charter Documents” shall mean the memorandum of association and the articles of association of the Company, as amended from time to time;

“Competitor” shall mean any Person, who is engaged, directly or through its Affiliates or group entities, in the Business and who derives 50% (fifty percent) or more of its gross revenue from any of the following segments: (a) aerospace and defense fabric; (b) aerospace and defense solutions; (c) industrial and automotive fabric; and (d) outdoor and lifestyle fabric;

“Control” (including the terms **“Controlling”**, **“Controlled by”** and **“under common Control with”**) shall mean: (a) in relation to a Person that is a body corporate, the right to exercise, or control the exercise of, whether directly or indirectly, more than 50% (fifty per cent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct or cause the direction of, the policy decisions or management of that body corporate, including but not limited to the right to appoint a majority of the board of directors of that body corporate, in each case, whether directly or indirectly, acting alone or together with another Person; and (b) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, the policy decisions or management of that Person;

“Director” shall mean a director of the Company from time to time;

“Down-round” shall mean any issuance of Securities by the Company at a price per Security that is lower than the price at which the Securities were subscribed to or purchased by the Investors. Provided however that any issuance of Securities as part of the IPO shall be excluded from the scope of this definition;

“Encumbrance” shall mean: (a) mortgage, pledge, lien, hypothecation, equitable interest, assignment by way of security, security interest, charge (whether fixed or floating), commitment, any arrangement (for the purpose of, or which has the effect of, granting security), adverse claim as to title, possession or use, or any agreement, whether conditional or otherwise, to create any of the same, any conditional sale or other title retention agreement or any lease in the nature thereof; (b) voting agreement or trust, right of pre-emption or first offer or refusal, title retention agreement, conditional sale agreement, or other transfer restrictions in favour of any Person; (c) any restriction in favour of any Person(s) (individually or collectively) to deal with the benefits of an asset under Law or contract; and (d) agreement or arrangement to create any of the foregoing, including by way of an adverse order; as to title, possession or use of an asset, and the term **“Encumber”** shall be construed accordingly;

“Exit Price” has the meaning set forth in the Letter Agreement.

“FEMA” means the Foreign Exchange Management Act, 1999, and the rules, regulations, directions and circulars issued thereunder;

“Financial Year” shall mean the period of 12 (twelve) months commencing from the 1st of April of a calendar year and ending on the 31st of March of the following calendar year, or any other period adopted by the relevant Person as its accounting year;

“FMV” means the fair market value of the Securities determined on an arm’s length basis and in accordance with Applicable Law, in the manner set out in **Schedule 1** of the Letter Agreement.

“Fully Diluted Basis” shall mean, when calculating the number of Shares, such calculation is to be made based on the assumption that any options (including, but not limited to, the options granted pursuant to any employee stock option plan or scheme or agreement by whatever name called of the Company), warrants, security, right, contracts and other instruments convertible into or exercisable or exchangeable for, or otherwise giving the holder thereof the right to acquire, directly or indirectly, any Shares or other equity securities of the Company, outstanding on the date of calculation, have been exercised or exchanged for or converted into Shares and all Shares issuable pursuant to contractual or other obligations have been issued, and such calculation shall take into consideration all share splits, bonus issuances, and similar reclassification of Share Capital, but any debt obtained by the Company from any third party commercial banks and financial institutions, convertible into Shares, upon exercise of a right of conversion linked to the occurrence of an ‘event of default’, shall be disregarded, for such calculation;

“Group” shall mean the Company and its Subsidiaries, associates and joint ventures from time to time;

“Government” or **“Governmental Authority(ies)”** shall mean: (a) any supra-national, national, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in sub-paragraph (a) above; (c) any regulatory or administrative authority, body or other organisation, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or organisation have the force of Law; or (d) any court or tribunal having jurisdiction, any other judicial, quasi-judicial, regulatory authority, or arbitrator(s); and (e) the governing body of any stock exchange(s);

“Insolvency Event” in relation to any Person shall mean, any corporate action or action in relation to:

- (a) winding-up, dissolution, administration, provisional supervision or reorganisation (*other than a solvent reorganisation*) (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Person and such action has been admitted by a court of competent jurisdiction and not withdrawn, rejected or set aside within 60 (sixty) days of such admittance;
- (b) a composition, compromise, assignment or arrangement with any creditor of the Person;
- (c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Person or any of their respective assets by the competent Governmental Authority and such appointment has not been set aside within 60 (sixty) days of appointment;
- (d) attachment, enforcement or distress of any security interest over all or substantially all assets of the Person;
- (e) filing a petition or application for insolvency in relation to the Person, which has been admitted by a court of competent jurisdiction and not withdrawn, rejected or set aside within 60 (sixty) days of such admittance;
- (f) any analogous procedure is taken in any jurisdiction, or any other event occurs which would, under any Applicable Law, have a substantially similar effect to any of the events listed in sub-paragraphs (a) to (d) above;
- (g) the admission of any application by the National Company Law Tribunal to initiate corporate insolvency resolution process against the Person and such application has not been withdrawn, rejected or set aside within 60 (sixty) days of such admittance; or
- (h) (i) a resolution being passed by the members of the Person (in case of a Person other than a natural Person) to initiate a voluntary liquidation process in relation to such Person; or (ii) in case of a natural Person, if such Person files an application to initiate a voluntary insolvency, bankruptcy or similar proceedings, under the (Indian) Insolvency and Bankruptcy Code, 2016 as amended from time to time and as supplemented by the rules, circulars and regulations issued thereunder.

“Investor Clusters” shall collectively refer to WO Investors, MO Investors, Investor 9 and Investor 10.

“IPO Discontinuance” shall mean

- (a) the Company or the Board undertaking any actions to indicate that the Company does not intend to pursue an IPO, including:
 - (i) a resolution being passed by the Board, stating that the Company no longer intends to pursue an IPO, irrespective of the draft red herring prospectus (“**DRHP**”) having been filed;
 - (ii) in case the DRHP, the updated DRHP or the red herring prospectus having been filed, a withdrawal by the Company of such filing; and / or
- (b) the IPO not being completed by the IPO Timeline;

“Key Managerial Personnel” shall have the meaning ascribed to the term in the Companies Act;

“Liquidation Event” shall mean any of the following events:

- (a) any merger, amalgamation, consolidation, reconstitution, restructuring or similar transaction (or a series of related transactions) with or into another Person following which the Shareholders immediately prior to such transaction (or a series of related transactions): (i) would hold less than 50% (fifty percent) of the outstanding

voting power of the Company or the surviving or acquiring entity; or (ii) would not control the composition of the board of directors of the surviving entity;

- (b) sale or transfer of the Equity Shares to one or more Persons or a group of affiliated Persons (other than an underwriter of the Equity Shares) if, after such sale or transfer, such one or more Persons or group of affiliated Persons become entitled to exercise Control over the Company;
- (c) sale, transfer or other disposition of assets and properties (including tangible and intangible assets) of the Company, where such assets and properties constitute at least 50% of the value of all assets and properties (including tangible or intangible assets) of the Company; or
- (d) occurrence / commencement of Insolvency Event;

“Offer Documents” includes the draft red herring prospectus, red herring prospectus, prospectus or shelf prospectus, as applicable, referred to under the Companies Act, 2013;

“Offer for Sale” shall mean the listing of Equity Shares of the Company on a Recognized Stock Exchange through an offer of Equity Shares by the Shareholders (as against a primary issuance of Equity Shares by the Company), in accordance with the terms of these Articles;

“Person” shall include an individual, sole proprietorship, partnerships (whether limited or unlimited, registered or unregistered), company, body corporate, Hindu undivided family, joint venture, society, trust, estate, unincorporated or unregistered associations of persons, Governmental Authority, or other entity; in each case whether or not having a separate legal or juristic personality;

“Recognized Stock Exchange(s)” shall mean the National Stock Exchange of India Limited and / or the BSE Limited;

“SEBI” shall mean Securities and Exchange Board of India;

“Securities” shall mean shares or other securities of any class or nature, including securities and/or convertible debt, which are mandatorily or optionally convertible into or exchangeable or exercisable for Shares and each of them shall be referred to as a “Security”;

“Shares” or “Equity Shares” shall mean the fully paid-up equity shares of the Company;

“Share Capital” shall mean the total issued and paid-up equity share capital of the Company;

“Shareholder” shall mean any Person that is the legal or beneficial owner of any Securities, at a given time;

“SSPA” means collectively the following share subscription and purchase agreements executed by the Company and wherever the context requires reference to a particular Investor, ‘SSPA’ shall refer to the relevant share subscription and purchase agreement executed by the Company with such Investor:

- (a) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and WhiteOak Capital India Opportunities Fund;
- (b) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and WhiteOak Capital Equity Fund;
- (c) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Ashoka India Equity Investment Trust Plc;
- (d) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Ashoka Whiteoak Emerging Markets Trust Plc;
- (e) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers, Ara Investments and Tibrewala Electronics Limited;
- (f) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Motilal Oswal Finvest Limited;

- (g) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Frangipani Capital Advisors LLP;
- (h) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Edelweiss Discovery Fund – Series I; and
- (i) share subscription and purchase agreement dated September 22, 2025, executed by and amongst the Company, Promoter Sellers and Spark Midas Investment Fund I;

“**Subsidiaries**” shall mean the subsidiaries of a company as defined in the Companies Act;

“**Transaction Documents**” shall mean collectively the Letter Agreement, the SSPAs and any other documents and certificates executed or to be executed in connection with the transactions contemplated under the aforesaid agreements and designated as such jointly by the Parties and shall include the schedules or annexures or appendices to any of the aforesaid, including the certificates and confirmation letters issued pursuant to Letter Agreement;

