

VALUATION REPORT ON EQUITY SHARES AND
COMPULSORILY CONVERTIBLE PREFERENCE SHARES OF

KUSUMGAR LIMITED

As of 30 June 2025

Prepared by:

Bala Yadav

Chartered Accountant

MRN: 533776

Registered Valuer - Securities & Financial Asset

IBBI Reg. No: IBBI/RV/06/2021/14373

To
Board of Directors
Kusumgar Limited
101, Manjushree, VM Road, JVPD, Vile Parle (West),
Mumbai, Maharashtra- 400 056.

04 September 2025

Subject: Report on fair valuation of Equity Shares and Compulsorily Convertible Preference Shares of Kusumgar Limited as of 30 June 2025.

Dear Sir/Ma'am,

In reference to engagement letter, dated 25 August 2025, Bala Yadav, Chartered Accountant and Registered Valuer - Securities & Financial Asset (IBBI/RV/06/2021/14373) (hereinafter referred to as 'I' or 'We') have been appointed by Kusumgar Limited (hereinafter referred to as 'KGL' or the 'Company' or the 'Client') to estimate the fair value of equity shares and compulsorily convertible preference shares ("CCPS") of the Company. This valuation is required for the purpose of issuance of equity shares and CCPS in accordance with the requirement of the Companies Act, 2013 and Foreign Exchange Management Act, 1999.

This report is intended only for use by the Client, relevant authorities and its professional advisors, and accordingly, will not be copied, referred to or disclosed, in whole or in part, to outside parties for any other purpose without our prior express written consent. We accept no responsibility or liability to any person other than to the party to whom we have agreed in writing to accept a duty of care in respect of this report, and accordingly, if such other persons choose to rely upon any of the contents of this report, they do so at their own risk.

This document sets out our terms of reference, information supplied and used in the valuation, assumptions made and limiting factors. The detailed report is enclosed herewith for your kind reference.

Yours Faithfully,



Bala Yadav,
Chartered Accountant
MRN: 533776
UDIN: 255337768MLAMA5215
Registered Valuer - Securities & Financial Asset
IBBI Reg. No: IBBI/RV/06/2021/14373

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I. VALUATION SUMMARY

Kusumgar Limited (KGL) is an Indian company engaged in the manufacturing of technical and specialty textiles, offering a range of industrial fabrics and technical applications. The Company is involved in research and development, production, marketing, quality assurance, and operational systems. It manufactures specialty textiles and industrial fabrics, including Cordura fabrics, custom fabrics, geo-synthetics, recreational fabrics, parachute fabrics, protective fabrics, ballistic fabrics, filter fabrics, parasail fabrics, impression fabrics, and medical textile fabrics.

According to ICAI Valuation Standards, "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.

To determine the fair value of the Company, three traditional approaches can be considered namely, Cost, Income and Market Approaches. We have reviewed and analyzed several methods and their results to determine which methods generate the most reasonable opinion of the value of KGL as of the Valuation Date.

We have not applied the Income Approach, as the management has not shared any financial projections with us. Disclosure of such forward-looking information, prior to the filing of the Draft Red Herring Prospectus (DRHP), would constitute unpublished price sensitive information (UPSI) under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, Regulations 30, 42, 43 and 51 read with Schedule IX and Schedule X of the SEBI (ICDR) Regulations, 2018, as well as SEBI's Publicity Guidelines relating to public issues, restrict companies from making forward-looking statements, guidance, or selective disclosure of price-sensitive information before the DRHP is filed. Accordingly, we have not used Income Approach for the current valuation exercise. After careful consideration of each method's underlying assumptions and variables that were utilized, we concluded that market approach, utilizing comparable companies' multiple method, would provide the most appropriate indication of fair value of the Company.

According to the terms of CCPS provided to us (Refer Annexure A), each CCPS is convertible into one equity share in the ratio of 1:1 upon a successful IPO within the stipulated IPO timelines. Based on our discussions with the management, we have assumed that the IPO will take place within the provided timeline and, accordingly, a 1:1 conversion of CCPS into equity shares will occur. Hence, we have considered the fair value of equity shares to be equivalent to the fair value of CCPS.