“**Transfer**” (including with correlative meaning, the terms “**Transferred**”, “**Transferred by**” and “**Transferability**”) shall mean to, directly or indirectly, sell, gift, assign, transfer, transfer of any interest in trust, Encumber, or suffer to exist (whether by operation of Law or otherwise) any Encumbrance on, any Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, any Securities or any right, title or interest therein; and

“**Waiver cum Amendment Agreement**” means waiver cum amendment agreement dated September [25], 2025, among the Company, Siddharth, Sapna, Yogesh, Siddharth HUF, Sia, Sanay, Concord, Kusumgar LLP, Investor 1, Investor 2, Investor 3, Investor 4, Investor 5, Investor 6, Investor 7, Investor 7, Investor 8, Investor 9, and Investor 10, entered into pursuant to Clause 14.7 of the Letter Agreement;

Article 1.02. Interpretation

In these Articles, unless the context otherwise requires:

- (a) words using the singular or plural number also include the plural or singular number, respectively;
- (b) words of any gender are deemed to include the other gender;
- (c) references to the word “include” shall be construed without limitation;
- (d) the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to these entire Articles or specified sections, as the case may be;
- (e) reference to any legislation or Applicable Law or to any provision thereof shall include references to any such legislation or Applicable Law as it may, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- (f) reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any amendment, supplement, replacement or novation made in breach of these Articles;
- (g) the index bold typeface, headings and titles are used for convenience of reference only and shall not affect the construction of these Articles;
- (h) any word or phrase defined in the body of these Articles as opposed to being defined in Article **Error! Reference source not found.** (*Definitions*) above shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context;
- (i) time is of the essence in the performance of the Parties’ respective obligations. If any time period specified is extended, such extended time shall also be of the essence;

- (j) references to the knowledge, information, belief or awareness of the Person shall be deemed to refer to the knowledge, information, belief or awareness of such Person after examining all information and making reasonable inquiries which would reasonably be expected or required from a Person of ordinary prudence;
- (k) all Parties and their counsel have participated equally in the drafting of these Articles and no provision of these Articles shall be interpreted for or against any Party on the basis of authorship;
- (l) any reference to any Party being obliged to “procure” or “cause” or “ensure” any action shall be construed as a reference to that Party being obliged to exercise all rights and powers available to it in the Company so as to procure, cause or ensure the relevant action;
- (m) any action required to be undertaken by the Company in terms of these Articles shall be deemed to be a corresponding obligation of the Promoters to ensure and procure completion by the Company of such obligation; and
- (n) if any provision in Article **Error! Reference source not found.** (*Definitions*) is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of these Articles.

ARTICLE II

INVESTOR EXIT

Article 2.01. Initial Public Offering

- (a) The Promoters and the Company: (i) shall on or prior to September 30, 2026, file a draft red herring prospectus (“**DRHP**”) with SEBI; and (ii) shall on or prior to December 31, 2027 (“**IPO Timeline**”), complete an initial public offer of the Equity Shares of the Company on the main board of a Recognized Stock Exchange (“**IPO**”).
- (b) Any IPO shall be carried out in the manner set out below in this Article:
 - (i) The Company shall retain 1 (one) or more reputed investment bankers and underwriters, to advise the Company regarding its options with respect to any IPO and to manage and underwrite the IPO.
 - (ii) The Company and the Promoters shall take all such steps, and extend all such necessary co-operation to the lead managers, underwriters and other advisors as may be required for the purpose of undertaking the IPO, including: (A) providing all information and documents necessary to prepare the offer documents and finalising the documents; (B) conducting road shows with the necessary participation of the Key Managerial Personnel of the Company and the Promoters; (C) entering into appropriate and necessary agreements; (D) making the relevant filings with appropriate Governmental Authorities; (E) obtaining any authorisations or other approvals as may be required; and (F) offering any Securities required under Applicable Law for promoter lock-in.
 - (iii) Each Investor agrees that, in connection with the IPO, it shall (A) provide such information and take such actions as may reasonably be required by the Company; (B) cooperate in good faith with the Company, the other Investors, lead managers, underwriters and other advisors as to facilitate the consummation of the IPO; and (C) consent to and vote in favour of any Alteration of Rights as may be required, in accordance with Article 2.01(c).
 - (iv) All matters with respect to the IPO including, the timing of undertaking such IPO, offer price per Equity Share, the mode of the issue, the size of the issue, the merchant bankers, underwriters and the legal counsel to be appointed and such related matters shall be determined by the Board.
 - (v) The IPO shall include an Offer for Sale portion and subject to eligibility requirements under Applicable Law, each Investor shall have the right (but not the obligation) to participate in the Offer for Sale to sell the Shares held by it (*determined on a Fully Diluted Basis*). Subject to Applicable Law, such participation right of the Investors shall rank in priority to that of any other Shareholder of the Company (*other than the Investors*), and among the Investors shall be allocated on a pro rata basis in proportion to their respective shareholding (*on a Fully Diluted Basis*).
 - (vi) Subject to Applicable Law (including in respect of any fees required to be borne in relation to an Offer for Sale), all fees and expenses required to be paid in respect of the IPO including in connection

with any statutory filings, approvals and registration fees, and fees payable to merchant bankers, underwriters, book-runners, issue registrars or any other intermediaries involved in any manner in relation to the IPO shall be borne and paid by the Company. Provided however that the proportionate expenses for sale of each Investor's Securities in an Offer for Sale shall be solely borne by the respective Investor.

- (vii) Subject to applicable Law, the Investors shall not be required to give any representation, warranty or indemnity in connection with the IPO, other than, in case of any sale by an Investor of the Securities held by it in the Offer for Sale, and in such case, each Investor's obligation to provide representations and warranties shall be limited to:
 - (A) the Equity Shares, if any, offered for sale by the Investor in the IPO being free from Encumbrances and the Investor having legal and valid title to said Shares; and
 - (B) the authority and capacity of the Investor to participate in such Offer for Sale.
- (viii) In the event of the IPO Discontinuance, and without prejudice to the rights of the Investors under these Articles, under Applicable Law and in equity, the Investors shall continue to have a right to require the Company and the Promoters to undertake the IPO within such timelines as may be mutually agreed between the Company, Promoters and the Investors or provide an exit to the Investors.
- (c) Reinstatement of Rights: Notwithstanding anything stated in the Transaction Documents, in the event of IPO Discontinuance after the Securities held by any Investor and/ or the rights attached thereto have been altered (such alterations being, collectively, the "**Alteration of Rights**") to enable filings for a proposed IPO in the manner mutually agreed between the Investor and the Promoters, all the rights attached to the Securities held by the Investors and available under the Transaction Documents to the Investors shall be deemed to have been reinstated with immediate effect from the date of the IPO Discontinuance, as they were immediately prior to the Alteration of Rights. The Company and Promoters undertake and covenant to the Investors that they shall promptly, and in any case, within 15 (fifteen) days from the date of the IPO Discontinuance, take all such actions as may be required to ensure effective reinstatement of such rights, including causing the alteration of the Charter Documents to include the rights of the Investors, as they existed immediately prior to the Alteration of Rights, issuing of securities to the Investors as may be necessary, and entering into agreements necessary in this regard with the relevant Investors.
- (d) Notwithstanding anything contained herein, the Parties agree that no Investor shall be deemed to be a promoter of the Company for the purpose of the IPO and none of the Securities which will be held by the Investors shall be subject to any statutory lock-in imposed on promoters in connection with such IPO. No declaration or statement shall be made that may result in the Investors being deemed a promoter, either directly or indirectly, in filings with any Governmental Authority, offer documents or otherwise, with a view to ensuring that restrictions under Applicable Law to promoters do not apply to the Investors, who are financial investors and not promoters of, the Company.
- (e) The Company and the Promoters shall severally indemnify each Investor against any direct and actual loss, claim, damage, liability (including reasonable attorneys' fees), cost or expense arising out of or relating to any misstatements and omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities laws by the Company or any other error or omission of the Company in connection with a public offering hereunder, except with respect to information provided by an Investor, in writing, expressly for inclusion therein.
- (f) Notwithstanding anything to the contrary, in the event: (i) the Promoters and the Investor Clusters mutually agree that the IPO is unlikely to be consummated within the IPO Timeline; or (ii) in the event of an IPO Discontinuance; or (iii) an Event of Default occurs (each a "**Exit Trigger Event**"), then each Investor Cluster may at its sole discretion exercise its right under Article 2.02 and / or Article 2.03 and / or Article 2.04 (collectively, "**Exit Rights**") within a period of 18 (eighteen) months from the occurrence of any of the Exit Trigger Event ("**Exit Trigger Timeline**") and each Investor Cluster's Exit Rights are independent, cumulative, and without prejudice to all other rights available to them, and the exercise or non-exercise of any of the Exit Rights shall not prejudice or constitute a waiver of any other rights of the Investors (including other Exit Rights), whether under these Articles or otherwise.

Article 2.02. Put Option

- (a) Upon occurrence of an Exit Trigger Event, each Investor (“**Exercising Investor**”) shall have the right, but not an obligation, to require the Promoters, and the Promoters hereby irrevocably agree, to purchase, any or all of the Securities held by the Exercising Investor(s) (“**Put Securities**”) at the Exit Price, by exercising the put option under this Article 2.02 (“**Put Option**”) by delivering a written notice to the Promoters (“**Put Notice**”) within the Exit Trigger Timeline, specifying:
 - (i) the number of Put Securities to be sold; and
 - (ii) the proposed date for consummation of the sale of the Put Securities, which shall not be later than 60 (sixty) days from the date of the Put Notice (“**Put Option Sale Timeline**”).
- (b) Upon receipt of the Put Notice, the Promoters shall, subject to Applicable Law, be unconditionally and irrevocably obligated, on a joint and several basis, to purchase, or cause the purchase of, the Put Securities from the Exercising Investor(s) at the Exit Price; and complete the purchase within the Put Option Sale Timeline. The Exit Price shall be subject to withholding or deduction of taxes, as may be required under the Applicable Law. The Promoters may, at their sole discretion, elect to purchase the Put Securities, in such proportion amongst themselves or their Affiliates, as they may deem fit.
- (c) The Exercising Investor(s) shall not be required to provide any representations, warranties or indemnities to the Promoters, including any representations, warranties and indemnities in relation to the business and operations of the Company.
- (d) Provided however that the Exercising Investor(s) shall be required to provide representations and warranties in relation to:
 - (i) the Put Securities being free from Encumbrances and the Exercising Investor having legal and valid title to the Put Securities;
 - (ii) the authority and capacity of the Exercising Investor to sell the Put Securities; and
 - (iii) the tax status of the Exercising Investor, as is customary to transactions of this nature.

Article 2.03. Third Party Sale

- (a) Upon occurrence of an Exit Trigger Event and without prejudice to the rights of the Investors to exercise the Put Option, on the written request of an Investor (“**Request for Third Party Sale**”) within the Exit Trigger Timeline, the Company and the Promoters shall take all necessary steps to complete a sale of the Securities held by such Investor to a third party, as identified by the Promoters and/or the Company and agreed by the relevant Investor (“**Third Party Sale**”) and provide an exit to the Investor who has submitted a Request for Third Party Sale at a price not less than the Exit Price, within 180 (one hundred and eighty) days from the date of the Request for Third Party Sale. For the avoidance of doubt, in the event any offer for a Third Party Sale is at less than the Exit Price, such Third Party Sale shall not be a valid discharge of the obligation of the Company and the Promoters under this Article 2.03 (*Third Party Sale*).

Article 2.04. Buy-Back

- (a) Upon occurrence of an Exit Trigger Event and without prejudice to the rights of the Investors to exercise the Put Option or the Third Party Sale, the Investors shall, at their respective sole discretion, have the right to issue a written notice (“**Buy-back Notice**”) within the Exit Trigger Timeline to the Company specifying the number of Securities of such Investor (“**Buy-Back Securities**”) to be bought back by the Company.
- (b) Subject to Applicable Law, the Company shall, within 60 (sixty) days of receipt of the Buy-back Notice from an Investor, complete the buy-back of the Buy-Back Securities from such Investor at the Exit Price.
- (c) The Exit Price payable by the Company on buy back of the Buy-Back Securities shall be subject to withholding or deduction of taxes, as may be required under the Applicable Law.

Article 2.05. Tag-Along Right

- (a) If any of the Promoters (“**Tag Transferors**”) propose(s) to sell any or all of the Securities of the Company held by them (“**Transfer Securities**”) to any Person that is not a Permitted Transferee or otherwise by way of an Offer for Sale (“**Tag Transferee**”), then no later than 15 (fifteen) Business Days prior to the date of such proposed sale, the Tag Transferors shall notify the Investors, in writing, of such proposed sale (“**Offer Notice**”). The Offer Notice shall specify: (i) the name, address and identity of the Tag Transferee; (ii) the purchase price and form of consideration offered by the Tag Transferee for each Transfer Security; (iii) the number of Transfer Securities that the Tag Transferors propose to transfer; and (iv) the proposed date of such sale.
- (b) Each Investor (“**Tag Shareholders**”) shall, within 15 (fifteen) Business Days from receipt of the Offer Notice (“**Tag Response Period**”), have the right (but not the obligation) to deliver a written notice to the Tag Transferors (“**Tag Acceptance Notice**”), specifying the irrevocable election of the Tag Shareholder to Transfer the Tag Along Securities (*as defined below*) to the Tag Transferee specified in the Offer Notice, and the Tag Transferor shall be bound to cause the Tag Transferee to purchase from the Tag Shareholder, such number of Securities held by the Tag Shareholder in the Company which represents the same proportion that the Transfer Securities proposed to be Transferred by Tag Transferors bear to the aggregate number of Securities held by the Tag Transferors (“**Tag Along Securities**”), at the same price and on the same terms and conditions as specified in the Offer Notice and offered to the Tag Transferors (“**Tag Along Right**”). Provided however that if any Transfer by any one or more of the Promoters, would result in (i) the change in Control of the Company; or (ii) the aggregate shareholding of the Promoters and their Affiliates, in the Company falling by 20% of the Share Capital of the Company as on the effective date of the Letter Agreement, on a Fully Diluted Basis, then each Tag Shareholder shall have the right (but not the obligation) to Transfer all the Securities held by it to the Tag Transferee by issuing the Tag Acceptance Notice, and the term ‘Tag Along Securities’ shall be construed accordingly.
- (c) If the Tag Shareholder has expressly refused (in writing) to exercise its Tag Along Right or a Tag Acceptance Notice is not received by the Tag Transferor(s) from the Tag Shareholder within the Tag Response Period, then the Tag Shareholder shall be deemed to have irrevocably elected not to participate in the proposed sale (“**Tag Rejection**”). Upon Tag Rejection, the Tag Transferor shall be entitled to proceed with the sale of the Transfer Securities to the Tag Transferee on the same terms and conditions and for the same price as is specified in Offer Notice. In the event of a failure of the Tag Transferor to consummate the sale of the Transfer Securities within 120 (one hundred twenty) days from the date of the Tag Rejection, any Transfer of Securities by the Promoters shall again be subject to this Article 2.05. (*Tag Along Right*).
- (d) If a Tag Acceptance Notice is received by the Tag Transferors from the Tag Shareholder within the Tag Response Period, then the relevant Tag Transferors shall not undertake the proposed sale of the Transfer Securities to the Tag Transferee specified in the Offer Notice, unless such Tag Transferee purchases all the Tag Along Securities along with the Transfer Securities, simultaneously and on the same terms and conditions as set out in the Offer Notice and offered to the Tag Transferors. In the event of a failure to consummate the sale of the Tag Along Securities within 180 (one hundred and eighty) days from the date on which the Tag Acceptance Notice is received by the Tag Transferor, any Transfer of Securities by the Promoters shall again be subject to this Article 2.05. (*Tag Along Right*).
- (e) Each Tag Shareholder shall provide representations, warranties, and corresponding indemnities to the Tag Transferee, in relation to: (i) title of the Tag Shareholder with respect to its Tag Along Securities; (ii) the ability and authority of the Tag Shareholders to sell its Tag Along Securities; and (iii) the Tag Along Securities being free and clear of any and all Encumbrances. It is clarified that no Tag Shareholder will be required (i) to make any representations or warranties in relation to the business and operations of the Company, or (ii) to otherwise be liable or responsible for any indemnification (except in respect of their own breach) or any other similar obligation; or (iii) to enter into any non-competition or similar covenants in relation to the Company or the Business.
- (f) The Tag Shareholder(s), Tag Transferors and the Tag Transferee shall mutually agree in writing to extend the period within which a Transfer of Securities has to be completed by such further period as is necessary for the purpose of obtaining any consent or Approvals from a Governmental Authority or required under Applicable Law, for the Transfer of the Tag Along Securities.

Article 2.06. Exit Support

- (a) Notwithstanding anything contrary stated in these Articles, the Company and the Promoters agree and undertake: (i) to support any proposed exit of the Investors (as applicable), including pursuant to Article 2.01 (*Initial Public Offering*), Article 2.02 (*Put Option*), Article 2.03 (*Third Party Sale*), Article 2.04 (*Buy-Back*), and Article 2.05 (*Tag Along Right*), bearing all cost of such exit (save and except the costs of the Investors' legal and tax counsel; and it being clarified that reference to "costs" shall not include any income taxes (including any surcharge, cess, interest, penalty, fees and fines levied thereon) arising to the Investor from such exit, which shall be to the account of the relevant Investor), procuring all internal, statutory and third party approvals, engaging relevant consultants and advisors, facilitating any valuation, diligence or audit exercise, exercising all voting rights, executing any contracts and documents and generally doing all such other acts deeds and things as may be necessary or desirable for this purpose, till such time such Investor has achieved a complete exit from the Company and each Investor shall be entitled to exercise its rights more than one time. Each Investor shall cooperate with the Company, the Promoters and the other Investors and do all such acts, deeds and things as may be required to give effect to their exit, including procuring all internal, statutory and third-party approvals, engaging relevant consultants and advisors, exercising all voting rights, executing any contracts and documents and generally doing all such other acts deeds and things as may be necessary or desirable for this purpose.