A summary of the fair value of equity shares and proposed issue of CCPS as of the Valuation Date is presented in the table that follows.

Particulars	Value	Weight	Weighted Value
Net Asset Value Method	3,620	0.0%	-
Comparable Companies Multiple Method	28,960	100.0%	28,960
Concluded Fair Value of the Company			28,960
Divide by: # Equity Shares on a fully diluted basis			103,561,222
Fair Value of the Company on a Per Share Basis (Amount in INR)			279.64

The fair value of equity shares and CCPS of Kusumgar Limited on a per-share basis as of 30 June 2025, is concluded to be INR 279.64 per share.

A detailed discussion is provided in later sections of this report.

The conclusions and opinions reported herein are subject to the assumptions and conditions stated throughout this report, and are made within the context of the Client's purpose and use for the report, and the scope of our service.

II. ENGAGEMENT DETAILS

A. Purpose

Based on information provided by the Management, the Client has appointed us to estimate the fair value of the equity shares and CCPS of the Company as of 30 June 2025. This valuation is required for the purpose of issuance of compulsorily convertible preference shares in accordance with the requirements of the Companies Act, 2013 and the Foreign Exchange Management Act, 1999.

The terms of engagement are set out in our engagement letter dated 25 August 2025.

B. Sources of Information

During the course of our analysis, we were supplied with written and verbal information which we have relied upon. The set of information and documents that have been furnished to us is as under:

- Audited financial statements for the year ended 31 March 2024 through 31 March 2025.
- Provisional financial statements for the quarter ended 30 June 2025.
- Terms of CCPS.
- We have also extracted information (industry-related as well as company-specific) available on public domain and proprietary databases.

It should be noted that the Management has been provided with an opportunity to review factual information in our draft report as part of our standard practice to make sure that factual inaccuracies/omissions/etc. are avoided in the final report.

III. COMPANY BACKGROUND

A. About the Company



Kusumgar Limited is an Indian company engaged in the manufacturing of technical and specialty textiles. It was established in 1970 by Mr. Yogesh Kusumgar and offers a range of products across defense, industrial, outdoor, and specialty textile

segments. The Company was incorporated on 15 June 1990, under Corporate Identification Number (CIN) U65990MH1990PTC05687. Its registered office is at 101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (W), Mumbai, Maharashtra, India - 400 056.

KGL operates in India and exports its products globally, including to countries such as US, Germany, South Africa, and others. Additionally, the Company is involved in research and development, production, marketing, quality assurance, and operational systems. The Company carries out its production activities through its manufacturing units at various locations across India, as presented in the table below.

Location	Address
Vapi	Plot no. 1809, Phase III, G.I.D.C., Opposite Vaibhav Paper Mills, Vapi 396195, Gujarat.
Pardi	Vasundhara Canning Compound, Near Pardi Rly. Station, Killa Pardi 396125, Gujarat.
Surat	Plot No 10 & 11, Fairdeal Textile Park, Village Mahujej, Surat 394125, Gujarat.
Tadkeshwar	Plot No 1271, 1273 & 1274, Village Tadkeshwar, Dist.- Surat, Gujarat.
Kothwa	Plot No. 6 & 7, Shahlon Textile Park, Block No. 183, 184, Village: Kothwa, Surat, Gujarat.
Kosamba	Shahlon Silk Industries Ltd, Composite Unit 2, Fairdeal Textile Park, Tehsil - Mangrol, Gujarat.
Kothwa	Block No.172, Old Block No.157, Beside Shahlon Textile Park, Karanj, Gujarat.

According to Management, the Company operates with various weaving technologies, including conventional shuttle looms, dornier rigid rapier looms, sulzer flexible rapier looms, and sulzer projectile weaving machines. It works with synthetic filament yarns such as polyamide, polyester, specialty rayon, and poly-aramid.

Its manufacturing facility includes processing capabilities such as scouring, bleaching, dyeing, and printing, utilizing open and closed jiggers, jet dyeing machines, and stenters with pin and clip systems. Coating and laminating services are provided using polymers like vinyl, acrylics, urethanes, and silicones, applied through air knife, knife-over-roll, and gravure systems.

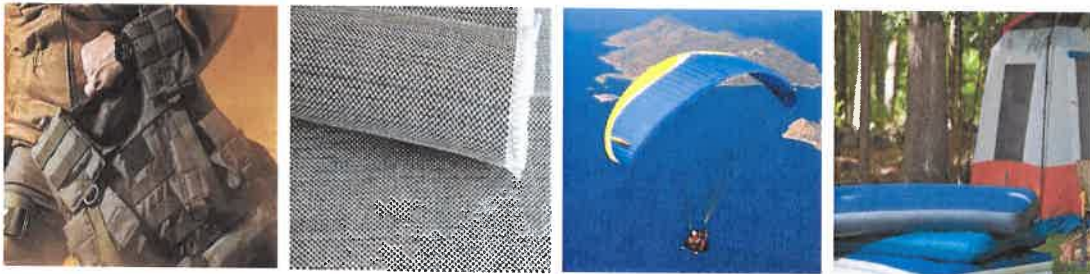
According to Management, it has developed infrastructure that includes an R&D laboratory, manufacturing and weaving facilities, and an integrated processing and finishing plant to support its operations in the technical textiles sector.

B. Product and Services

KGL offers a diverse range of products to meet various industrial and technical textile needs. Below we have provided the list of products offered by the Company.

List of Products Offered

Segments	Products
Armed Forces Fabrics	- Parachute Fabrics, - Personnel Equipments, - Ballistic Fabrics, - Protective Fabrics, - Uniforms.
	- Filter Fabrics, - Fabrics for Rubber Industries, - Coated Fabrics, - Uniforms & Workwear.
Industrial Fabrics	- Woven Geosynthetics, - Non-Woven Geosynthetics, - Geomembrane.
Geosynthetics	- Parachute, - Equestrian Products, - Camping Gear, - Inflatables.
Sports & Recreational Fabrics	



The Company produces fine denier yarns ranging from 30D to 3000D and fabric widths up to 5 meters, supplying fabric rolls of up to 2000 meters without joints and slit fabrics with heat-sealed selvages according to their client specifications.

C. Key Management Team

The key management of the Company is presented in the table that follows.

Name	Designation
Siddharth Yogesh Kusumgar	Director
Sapna Siddharth Kusumgar	Director
Ankur Kothari	Director & CEO
Nihar Ajay Parikh	Director
Kaushal Jaysingh Sampat	Director
Deepti Gupta	Director
Kinnar Dhansukhlal Mehta	CFO
Devanand Parshottam Mojidra	Company Secretary

D. Shareholding Pattern

The shareholding pattern of the Company as of 31 March 2025, is presented in the table that follows.

Name of Shareholder	# Shares	Stake %
Yogesh K. Kusumgar	51,000	0.0%
Siddharth Y. Kusumgar	65,694,630	63.4%
Sapna S. Kusumgar	31,399,170	30.3%
Siddharth Y. Kusumgar HUF	4,335,000	4.2%
Employee Stock Option	2,071,222	2.0%
Others	10,200	0.0%
Total	103,561,222	100.0%

IV. FINANCIAL STATEMENT

A. Historical Balance Sheets

We present the historical standalone balance sheets of the Company for the year ended 31 March 2024, 31 March 2025 and for the quarter ended 30 June 2025 in the table that follows.