Article III

Transfer of Shares

Article 3.01. Transfers by Investors and Promoters

- (a) Notwithstanding anything to the contrary, but subject to Article 3.01. and Clause 14.8 of the Letter Agreement, each Investor shall be entitled to transfer any or all of its Securities in the Company, without any restriction whatsoever, to any Person (including its Affiliate).
- (b) Each Investor agrees and undertakes that it shall not at any time, directly or indirectly, Transfer any Securities held by it in the Company or any rights attached to such Securities to any Competitor, without the prior written consent of the Board. Provided however that such restriction shall fall away, upon occurrence of any of the Exit Trigger Events.
- (c) Any purported Transfer of Securities in contravention of this article shall be null and void and shall not be binding on the Company.
- (d) Each Investor shall ensure that, upon Transfer of any Securities by such Investor in accordance with these Articles, the transferee executes a deed of adherence with the Promoters and the Company in the form set out in **Schedule 4** of the Letter Agreement (*Deed of Adherence*). Provided that until such time that an Investor continues to hold any Securities in the Company, there shall be no duplication of rights available to such Investor and its transferee of its Securities, and the obligations of the Investor and such transferee relating to any Securities held by them in the Company shall be several.
- (e) The Promoters and Promoter Group agree and undertake that they shall not at any time, directly or indirectly, Transfer any Securities held by them in the Company or any rights attached to such Securities to any third party, without the prior written consent of the Investor Clusters (acting by way of majority (in the manner set out in Article 7.03. (*Investor Cluster Majority*))). Provided however that (i) the Transfer of any or all of the Securities by any member of the Promoter Group to an Affiliate of the Promoter Group, which is 100% (hundred percent) owned and/or controlled by Sapna and/or Siddharth ("**Wholly Owned Affiliate**") and inter se Transfers between the Promoter Group, and their estate, heirs, successors, spouse, parents, siblings, children, or grandchildren of the foregoing persons; any foundation set up as a trust, partnership or body corporate created for the exclusive benefit of one or more of the foregoing persons, where either Siddharth and / or Sapna act as sole trustee or which is solely controlled by Siddharth and / or Sapna as applicable (collectively "**Permitted Transferees**"), shall be permitted without requiring the consent of any Investor Cluster, subject to Siddharth, Sapna, Wholly Owned Affiliate and/or any trust where either Siddharth and/or Sapna act as sole trustee, together holding at least 75% of the Share Capital of the Company, and subject to: (i) the Promoters continuing to be bound by the provisions of the Transaction Documents, including all the obligations set out under these Articles and the SSPA, and (ii) the Securities held by such Permitted Transferee shall continue to be subject to the same restrictions as are applicable to the Securities held by the Promoters under these Articles. If, however, at any point in time the Permitted Transferee to whom any

portion of any of the Promoter's Securities have been transferred ceases to be an Affiliate of the Promoter, then the Promoter shall take all necessary prompt steps to ensure that the Securities of the Promoter which had been Transferred are Transferred back to the Promoter. Provided further that nothing in this article should restrict any Transfer of Securities by any member of the Promoter Group pursuant to any SSPA or under the Offer for Sale.

Article 3.02. Pre-Emptive Right

- (a) In case of any issuance of Securities by the Company to any Person, except through the IPO, ("**Issuance**"), each Investor ("**Pre-emptive Right Holder**"), shall have the right but not an obligation to participate, on the same terms and conditions as are offered to prospective investors in any Issuance by the Company, to the extent necessary to maintain its proportionate shareholding in the Company on a Fully Diluted Basis (either through itself or through any of its Affiliates) ("**Pro-Rata Share**") in the Company in accordance with the provisions of this Article 3.02. (*Pre-Emptive Right*) ("**Pre-Emptive Right**").
- (b) The Pre-emptive Right shall be offered by the Company by issuing a written notice to the Pre-emptive Right Holder ("**Issuance Notice**") setting forth in detail the terms of the proposed Issuance, including the price of the proposed Issuance ("**Issuance Price**"), the date of closing of the proposed Issuance (which shall not be less than 45 (forty-five) days and no later than 90 (ninety) days from the date of the Issuance Notice), the manner and time of payment of the subscription amount and the number and class of Securities proposed to be issued ("**Issuance Securities**").
- (c) If a Pre-emptive Right Holder wishes to exercise its Pre-emptive Right, then within 30 (thirty) Business Days from the date of receipt of the Issuance Notice, it shall issue a notice ("**Exercise Notice**") to the Company notifying its intention to exercise the Pre-emptive Right on all or part of its Pro-Rata Share of the Issuance Securities. Further, on the date of closing of such Issuance, the Pre-emptive Right Holder shall pay for and subscribe to such number of the Issuance Securities as it wishes to subscribe to (but up to its Pro-Rata Share) at the Issuance Price and on the terms and conditions set out in the Issuance Notice. The Company shall issue and allot the respective Issuance Securities to the Pre-emptive Right Holder on the date of closing of the Issuance as stated in the Issuance Notice.
- (d) If the Pre-emptive Right Holder does not issue an Exercise Notice within the time periods specified in Article 3.02.(c) above, then the Company may issue and allot such number of Issuance Securities as remaining unsubscribed by such Pre-emptive Right Holder, to any Person at the Issuance Price and on the terms and conditions mentioned in the Issuance Notice.
- (e) The Issuance shall be completed no later than 120 (one hundred and twenty) days from the date of the Issuance Notice, failing which the right of the Company to make the Issuance shall lapse and the provisions of this Article 3.02. (*Pre-Emptive Right*) shall once again apply to such Issuance.
- (f) The Parties hereby agree that, notwithstanding the above, there exists no commitment by the Investor to further capitalize the Company or provide financial assistance to the Company in any form whatsoever.
- (g) Further, the Parties hereby agree that the Company shall bear all costs in relation to and associated with any Issuances undertaken in the manner contemplated in this Article 3.02. (*Pre-Emptive Right*), including the stamp duty on the Issuance. Provided however that each Pre-emptive Right Holder shall bear its own costs and expenses (including legal and advisory fees) incurred in connection with the exercise of such rights.

Article 3.03. Anti-Dilution Protection

- (a) In the event of a Down-round, each Investor shall be entitled to a broad based weighted average anti-dilution protection on the Securities held by it, in accordance with the formula set forth under **Schedule 2** of the Letter Agreement (*Anti-dilution Protection*). In such an event, the Company and the Promoters shall forthwith take necessary steps to give effect to the broad based weighted average anti-dilution protection of the relevant Investor by: (i) adjusting the conversion ratio of the Investor's Securities that are convertible preference shares issued by the Company; (ii) the Company undertaking a fresh issuance of the additional Securities to the relevant Investor at the lowest permissible price under Applicable Law (including by way of a rights issue) as bonus shares or as otherwise permitted under Applicable Law, simultaneously with the dilution issue; and/ or (iii) such other steps that are permissible under Applicable Law such that the relevant Investor is entitled to additional Securities arising from the price adjustment pursuant to **Schedule 2** of the Letter Agreement (*Anti-dilution Protection*).

- (b) It is clarified that if an Investor is entitled to any Securities pursuant to Article 3.03 (*Anti-dilution Protection*), such Securities shall be included towards calculation of the total Securities held by such Investor (including, but not limited, towards Securities to be issued to an Investor pursuant to any Issuance as required pursuant to Article 3.02 (*Pre-Emptive Right*)). In the event that for any reason, it is not possible for the Parties to ensure that the intent of Article 3.03 (*Anti-dilution Protection*) is achieved in the manner prescribed above, then the Parties shall undertake such other alternative structure or mechanism so as to ensure that the intent of Article 3.03 (*Anti-dilution Protection*) is achieved.
- (c) Without prejudice to the generality of Article 3.03.(a) above,
 - (i) if a portion of the Subscription Shares have been converted to Equity Shares, then the anti-dilution mechanism set out above shall be accomplished as far as is possible under Applicable Law by an adjustment to the conversion price of the remaining Subscription Shares in the manner set out above, and thereafter by issuing such number of Equity Shares to the relevant holders of such Subscription Shares at the lowest price possible under Applicable Law, so as to give full effect to the broad based weighted average anti-dilution rights as set out above;
 - (ii) if all of the Subscription Shares have been converted to Equity Shares, and in relation to the Securities acquired by the Investors pursuant to the SSPA, the anti-dilution mechanism set out above shall be accomplished by issuing such number of Equity Shares to the relevant holders of the converted Equity Shares, at the lowest price possible under Applicable Law, so as to give full effect to the broad based weighted average anti-dilution rights of the underlying instrument as per the formula set out under **Schedule 2** of the Letter Agreement (*Anti-dilution Protection*) or in such manner as may be permitted under Applicable Law to achieve the same economic effect.

ARTICLE IV

RESERVED MATTERS AND OTHER RIGHTS

ARTICLE 4.01. RESERVED MATTERS

- (a) Notwithstanding anything to the contrary contained in these Articles, neither any member of the Group nor any shareholder, director, committee, committee member of such member of the Group shall, directly or indirectly, without the prior affirmative vote, prior written consent or prior written approval of:
 - (i) each Investor Cluster, take any steps decisions or actions in relation to any of the matters set forth below:
 - (A) Any change in the authorized, issued, subscribed or paid up share capital of the Company including any re-organization, restructuring, or re-classification of the share capital or creation of new class or series of any securities (of any nature), any new issuance (including warrants, bonus shares, sweat equity, stock options, phantom stock options), share splits, share consolidation or redemption, reduction, buyback or cancelation of or reorganizing, or altering any rights attaching to of terms of, any Securities.
 - (B) Conversion of any loan into Securities of the Company;
 - (C) Amending the Charter Documents of the Company;
 - (D) Undertaking any change in Control of the Company.
 - (E) Any restructuring or re-organisation of the Company including mergers, reverse merger, demerger, spin-off, acquisitions or investment exceeding INR 25,00,00,000 (Indian Rupees Twenty-Five Crores), amalgamation, disinvestments or transfer of assets exceeding INR 25,00,00,000 (Indian Rupees Twenty Five-Crores), consolidation, reconstruction, recapitalization or other business combination, or voluntary liquidation or dissolution involving any the Company, closure and divestments of or by the Company exceeding INR 25,00,00,000 (Indian Rupees Twenty-Five Crores), or entering into any compromise with any of the creditors or any class of creditors by the Company;
 - (F) Any decision or action to not pursue the IPO (including but not limited to withdrawing the DRHP), or to postpone the IPO beyond the IPO Timeline;