Historical Balance Sheets			
<i>(INR in Million)</i>			
Particular	Mar-24	Mar-25	Jun-25
Shareholders' Funds			
Share Capital	19.90	101.49	101.49
Reserves And Surplus	2,424.17	3,486.06	3,469.79
Total Shareholders' Funds	2,444.07	3,587.55	3,571.28
Non-Current Liabilities			
Long Term Borrowings	348.05	757.64	1,227.71
Lease Liabilities	359.90	474.60	462.16
Deferred Tax Liabilities	34.01	17.10	17.10
Employee Benefit Obligations	15.48	22.30	22.30
Total Non-Current Liabilities	757.44	1,271.64	1,729.27
Current Liabilities			
Short-Term Borrowings	417.28	1,707.37	1,840.12
Lease Liabilities	49.80	73.15	69.06
Trades Payable	518.54	472.07	394.57
Other Financial Liabilities	216.73	96.83	93.95
Other Current Liabilities	1,330.69	97.70	31.22
Total Current Liabilities	2,533.04	2,447.12	2,428.92
Total Equity and Liabilities	5,734.56	7,306.31	7,729.47
Non-Current Assets			
Property Plant and Equipment	1,387.86	1,689.50	2,291.89
Right of Use of Assets	418.25	597.18	573.34
Capital Work in Progress	84.34	451.94	161.43
Intangible Assets	2.21	1.33	2.29
Investment	121.80	1,270.57	1,242.70
Loans & Advances	-	-	156.63
Other Financial Assets	70.87	66.10	28.12
Other Non Current Assets	83.14	222.13	207.97
Total Non-Current Assets	2,168.47	4,298.75	4,664.36
Current Assets			
Inventories	1,363.57	1,315.19	1,400.90
Trades Receivable	448.56	561.10	611.34
Cash and Cash Equivalents	1,422.35	358.68	373.29
Loans & Advances	-	155.69	142.62
Other Financial Assets	27.86	240.47	190.61
Other Current Assets	303.74	376.43	397.38
Total Current Assets	3,566.09	3,007.56	3,116.13
Total Assets	5,734.55	7,306.31	7,780.50

B. Historical Statement of Profit and Loss

We present the historical standalone statements of profit & loss of the Company for the year ended 31 March 2024, 31 March 2025 and for the quarter ended 30 June 2025 in the table that follows.

Historical Statements of Profit and Loss		<i>(INR in Million)</i>		
Particular	Mar-24	Mar-25	Jun-25	
Months	12 M	12 M	3 M	
Sale of Products	4,741.40	8,057.33	1,189.21	
Y-o-Y Growth (%)		69.94%	-40.96%	
Less: Cost of Sales	(1,866.26)	(3,932.48)	(513.49)	
Gross Profits	2,875.14	4,124.85	675.71	
Operating Expenses:				
Employee Benefits Expenses	(387.24)	(626.95)	(200.17)	
Other Expenses	(1,225.47)	(1,663.16)	(350.97)	
Total Operating Expenses	(1,612.71)	(2,290.11)	(551.14)	
EBITDA	1,262.43	1,834.74	124.58	
EBITDA Margin (%)	26.63%	22.77%	10.48%	
Depreciation & Amortization				
-Depreciation on ROU	(44.30)	(79.71)	(23.84)	
-Depreciation on Other Assets	(119.75)	(252.19)	(83.23)	
EBIT	1,098.38	1,502.84	17.50	
EBIT Margin (%)	23.17%	18.65%	1.47%	
Finance Costs				
-Interest on Lease	(9.97)	(38.59)	(12.96)	
-Other Interest Expenses	(52.90)	(106.82)	(59.63)	
Other Incomes	66.90	108.06	14.17	
Profit before Tax	1,102.42	1,465.49	(40.92)	
Less: Tax Expense	(290.98)	(375.92)		
Profit after Tax	811.44	1,089.57	(40.92)	
PAT Margin(%)	17.11%	13.52%	-3.44%	

V. VALUATION APPROACH

The objective of the valuation process is to make a reasonable judgment of the value of the company.

'Premise of value' refers to the conditions and circumstances how an asset is deployed. For the purpose of current valuation, we have considered the premise of going concern in order to estimate value of the company.

'Valuation base' means the indication of the type of value being used in an engagement. We have considered fair value base for current valuation.