- (G) Taking any steps by the Company for any proposed dissolution, liquidation or winding-up of the Company, any declaration of bankruptcy or insolvency by the Company, or the filing of any proposal or plan pursuant to any insolvency legislation or any other legislation providing relief or protection of debtors from their creditors in general;
 - (H) Any increase in the number of dilution instruments or phantom stock options authorized for issuance under the existing stock option plan(s) of the Company;
 - (I) Entering into any commitment or agreement in relation to any of the foregoing actions.
- (ii) the Investor Clusters (*acting by way of majority (in the manner set out in in Article 7.03 (Investor Cluster Majority)*)), take any steps decisions or actions in relation to any of the matters set forth below (“**Investor Majority Reserved Matters**”):
- (A) Changes to the scope or nature of the business of the Company, its Subsidiaries, affiliates, associates, or joint ventures;
 - (B) Incurring any indebtedness or borrowings or other financial liabilities exceeding INR 100,00,00,000 (Indian Rupees One Hundred Crores), in a single instance, subsequent to the Execution Date of the Letter Agreement. Provided however that nothing in this article shall restrict the Group from availing any working capital facilities;
 - (C) Any related party transactions executed by the Company subsequent to the Execution Date of the Letter Agreement, exceeding INR 1,00,00,000 (Indian Rupees One Crore), in aggregate, in a Financial Year;
 - (D) Undertaking any of the foregoing actions in relation to any Subsidiary of the Company;
 - (E) Creation of subsidiary companies;
 - (F) Any appointment or change in statutory auditors. Provided that, the statutory auditor of the Company shall, at all times, be among the Approved Accounting Firms;
 - (G) Entering into any arrangement or transaction not in the ordinary course of business, the value of which is in excess of INR 1,00,00,000 (Indian Rupees One Crore), in aggregate, in a Financial Year;
 - (H) Extension of any loan in a single instance in excess of INR 1,00,00,000 (Indian Rupees One Crore) in aggregate, in a Financial Year, other than loan extended by the Company to the employees, employee stock option trusts or Subsidiaries;
 - (I) Declaration or payment of dividend;
 - (J) The adoption of a plan or any material amendment to an existing plan for granting stock incentives to the Promoter, Key Managerial Personnel and/or employees;
 - (K) Entering into any commitment or agreement in relation to any of the foregoing actions.

(* For the avoidance of doubt, all the matters outlined in this Article 4.01.(a) shall apply in relation to all members of the Group)

whether in any meeting of any board of directors, meeting of a committee of directors, general meeting of shareholders, through any resolutions by circulation or otherwise, with respect to any member of the Group. It is further clarified that, no member of the Group shall directly or indirectly, authorize any Person to take any decisions or actions in relation to (i) any Unanimous Consent Reserved Matter, save with the prior written consent of each Investor Cluster; or (ii) any Investor Majority Reserved Matter, save with the prior written consent of the Investor Clusters (*acting by way of majority (in the manner set out in in Article 7.03. (Investor Cluster Majority)*)); as provided under this Article 4.01. (*Reserved Matters*).

- (b) Subject to the provisions contained in these Articles, if any Reserved Matter is proposed to be discussed at a board or shareholders' meeting, the same must be included in the agenda of the meeting which is circulated prior to such meeting and simultaneously shared with each Investor Cluster.
- (c) In the event any action, decision or resolution is effected without complying with the provisions of this Article 4.01. (*Reserved Matters*), such action, decision or resolution shall be void ab initio and shall not be valid or binding on any Person including any member of the Group. If any of these Articles conflicts with this Article 4.01. (*Reserved Matters*), Article 4.01. (*Reserved Matters*) shall prevail.
- (d) The Parties agree that the principles set out in this Article 4.01. (*Reserved Matters*) are fundamental to the governance of the Group and each Party undertakes not to commit any act or omission that would violate or prejudice the spirit and intent of this Article 4.01. (*Reserved Matters*).
- (e) Notwithstanding anything to the contrary contained in these Articles, the matters set out under this Article 4.01. (*Reserved Matters*) shall not include the following actions taken by the Company solely in relation to pursuing the IPO within the IPO Timeline, i.e., issuance of bonus Securities in furtherance to the IPO process, amendment to the charter documents as required under Applicable Laws for undertaking the IPO, or matters covered in Article 2.01.(b)(iv), increase in share capital to give effect to any of these Articles and the SSPA, and Transfer of Securities contemplated in the SSPA

Article 4.02. Information, Inspection, Observer, and Other Rights

- (a) The Company shall provide to each Investor Cluster, the following information within the timelines mentioned below:
 - (i) within 120 (one hundred and twenty) days or such other days as mutually agreed upon between the Parties after the end of each Financial Year, the annual audited consolidated financial statements of the Company and each Subsidiary for such Financial Year;
 - (ii) within 30 (thirty) days after the end of each quarter, quarterly MIS of the Company and the Subsidiaries, in the form as agreed between the Company and the Investor Clusters;
 - (iii) within 60 (sixty) days from the end of each financial quarter, unaudited quarterly financial statements (including balance sheet, cash flow statement and profit and loss account) of the Company;
 - (iv) notices, circulars, minutes of all the annual general meetings, extraordinary general meetings and Board meetings within the period prescribed under Applicable Law, simultaneously with other Shareholders and/ or the Directors of the Company, as the case may be;
 - (v) promptly, such additional information of any event in respect of any member of the Group which has a material adverse effect on the business, properties, assets or liabilities, in each case, of the Group;
 - (vi) promptly, all or any notice of any Insolvency Event and/or application for winding up, statutory notice of winding up or if a custodian, liquidator or receiver is appointed or sought to be appointed in relation to any members of the Group, their respective properties or business or undertakings;
 - (vii) information in relation to the timeline of the proposed listing of Securities as a part of the IPO, at least 15 (fifteen) days prior to the proposed listing;
 - (viii) any repayment default of any indebtedness by any member of the Group; and
 - (ix) any other information that may be reasonably requested by an Investor Cluster, within 30 (thirty) days from date of written request for such information from the relevant Investor Cluster.
- (b) Upon providing reasonable notice to the Company, each Investor shall have the right to visit the offices of the Company during normal business hours to inspect its books and records and take copies of such books and records at its sole cost.

- (c) Each Investor Cluster shall be entitled to nominate 1 (one) observer on the Board and its committees (such nominee being an **“Investor Cluster Observer”**). Each Investor Cluster Observer shall be entitled to attend all meetings of the Board and its committees. For the avoidance of doubt, no Investor Cluster Observer shall be entitled to vote at the meetings of the Board and/or its committees or be counted towards the quorum for such meetings. The Investor Cluster Observer shall be removed only upon the written consent of the relevant Investor Cluster, and such Investor Cluster may, at any time, nominate another individual as the Investor Cluster Observer.
- (d) Upon occurrence of any Liquidation Event, the proceeds available for distribution amongst the Shareholders shall be dispersed in the following manner (**“Liquidation Preference”**): (i) firstly, to the Investors (whether holding compulsorily convertible preference shares and/or Equity Shares) who shall have Liquidation Preference, on a *pari passu* basis, and get priority over all other Shareholders for the distribution (whether from capital, reserves, surplus, earnings or sale consideration) of proceeds realized from the occurrence of the Liquidation Event, to the extent of the higher of: (A) an amount equivalent to the monies paid by each such Investor for the subscription and purchase of the Securities held by such Investor at such time, plus all accrued but unpaid dividends thereon; and (B) an amount equivalent to the pro rata entitlement out of the liquidation proceeds based on the Investors’ shareholding in the Company, plus all accrued but unpaid dividends thereon, (**“Preference Amount”**); and (ii) secondly, after the full payment or distribution of the Preference Amount to the Investors, if the proceeds are available for distribution thereafter, the same shall be distributed to all Shareholders of the Company on a pro-rata, Fully Diluted Basis. If the proceeds available for distribution are insufficient to pay the entire Preference Amount to all the Investors in full, then the proceeds shall be distributed pro-rata amongst the Investors in proportion to their individual Preference Amount.

Article 4.03. Fallaway of the Rights

- (a) On and from the occurrence of the following events of default (**“Event of Default”**):
 - (i) fraud or wilful misconduct by the Promoters in relation to the Company or by the Company in relation to the Business;
 - (ii) occurrence of a Liquidation Event vis-a-vis the Company;
 - (iii) occurrence of an Insolvency Event vis-a-vis the Promoters and/or Company; and/or
 - (iv) material breach of these Articles by the Promoters and the Company, which if capable of being cured is not cured within 30 (thirty) Business Days;

all rights of the Promoter (but not the obligations) and all obligations of the Investors as set out under the Transaction Documents, shall fall away with immediate effect. For clarity, the Investors shall continue to remain entitled to exercise all their rights under the Transaction Documents.

ARTICLE V

Confidentiality

Article 5.01. Confidentiality

- (a) Each Party shall and shall ensure that their respective employees, directors, successors, assigns and representatives keep: (i) all information and other materials passing between them and the other Parties in relation to the transactions contemplated by (including all information concerning their respective people, operations, processes, plans or intentions, market opportunities and business affairs, transactions and financial arrangements); (ii) existence and contents of the Transaction Documents; (iii) all information in relation to the Company, the business and affairs thereof; and (iv) all information that relates to the process and/ or negotiations involving these Articles and the SSPA (collectively, **“Information”**) confidential and shall not without the prior written consent of the relevant Parties, divulge or disclose the Information to any other Person or use the Information, except:
 - (A) to the extent that such Information is generally available to the public other than by breach of these Articles;

- (B) to the extent that such Information is required or requested to be disclosed by any Applicable Law or any applicable regulatory requirements or by any regulatory body to whose jurisdiction the relevant Party is subject or with whose instructions it is customary to comply under notice to any Party or in relation to the IPO;
 - (C) in so far as it is disclosed to Affiliates of any Party, or such Party's or its Affiliates' auditors, directors, officers, employees, members, limited partners, partners, agents or professional advisers, or, potential financing sources, potential insurers and other representatives, in each case only if such Person is not engaged in the Business and on a need to know basis provided that such Party shall procure that such recipients of Information treat such Information as confidential on terms equivalent to this Article 5.01. (*Confidentiality*);
 - (D) to the extent that any of such Information is later acquired by a Party or its Affiliates or their respective representatives from a source who, to the knowledge of such Party, is not legally obligated to keep such Information confidential;
 - (E) to the extent that any of such Information was previously known or already in the lawful possession of a Party, prior to disclosure by any other Party hereto (other than as a result of any breach of this Article 5.01. (*Confidentiality*));
 - (F) to the extent that any Information, shall have been independently developed by a Party without reference to any Information furnished by any other Party hereto; and
 - (G) disclosure of Information by an Investor to any potential direct/ indirect transferees of the Securities of such Investor and/or its Affiliates and potential direct/ indirect transferees' representatives and advisors.
- (b) No announcements or other disclosures concerning the transactions contemplated by the Transaction Documents shall be made by any Party save in Agreed Form or with the prior written consent of the Parties, unless such disclosure is required to be disclosed under by Applicable Law or in relation to the IPO.