'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 valuation date. **(ICAI Valuation Standards 2018)**

As per International Valuation and ICAI Valuation Standards, there are a number of methods & techniques used generally for valuation, however these methodologies fall under three basic approaches to valuation:

Cost/Asset Approach	Income Approach	Market Approach
Replacement Cost Method Reproduction Cost Method	Discounted Cash Flow Excess Earnings Method Relief from Royalty Method	Comparable Companies Multiple Method Market Value Method Comparable Transaction Method

The valuation methodologies used are in accordance with internationally accepted valuation method and arm's length basis.

1. Cost Approach

It is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as the current replacement cost). In certain situations, historical cost of the asset may be considered where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset. This approach is generally used where an asset can be quickly recreated with substantially the same utility as the asset to be valued, or in case where liquidation value is to be determined or where other valuation approaches cannot be used.

We have calculated the Company's net asset value ("NAV"), but we did not use it as the basis for our final valuation. This is because the NAV only reflects the company's value based on its historical and current operations, without accounting for its future business activities and growth potential. Since the Company has a history of operations and is expected to continue operating in the future, we chose not to rely on the NAV method, as it does not adequately consider the company's future growth prospects.

2. Income Approach

Discounted cash flow ('DCF') method is considered the most theoretically sound, scientific and acceptable method for determination of the value of a business undertaking used under Income Approach. Under this technique, the projected free cash flows from business operations are discounted at "Weighted Average Cost of Capital" to the providers of capital to the business.

We have not applied the Income Approach, as the management has not shared any financial projections with us. Disclosure of such forward-looking information, prior to the filing of the Draft Red Herring Prospectus (DRHP), would constitute unpublished price sensitive information (UPSI) under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, Regulations 30, 42, 43 and 51 read with Schedule IX and Schedule X of the SEBI (ICDR) Regulations, 2018, as well as SEBI's Publicity Guidelines relating to public issues, restrict companies from making forward-looking statements, guidance, or selective disclosure of price-sensitive information before the DRHP is filed.

3. Market Approach

Under the Market Approach, the fair value of an asset reflects the price at which comparable assets are purchased under similar circumstances. A major attraction of the market approach is its simple application when a truly comparable transaction is available. This situation is most commonly found when the acquired asset is widely marketed to third parties. Under these circumstances, the market comparable approach represents the most appropriate approach for determining the fair value of the asset.

The Company's equity value was estimated using the Comparable Companies Multiple (CCM) method, based on a selected group of listed peers operating in similar business segments.

Additionally, we researched recent transactions involving similar unlisted companies in this industry. However, no transactions were identified involving companies with operations closely aligned to those of KGL.

VI. VALUATION ANALYSIS OF THE COMPANY

A. Valuation of the Company via Net Asset Value Method

The net asset value of the Company is computed based on the latest available audited/provisional balance sheet of the firm. The starting point of this method is the valuation of the total assets that the firm owns. The loan funds are deducted, contingent liabilities, to the extent that, in the opinion of management, can be fairly expected to impair the net asset value of the business, are also deducted. The resultant figure represents the net worth of the business on the given day.

As discussed previously, asset values are generally not a true indicator of the future distributable cash flow or the profit-generating ability of a business. The NAV of the Company has been computed and presented in this report for information purposes only. We present the net asset value of the Company as of 30 June 2025 in the table that follows.

Net Asset Value as of 30 June 2025		(INR in Million)
Particular		Jun-25
Non-Current Assets		
Property Plant and Equipment		2,291.89
Right of Use of Assets		573.34
Capital Work in Progress		161.43
Intangible Assets		2.29
Investment		1,242.70
Loans & Advances		156.63
Other Financial Assets		28.12
Other Non Current Assets		207.97
Total Non-Current Assets		4,664.36
Current Assets		
Inventories		1,400.90
Trades Receivable		611.34
Cash and Cash Equivalents		373.29
Loans & Advances		142.62
Other Financial Assets		190.61
Other Current Assets		397.38
Total Current Assets		3,116.13
Total Assets		7,780.50

Net Asset Value as of 30 June 2025 (INR in Million)

Particular	Jun-25
Non-Current Liabilities	
Long Term Borrowings	1,227.71
Lease Liabilities	462.16
Deferred Tax Liabilities	17.10
Other Non Current Liabilities	22.30
Total Non-Current Liabilities	1,729.27
Current Liabilities	
Short-Term Borrowings	1,840.12
Lease Liabilities	69.06
Trades Payable	394.57
Other Financial Liabilities	93.95
Other Current Liabilities	31.22
Total Current Liabilities	2,428.92
Total Liabilities	4,158.19
Unadjusted Net Asset Value	3,622.31
Adjustments:	
Less: Book Value of Investments	(1,242.70)
Add: Fair Value of Investments (1)	1,242.70
Adjusted Net Asset Value	3,622.31
Rounded	3,620.00

Note:

- (1) The Company has investments in Engineered Coated Fabrics Private Limited in the amount of INR 1,118.53 million, INR 2.37 million in Kusumgar Middle East FZ LLC and INR 121.79 million in Toray Kusumgar Advanced Textile Private Limited as of the Valuation Date. Based on discussion with the Management, we considered book value as its fair value as of the Valuation Date.

B. Valuation of the Company via Comparable Companies Multiple Method

Another method of valuing the Company under market approach is Comparable Company Method (“CCM”). This method involves the comparison of the various operational metrics (ROE, ROCE etc.) and valuation multiples (EV/ EBITDA, EV/ Sales etc.) of the listed peer companies. We conducted a valuation analysis using market multiples of comparable companies. The selection of peers was based on the analysis of the key characteristics of KGL.

Based on our understanding of KGL’s services, we have selected an overall peer group comprising companies operating within the technical textiles industry. We present the financial metrics of listed comparable companies in the table that follows.

Financial Data of Listed Comparable Companies

(INR in Million)

Listed Comparable Company	Market Capitalization	Net Debt	Enterprise Value	LTM Revenue	LTM EBITDA	LTM Net Income
Garware Technical Fibres Limited	91,866	(952)	90,914	15,711	3,084	2,379
Arvind Limited	92,495	15,056	107,551	85,045	8,637	3,674
SRF Limited	961,854	36,043	997,897	150,476	30,212	14,309
Faze Three Limited	14,705	1,729	16,433	7,528	892	462
Candour Techtex Limited	1,562	181	1,743	1,737	44	(9)
Shree Karni Fabcom Limited	4,396	929	5,324	1,670	281	151

We present the EBITDA and Net Income Margin and EV/EBITDA multiple based on above financial metrics in the table that follows.

Valuation Multiple of Listed Comparable Companies

Listed Comparable Company	EBITDA Margin	Net Income Margin	EV / EBITDA
Garware Technical Fibres Limited	19.63%	15.14%	29.48x
Arvind Limited	10.16%	4.32%	12.45x
SRF Limited	20.08%	9.51%	33.03x
Faze Three Limited	11.85%	6.13%	18.42x
Candour Techtex Limited	2.52%	-0.49%	39.79x
Shree Karni Fabcom Limited	16.80%	9.05%	18.98x
Average			25.36x
Median			24.23x
Selected Multiple (Rounded)			24.20x

Application of Comparable Companies Multiple Method		(INR in Million)
Particulars		
Selected Multiple		24.20x
Less: Market Factor Adjustment (1)		-20.0%
Adjusted, Selected Multiple		19.40x
Multiply by: Trailing EBITDA Pro rata, FY 2025-26		1,500.29
Enterprise Value of the Company's Operations		29,105.55
Adjustments:		
Add: Fair Value of Investments (2)		1,242.70
Add: Cash and Cash Equivalents (3)		373.29
Add: Other Financial Assets (4)		303.02
Add: CWIP (5)		1,002.69
Less: Total Debt Outstanding (6)		(3,067.83)
Equity Value of the Company as of 30 June 2025		28,959.42
	Rounded	28,960.00