ARTICLE VI

DISPUTE RESOLUTION

Article 6.01. Dispute Resolution

- (a) Any dispute, controversy, difference or claim arising between the Parties or any of them, arising out of or in connection with these Articles, including any question regarding its existence, validity or termination or the consequences of its nullity, shall be referred at the request in writing of any disputing Party(ies) ("**Claimant(s)**") by way of a notice to the other disputing Party(ies) ("**Respondent(s)**") to binding arbitration by a panel of arbitrators (the "**Arbitration Board**") and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this Article 6.01. (*Dispute Resolution*).
- (b) The seat of the arbitration shall be Singapore and the venue of arbitration shall be Delhi.
- (c) The Arbitration Board will consist of 3 (three) arbitrators. The Claimant(s) shall nominate 1 (one) arbitrator and the Respondent(s) shall, nominate 1 (one) arbitrator. The 2 (two) Party-nominated arbitrators will then attempt to agree for a period of 15 (fifteen) days, in consultation with the Parties to the arbitration, upon the nomination of the third arbitrator who shall be the presiding arbitrator of the Arbitration Board, barring which the SIAC shall select the third arbitrator (or any arbitrator that the Claimant(s) or Respondent(s) shall fail to nominate in accordance with the foregoing).
- (d) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation.
- (e) The decision of the Arbitration Board shall be final and binding on all the Parties.

- (f) The Parties agree that the (Indian) Arbitration and Conciliation Act, 1996 (including Part I thereof) will not apply to the provisions of this Article 6.01. (*Dispute Resolution*).
- (g) Notwithstanding any of the foregoing provisions of this Article 6.01. (*Dispute Resolution*), in the event that a dispute subsists and, at that time, there also subsists another dispute, controversy, difference or claim arising between those same Parties in relation to or connected with these Articles and which is already the subject of existing arbitration proceedings, the Parties must (unless they otherwise agree in writing) procure (including by the exercise of rights and discretions available to them under these Articles) that the dispute is referred to and heard by Arbitration Board hearing the existing arbitration proceedings.
- (h) Notwithstanding the existence of any dispute or the conduct of any arbitration proceedings pursuant to these Articles, these Articles will remain in full force and effect and the Parties must continue to perform their obligations hereunder.

ARTICLE VII

MISCELLANEOUS

Article 7.01. Most Favourable Terms

- (a) From the Execution Date of the Letter Agreement, if the Company and/or the Promoters (i) offer any rights, privileges, or terms to any Shareholder that are more favourable than the rights, privileges or terms offered to any Investor under the Transaction Documents, or (ii) subject any Shareholder with any obligations that are less burdensome than the obligations of any Investor under the Transaction Documents, then the Company and/or the Promoters shall extend such more favourable rights, privileges, or terms and/or such less burdensome obligations to each Investor on a pari passu basis. The Parties acknowledge that Nuvama Custodial Services Limited is not a party to the Letter Agreement and accordingly the foregoing obligation of the Company and/or the Promoters shall not be applicable in relation to Nuvama Custodial Services Limited, unless they become a party to the Letter Agreement.
- (b) The Company and/or Promoters represent that as on the Execution Date of the Letter Agreement the SSPA of any Investor Cluster does not have more favourable rights or less burdensome obligations as compared to the SSPA executed by any other Investor Cluster.
- (c) For the avoidance of doubt, the difference in the Exit Price between a person resident in India (as determined in accordance with FEMA) and a person resident outside India (as determined in accordance with FEMA) for the purpose of compliance with FEMA, shall not be construed as a more favorable right in favor of a person resident in India (as determined in accordance with FEMA) for purposes of this clause.

Article 7.02. Assignment

- (a) Neither Party shall be entitled to assign or transfer, either in whole or in part, any of their respective rights and obligations under these Articles to any Person, without the prior written consent of the other Party. Notwithstanding the foregoing, each Investor is permitted to assign any of its rights, liabilities or obligations under these Articles to any of its respective Affiliates or to any transferee, as per the terms of these Articles, of the Securities held by it in the Company, without the prior written consent of the other Parties to these Articles.

Article 7.03. Waiver

- (a) No waiver of any provision of these Articles or consent to any departure from it by any Party shall be effective unless it is in writing signed by the Party giving such waiver or consent to such departure. A waiver or consent shall be effective only for the purpose for which it is given. No default or delay on the part of any Party in exercising any rights, powers or privileges operates as a waiver of any right, nor does a single or partial exercise of a right preclude any exercise of other rights, powers or privileges or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct.

Article 7.04. Charter Documents

- (a) In the event of any conflict between the Charter Documents and the Letter Agreement, the terms of the Letter Agreement shall prevail over the Charter Documents, and the Charter Documents shall at all times reflect the provisions of the Letter Agreement. The Parties shall procure that the Charter Documents are amended to reflect the terms of the Letter Agreement from the Effective Date of the Letter Agreement.

Article 7.05. Promoter Group Representative

- (a) The Promoter Group hereby jointly appoints Siddharth as the representative of the Promoter Group (“**Promoter Group Representative**”) to act on their behalf for all purposes under these Articles, including receipt and delivery of notices, attending meetings and exercising rights and obligations of the Promoter Group under the Transaction Documents (other than in relation to transfer of Securities). Any action by the Promoter Group Representative shall be binding on all members of the Promoter Group.
- (b) Each Promoter shall be jointly and severally liable for the performance of the obligations of the Promoter and/ or the Promoter Group under these Articles.
- (c) Any communication by the Company, the Investors or other Shareholders made to Promoter Group Representative shall be deemed to be communicated to all members of the Promoter Group. Each of the Investors, other Shareholders and the Company shall be entitled to act solely on the basis of such exercise of rights by, and such communication with such Promoter Group Representative.

Article 7.06. Investor Bloc

- (a) All rights available to each Investor forming part of MO Investors (*as defined under the Letter Agreement*) under these Articles shall be exercised as a bloc and collectively, and not by each of them separately. Such rights shall be exercised only by Mr. Vishal Katkoria on behalf of MO Investors as the representative of the MO Investors for all purposes in connection with all rights under these Articles, unless otherwise notified to the Company and the Promoters in writing by the representative identified above on behalf of the MO Investors.
- (b) Any communication by the Company, the Promoters, the Investors or other Shareholders in relation to the MO Investors shall be made with the relevant representative identified in Article 7.02.(a) above and Article 7.02.(c) below and the same shall be deemed to be communicated to all MO Investors. Each of the Promoters, Investors, other Shareholders and the Company shall be entitled to act solely on the basis of such exercise of rights by, and such communication with such representative. The Investors of each Investor Cluster shall be solely and entirely liable and responsible for resolution of any inter-se dispute as between the Investors of such Investor Cluster.
- (c) Notwithstanding the foregoing, for the purposes of these Articles, the WO Investors (*as defined under the Letter Agreement*) (and their respective Affiliates or Persons to whom such WO Investor has Transferred any Securities in accordance with these Articles) shall at all times, exercise their rights, powers, consents under these Articles independently. The Parties agree and acknowledge that the rights, obligations, and liabilities of the Parties under these Articles are several and not joint, and nothing contained herein shall be construed to create a partnership, association of persons or joint liability among the WO Investors, the other Investors and/ or the Promoters. Provided, however, that for the purposes of exercise of rights by the WO Investors under these Articles, including under (i) Article 4.01. (*Reserved Matters*) and Article 7.03. (*Investor Cluster Majority*), the Parties have mutually agreed that the vote of the WO Investors shall be counted collectively as 1 (one) vote, which vote shall be determined based on majority amongst the WO Investors; and (ii) Article 4.02. (*Information, Inspection, Observer and Other Rights*), **Schedule 1** of the Letter Agreement (*Calculation of Fair Market Value*), the WO Investors shall exercise the rights jointly. For clarity, each individual WO Investor will not have a separate vote.
- (d) Each Investor shall be severally liable for the performance of its obligations under these Articles.
- (e) It is agreed and acknowledged that any decisions or actions undertaken as a result of this Article 7.02. (*Investor Bloc*) are for administrative convenience.

Article 7.07. Investor Cluster Majority

- (a) Notwithstanding anything to the contrary contained in these Articles, wherever these Articles provides that the approval or consent of the Investor Cluster (*acting by way of majority*) is required for any matter, such approval or consent shall be deemed to have been validly obtained if at least 3 (three) out of the 4

(four) Investor Cluster provide such approval or consent, regardless of their respective shareholding percentages in the Company.

ARTICLE VIII

IPO RELATED MATTERS

In order to facilitate and enable the consummation of the IPO and pursuant to the requirement under Applicable Law, and for certain other actions contemplated, the Parties have agreed to inter alia: (a) amend certain terms of the Letter Agreement and these Articles in accordance with the provisions mentioned hereunder; (b) waive certain rights and the corresponding obligations of the other Parties, as applicable; (c) consent to certain matters under the terms of the Letter Agreement and these Articles; and (d) terminate the rights available to them under the Letter Agreement and these Articles, each in the manner and in accordance with the terms set out in this Article VIII.

For the purposes of this Article and any actions and transactions contemplated hereunder, it is hereby clarified that the phrase ‘*consummation of the IPO*’ as referred to in this Article shall mean the date of listing and trading of the Equity Shares of the Company pursuant to the IPO.

In case of any conflict between the terms of this Article VIII with the other terms of these Articles or the Letter Agreement, the terms of this Article VIII shall prevail, *vis-à-vis* the contents of this Article VIII.

The provisions of this Article VIII shall come into effect and be binding on and from the date of filing of the draft red herring prospectus in relation to the proposed Offer (“**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”) (“**Effective Date**”), until such time as the Waiver cum Amendment Agreement is terminated in accordance with the provisions of Clause 5 of the Waiver cum Amendment Agreement hereof.

Article 8.01. Waivers and Consent

- (a) Each Party (to the extent that such Party is entitled to rights under the relevant articles as set out below), subject to the terms and conditions of this Article VIII, agrees to waive its rights under the following Articles of Part B of these Articles, specifically solely to the extent of any transfers proposed to be undertaken pursuant to the Offer for Sale or, as disclosed in the Offer Documents with effect from the date of consummation of the IPO, i.e., upon the actual listing and trading of the Securities:
 - (i) Article 3.01. (Transfers by Investors and Promoters);
 - (ii) Article 3.02. (Pre-Emptive Right); and
 - (iii) Article 3.03. (Anti-Dilution Protection) and Schedule 2 of the Letter Agreement (Anti-Dilution Protection).
- (b) Investors also agree to hereby agree to waive the rights and restrictions under the following Articles of Part B of these Articles with effect from the date of consummation of the IPO, i.e., upon the actual listing and trading of the Securities:
 - (i) Article II (*Exit Rights*), except in relation to the obligation under Article 2.01 (*Initial Public Offering*);
 - (ii) Article 2.01(e) (Initial Public Offering);
 - (iii) Article 2.01(b)(v) (Initial Public Offering); and
 - (iv) Article 2.03 (Third Party Sale);
 - (v) Article 2.05 (Tag Along Right);
 - (vi) Article 2.06 (Exit Support), except in relation to the obligation under Article 2.01 (Initial Public Offering);
 - (vii) Article 4.01 (Reserved Matters) and Schedule 3 of the Letter Agreement (List of Reserved Matters);

- (viii) Article 4.02(c) (Information, Inspection, Observer and Other Rights);
 - (ix) Clause 9.4 of the Letter Agreement (Term and Termination and Event of Default); and
 - (x) Article 7.03 (Investor Cluster Majority).
- (c) Further from the Effective Date, Investors also agree to hereby agree to the deletion of the following Articles of Part B of these Articles:
- (i) Article 2.01(f) (limb (i) and (iii));
 - (ii) Article 2.02 (Put Option); and
 - (iii) Article 2.04 (Buy-Back);
- (d) From the date of filing of the red herring prospectus for the Offer with the Registrar of Companies, Maharashtra at Mumbai, Investors acknowledge and agree that information and inspection rights under Article 4.02(a) and Article 4.02(b) shall be subject to compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (“**SEBI Insider Trading Regulations**”). Further, Parties agree and acknowledge that Company shall not be obligated to provide to any Party information which the Company is prohibited from sharing/providing under the SEBI Insider Trading Regulations.
- (e) Pursuant to Article V (Confidentiality), the Parties hereby consent to the disclosure of the contents of these Articles, Letter Agreement, the SSPA and the Waiver cum Amendment Agreement, as may be required to be disclosed under Law, in the Offer Documents, and other material in connection with the Offer. Each Party consents to include a copy of the Letter Agreement, the SSPA and the Waiver cum Amendment Agreement as a material document which would be filed with the Registrar of Companies, Maharashtra at Mumbai along with the red herring prospectus/prospectus filed in relation to the Offer and to include copies of the Letter Agreement, SSPA and the Waiver cum Amendment Agreement as material documents for inspection at the registered office of the Company or electronically on the Company’s website, solely to the extent required under Law.
- (f) Any consent or waiver granted under the Waiver cum Amendment Agreement in respect of the relevant provisions of the Letter Agreement shall also be deemed to be a consent or waiver under the corresponding provisions of these Articles.

Article 8.02. Amendments to these Articles

- (a) Definition of ‘*Encumbrance*’ in Part B of these Articles shall be, and hereby is, substituted in its entirety with the following:
- “‘Encumbrance’ shall mean: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) voting agreement or trust, right of pre-emption or first offer or refusal, title retention agreement, conditional sale agreement, or other transfer restrictions in favour of any Person; (iii) any restriction in favour of any Person(s) (individually or collectively) to deal with the benefits of an asset under Law or contract; and (iv) agreement or arrangement to create any of the foregoing, including by way of an adverse order; as to title, possession or use of an asset, and the term ‘Encumber’ shall be construed accordingly. Provided however that any lock-in of Equity Shares pursuant to the IPO as required under Applicable Law or Transfer of Equity Shares in share escrow accounts in accordance with any IPO related agreements to be entered into by any of the Parties shall not be construed as ‘Encumbrance’;”*
- (b) Article 2.01(vi) shall be, and hereby is, substituted in its entirety with the following:
- “Subject to Applicable Law (including in respect of any fees required to be borne in relation to an Offer for Sale), all fees and expenses required to be paid in respect of the IPO including in connection with any statutory filings, approvals and registration fees, and fees payable to merchant bankers, underwriters, book-runners, issue registrars or any other intermediaries involved in any manner in*

relation to the IPO shall be borne and paid by the Company in the first instance. Each Shareholder participating in an Offer for Sale ("Selling Shareholders") will reimburse the Company, in proportion to its respective portion of the Equity Shares in the Offer, for expenses, as agreed upon between the Company and the respective Selling Shareholders, that have been incurred by the Company, on behalf such Selling Shareholder, in accordance with Section 28 of the Companies Act."

Article 8.03. Terms and Termination

- (a) This Article VIII (and the amendments/ waivers/ consents as set forth herein) shall become effective and binding on the Parties on and from the Effective Date and shall continue in full force and effect unless terminated on account of any of the following events, whichever is earlier (such date, the "**Termination Date**"):
 - (i) the Waiver cum Amendment Agreement being terminated by the mutual written agreement of all Parties;
 - (ii) in the event that consummation of the IPO does not occur: (a) within 12 months from the date of receipt of the final observations from SEBI on the DRHP filed by the Company in respect of an IPO; or (b) by December 31, 2027, whichever is earlier; or
 - (iii) the occurrence of the Exit Trigger Event indicated in Article 2.01(f) or the date on which the Board terminates the offer agreement entered into in relation to the IPO with book running lead managers; or
 - (iv) such other date as may be mutually agreed to in writing among the Parties.
- (b) If any of the events under Article 8.03(a) occur:
 - (i) the provisions of Article VIII shall automatically fall away, and the amendments, consents and waivers provided under this Article VIII will cease to be effective, without any further act and without any liabilities or obligations whatsoever; and
 - (ii) the provisions of Part B of these Articles (except for Article VIII of Part B of these Articles), including but not limited to Article 2.01 limb (a) and (c)); Article 2.02 (Put Option) and Article 2.04 (Buy-Back), shall: (A) continue without any prejudice whatsoever thereto; (B) immediately and automatically stand reinstated including in accordance with Article 2.01, with full force and effect, without any further action or deed required; and (C) be deemed to have been in force during the period between Effective Date and the Termination Date (as defined under the Waiver cum Amendment Agreement), without any break or interruption whatsoever, save and except for any actions undertaken by the Company in accordance with the Waiver cum Amendment Agreement, for the purposes of an IPO (as contemplated under the Transaction Documents).
 - (iii) To the extent any specific actions cannot be reversed to *status quo ante*, the Parties will mutually engage in good faith discussions to ensure that, to the fullest extent possible under Applicable Law, all of the rights and privileges of the Parties are reinstated to the position they would have been without such actions at the earliest. Each Party severally agrees to take all necessary steps and perform and complete all necessary actions, as may be required, including (i) an amendment to these Articles to reinstate them to form, content and manner reflecting the terms of the Letter Agreement prior to the execution of the Waiver cum Amendment Agreement; and (ii) making relevant filings and applications (as applicable) with the government authority in relation to the above. Further, in relation to the Securities held by the Investors that are converted into Equity Shares, such decisions and actions that the Investors may require, may without limitation include, subject to Applicable Laws, modification and/or reclassification of the Equity Shares arising out of the conversion of the Securities into Equity Shares of a different class which rank in preference to the remainder of the issued, paid-up and subscribed share capital of the Company with respect to rights as were attached to the Securities immediately prior to the conversion of the Securities to Equity Shares. The provisions of this Article 8.03(a) shall survive the termination of the Waiver cum Amendment Agreement and this Article VIII.

- (c) Part B of the Articles constitute the entire understanding between the Parties , and no other side agreements have been entered into by any Party in relation to the subject matter. Except to the extent specifically set out in this Article VIII, all other terms of the Part B of these Articles shall remain unaltered and shall continue in full force and effect. Nothing herein shall affect or alter, in any manner whatsoever, the provisions of Part B of these Articles, except as expressly set out in this Article VIII.
- (d) No change or additions to, or modification to, the Waiver cum Amendment Agreement shall be valid unless made in writing and signed by all the Parties.