Note:

- (1) We have considered a market factor adjustment of 20% discount to account for the size; illiquidity and the diverse characteristics of the peer companies selected for comparison.
- (2) The Company has investments in Engineered Coated Fabrics Private Limited in the amount of INR 1,118.53 million, INR 2.37 million in Kusumgar Middle East FZ LLC and INR 121.79 million in Toray Kusumgar Advanced Textile Private Limited as of the Valuation Date. Based on discussion with the Management, we considered book value as its fair value as of the Valuation Date.
- (3) We have added cash and cash equivalents to the operational value of the Company in order to arrive at the equity value.
- (4) Other financial assets include loans & advances and interest accrued.
- (5) Based on discussions with Management, the Company incurred total capex of INR 1,002.69 million during FY25 and the three months ended 30 June 2025. Management has informed us that this capital expenditure was undertaken to support the Company's future growth and is expected to contribute to revenue from FY26. Accordingly, the current operating metrics (EBITDA) do not yet reflect the benefits of this capex, and we have therefore adjusted for this separately in arriving at the equity value of the Company.
- (6) We reduced the total debt outstanding as of the Valuation Date from the enterprise value in order to arrive at the equity value.

VII. APPENDICES

A. Terms of Compulsorily Convertible Preference Shares

Particulars	Details
Priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares	Yes, CCPS will have priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares or other class of securities.
Participation in surplus fund	No
Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	No
Payment of dividend on cumulative or non-cumulative basis	0.01% per annum
	<p>i) In the event the IPO is completed within the IPO Timelines, in the manner contemplated in the letter agreement to be executed, inter alia, amongst the Company and the Investors, each CCPS shall convert to Equity Shares in the ratio of 1:1.</p> <p>ii) In any other case, the no. of Equity Shares upon conversion of CCPS shall be restricted to the higher of: (i) (Total Investment by holder of the CCPS divided by X) subtracted by No of Equity Shares held by holder of the CCPS immediately prior to the conversion; and (ii) No. of CCPS.</p>
Other Terms	<p>$X = (\text{FMV per equity share at the time of the conversion calculated on a fully diluted basis as if the conversion of the CCPS had taken place as per the terms contained herein}) / [(1+0.1) ^ N]$</p> <p>The capitalized terms not defined in the formula have the meanings ascribed to such terms in the share subscription and share purchase agreement executed, inter alia, amongst the Company and the Investors.</p> <p>Subject to other terms and conditions agreed between the Company and the Investors, in writing.</p> <p>Provided that, the terms may be modified basis the mutual agreement between the Company and the Investors .</p>
Voting Rights	Right to receive notice of and attend meetings of all Shareholders of the Company, and to vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares) on an as Converted Basis or as may be mutually agreed between the Company and the Investors. In proportion to their holdings.
Redemption of preference shares	Cannot be redeemed as these are compulsorily convertible.