SECTION X – OTHER INFORMATION

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**Consolidated FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

Under the current FDI Policy, 100% foreign direct investment is permitted in the manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see “*Offer Procedure*” on page 398.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 404 and 405, respectively.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been executed, entered into or to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, will be attached to the copy of the Red Herring Prospectus to be filed with the RoC (except for such documents and contracts executed after the filing of the Red Herring Prospectus). Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on the website of our Company at <https://www.kusumgar.com/investor-relations/home/>, from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar agreement dated September 25, 2025 entered into by and amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer.
2. Offer agreement dated September 27, 2025 entered into by and amongst our Company, the Promoter Selling Shareholders and the BRLMs.
3. Cash escrow and sponsor bank agreement dated [●] entered into by and amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members and the Bankers to the Offer.
4. Share escrow agreement dated [●] entered into by and amongst the Promoter Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated [●] entered into by and amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs and the Syndicate Members.
6. Underwriting agreement dated [●] entered into by and amongst our Company, the Promoter Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certificate of incorporation dated June 15, 1990 issued by the Registrar of Companies, Maharashtra at Mumbai in the name of Kusumgar Finstocks Private Limited.
3. Certificate of incorporation dated November 21, 2008 issued by the Registrar of Companies, Maharashtra at Mumbai in the name of Kusumgar Corporates Private Limited.
4. Certificate of incorporation dated March 28, 2024 issued by the Registrar of Companies, Maharashtra at Mumbai in the name of Kusumgar Private Limited.
5. Fresh certificate of incorporation consequent upon the conversion of our Company to a public limited company dated January 28, 2025 issued by the Registrar of Companies, Maharashtra at Mumbai.
6. Resolution of the Board of Directors dated September 24, 2025 approving the Offer and other related matters.
7. Resolution of the Board of Directors dated September 24, 2025 taking on record the consent letters from the Promoter Selling Shareholders for their participation in the Offer for Sale.

8. Resolution of the Board of Directors dated September 27, 2025 approving this Draft Red Herring Prospectus.
9. Resolution dated September 27, 2025 passed by the Audit Committee approving the KPIs.
10. Consent letter dated September 24, 2025 from each of the Promoter Selling Shareholders consenting to participate in the Offer for Sale.
11. Consent dated September 27, 2025 from Lattice to rely on and reproduce part or whole of their report titled "*Engineered Fabrics Industry Report*" dated September 26, 2025 and include their name in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
12. Report titled "*Engineered Fabrics Industry Report*" dated September 26, 2025 prepared by Lattice.
13. Consent dated September 27, 2025 from the Statutory Auditors to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated September 4, 2025 relating to the Restated Financial Information; (ii) their report dated September 25, 2025 on the statement of special tax (direct and indirect tax) benefits available to the Company and its Shareholders, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
14. The examination report dated September 4, 2025 of the Statutory Auditors on our Restated Financial Information.
15. The report on statement of special tax benefits (direct and indirect) available to the Company and its Shareholders dated September 25, 2025 from the Statutory Auditors.
16. Consent dated September 27, 2025, from M/s Pankaj R Shah & Associates, Chartered Accountants (FRN: 107361W), holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act to the extent and in their capacity as an independent chartered accountants to our Company with respect of the certificates issued by them in connection with the Offer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
17. Consent dated September 27, 2025 from Dr. M.K. Talukdar, Chartered Engineer, to include his name as an "expert" as defined under Sections 2(38) and 26(5) of the Companies Act to the extent and in their capacity as the Independent Chartered Engineer and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
18. Consent dated September 26, 2025 from Vinay Angane and Associates, Practicing Company Secretary, to include its name as an "expert" as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as the Practicing Company Secretary and in respect of the certificates issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
19. Our Company has received a written consent dated September 26, 2025 from Amit Samani & Co, Company Secretaries, practicing company secretary, to include its name as an "expert" as defined under Sections 2(38) and 26(1) 26(5) of the Companies Act to the extent and in their capacity as a Practicing Company Secretary and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
20. Certificates each dated September 27, 2025 issued by the Independent Chartered Accountant, M/s Pankaj R Shah & Associates (FRN: 107361W), with respect to the following:
 - a. Key performance indicators of our Company.
 - b. Basis for offer price.
 - c. Average cost of acquisition and weighted average price of shares acquired by the promoters, selling shareholders and other shareholders.

- d. Financial indebtedness.
 - e. Outstanding dues to the creditors.
21. Copy of the annual report of our Company for the last three Fiscals, i.e, Fiscal 2025, Fiscal 2024 and Fiscal 2023.
 22. Consents of Banker(s) to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsel to our Company as to Indian law, Syndicate Members, Directors and Company Secretary and Compliance Officer to act in their respective capacities.
 23. Resolutions dated February 3, 2025 and June 16, 2025 passed by the Board and Shareholders, respectively, approving terms of appointment of Siddharth Yogesh Kusumgar.
 24. Resolutions dated February 3, 2025 and June 16, 2025 passed by the Board and Shareholders, respectively, approving terms of appointment of Sapna Siddharth Kusumgar.
 25. Resolutions dated April 9, 2025 and June 16, 2025 passed by the Board and Shareholders, respectively, approving terms of appointment of Ankur Kothari.
 26. Share purchase/ transfer agreement dated December 5, 2024 amongst our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Engineered Coated Fabrics Private Limited.
 27. Deed of assignment of trademarks and copyrights dated September 13, 2025 entered into by and amongst Kusumgar Holdings LLP and Kusumgar Limited.
 28. Trademark license agreement dated September 1, 2025 entered into by and amongst Inv Performance Materials, LLC and Invista Textiles (U.K.) Limited and our Company.
 29. Letter agreement dated September 22, 2025 amongst Kusumgar Limited, WhiteOak Capital India Opportunities Fund, WhiteOak Capital Equity Fund, Ashoka India Equity Investment Trust Plc, Ashoka Whiteoak Emerging Markets Trust PLC, Ara Investments, Tibrewala Electronics Limited, Motilal Oswal Finvest Limited, Frangipani Capital Advisors LLP, Edelweiss Discovery Fund - Series I, Spark Midas Investment Fund I, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar HUF, Sia Kusumgar, Sanay Kusumgar, Concord Weaving Preparatory Private Limited, and Kusumgar Holdings LLP read with the Waiver cum Amendment Agreement dated September 24, 2025.
 30. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ara Investments and Tibrewala Electronics Limited.
 31. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ashoka India Equity Investment Trust PLC.
 32. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Ashoka Whiteoak Emerging Markets Trust Plc.
 33. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Edelweiss Discovery Fund – Series I.
 34. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Frangipani Capital Advisors LLP.
 35. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and WhiteOak Capital Equity Fund.

36. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Spark Midas Investment Fund I.
37. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and Motilal Oswal Finvest Limited.
38. Share subscription and purchase agreement dated September 22, 2025 between our Company, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, Siddharth Yogesh Kusumgar HUF and WhiteOak Capital India Opportunities Fund.
39. Share purchase agreement dated September 22, 2025, between Siddharth Yogesh Kusumgar HUF and Nuvama Custodial Services Limited.
40. Share purchase agreement dated September 25, 2025, between Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar, PAM Family Trust, Shradha Family Trust, M/s. Elcid Investments Limited, Hanuman Freight and Carriers Private Limited, Nayan Kantilal Gudka, Ajaykiran Kantilal Gudka.
41. Valuation report dated September 15, 2024 issued by M/s Vivro Financial Services Private Limited.
42. Valuation report issued by Bala Yadav, Chartered Accountant, as of June 30, 2025.
43. Valuation reports on the fair market valuation of Equity Shares and on fair value of CCPS were obtained from M B P A and Associates, Chartered Accountant, by our Company as of June 30, 2025.
44. Tripartite agreement dated September 19, 2025, among our Company, CDSL and the Registrar to the Offer.
45. Tripartite agreement dated August 20, 2021, among our Company, NSDL and the Registrar to the Offer.
46. Due diligence certificate dated September 27, 2025 addressed to SEBI from the BRLMs.
47. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
48. SEBI observation letter bearing reference number [●] dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Siddharth Yogesh Kusumgar
(Chairman and Managing Director)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sapna Siddharth Kusumgar
(Joint Managing Director)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ankur Kothari

(Executive Director and Chief Executive Officer)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kaushal Jaysingh Sampat
(Independent Director)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Deepti Gupta
(Independent Director)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nihar Ajay Parikh
(Independent Director)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER

Kinnar Dhansukhlal Mehta
(Chief Financial Officer)

Place: Mumbai

Date: September 27, 2025

DECLARATION

I, Siddharth Yogesh Kusumgar, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of Offered Shares are true and correct. I assume no responsibility for any other statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Siddharth Yogesh Kusumgar

Place: Mumbai

Date: September 27, 2025

DECLARATION

I, Sapna Siddharth Kusumgar, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Promoter Selling Shareholder and my portion of Offered Shares are true and correct. I assume no responsibility for any other statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sapna Siddharth Kusumgar

Place: Mumbai

Date: September 27, 2025

DECLARATION

I, Siddharth Yogesh Kusumgar (as the karta of Siddharth Yogesh Kusumgar HUF), hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to Siddharth Yogesh Kusumgar HUF as a Promoter Selling Shareholder and its portion of Offered Shares are true and correct. I assume no responsibility for any other statements, disclosures and undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed for and on behalf of Siddharth Yogesh Kusumgar HUF

Name: Siddharth Yogesh Kusumgar (as the karta of Siddharth Yogesh Kusumgar HUF)

Place: Mumbai

Date: September 27, 2025