B. Business Description of Listed Comparable Companies

Business Description of Listed Comparable Companies

Name	Business Description
Garware Technical Fibres Limited (BSE:509557)	Garware Technical Fibres Limited manufactures and sells various technical textile products in India and internationally. It operates through Synthetic Cordage and Fibre and Industrial Products and Projects segments. The company provides smolt and grow out cages, predator cages, mooring and vertical ropes, lice shields; bottom and pelagic trawling, gill netting, pure sein, dol, crab/lobster fishing nets; and insect nets, anti-hail, anti-birds, grape, crop support, floriculture, fencing, BLRS nets, as shade net, staking cord, seed protection cage, and weed mat. It offers coated fabrics products comprising of decorative fabrics, bouncies, sports, water tank/bio flock, bio gas, and shelter fabrics; transport and heat management solutions; mooring, towing, and other rope articles and accessories; UHMPE products; and single point mooring systems; air inflatable tents, recovery /under slung, and fast rope; fire retardant/ vehicle, muzzle, and gun covers; sport net, sport frames and accessories, safety/protection nets, fitness and mountaineering ropes, and customized products comprising wood carrying bags, and hay, cargo, and helicopter landing nets; and transmission, submersible, and other general applications ropes. In addition, it offers bag closing, doll hair, jute bag stitching products; fall protection solutions; geo synthesis solutions for environment, highways and railways, erosion control, mining, oil, gas, and energy, slope protection, coastal and river protection nets; and lifting solutions, such as lifting and round slings, and cut and abrasion resistant sleeves. The company was formerly known as Garware-Wall Ropes Limited and changed its name to Garware Technical Fibres Limited in July 2018. Garware Technical Fibres Limited was incorporated in 1976 and is based in Pune, India.
Arvind Limited (BSE:500101)	Arvind Limited, together with its subsidiaries, manufactures, markets, retails, supplies, and exports textiles in India and internationally. It operates through Textiles, Advanced Material, and Others segments. The company offers denim fabrics, woven and knitted fabrics, and voiles and garments products. It provides a range of specialized clothing and accessories for factory workers, fire-fighters, construction crew, soldiers, and healthcare and security personnel; hot-gas and liquid filtration products; automotive interiors and seating solutions; and composites and coated fabrics. In addition, the company offers water, industrial waste water, and sewage treatment solutions for industries, as well as zero liquid discharge solutions. Further, it is involved in the e-commerce, agriculture produce, engineering, telecommunication, technical textiles, and other businesses, as well as provision of EPABX and one to many radio solutions; and building residential, commercial, and industrial spaces. The company was founded in 1897 and is headquartered in Ahmedabad, India.
SRF Limited (BSE:503806)	SRF Limited manufactures, purchases, and sells technical textiles, chemicals, packaging films, and other polymers. It operates through Technical Textiles Business, Chemicals Business, Packaging Film Business, and Others segments. The company offers polyester and nylon tyre cord, belting, coated, and laminated fabrics; and industrial and polyester industrial yarns. It also provides fluorochemicals, such as refrigerants for room air-conditioner, automobile air-conditioner, refrigerator, and chillers under the FLORON brand; propellants for the pharmaceutical sector under the Dymel brand; industrial chemicals used in various applications comprising solvents in pharma, feedstock for agrochemicals, metal de-greasing, etching of stainless steel and glass, foam blowing agents, and dry-cleaning; and PTFE resins for automotive, chemical processing/plant construction, construction, electrical/electronic engineering, semiconductor, and pharma and medical applications under the Flonio brand. In addition, the company offers advanced intermediates for the agrochemical and pharmaceutical applications; and bi-axially oriented polyethylene terephthalate and bi-axially oriented polypropylene films under the PETLAR and OPLAR brands. It also engages in the business of owning and renting real estate. It operates in India, the United States, South Africa, the United Kingdom, Italy, Indonesia, the United Arab Emirates, South Korea, Germany, Thailand, Hungary, Switzerland, Belgium, and internationally. SRF Limited was formerly known as Shri Ram Fibres and changed its name to SRF Limited in 1990. The company was incorporated in 1970 and is headquartered in Gurugram, India. SRF Limited is a subsidiary of KAMA Holdings Limited.

Business Description of Listed Comparable Companies

Name	Business Description
Candour Techtex Limited (BSE:522292)	Candour Techtex Limited engages in the manufacture and trading of textiles, plastics, and other items in India. The company operates through Textile, Plastics, Trading, and Technical Textiles Divisions. It offers meditech, agrotech, protech, buildtech, indutech, and packtech products. The company also provides homotech products, including upholstery fabrics, wallpapers, mattresses and pillows, blinds and blackout curtains, HVAC filters, carpet backings, linoleum, nonwoven wipes, stuffed toys, lightweight mailbags, and table and bath mats. In addition, it offers parachute fibre, sports shoe components, sports nets, sports and sleeping bag, sail cloths, sports balls, and strings camping tents, swim and sports wears, and artificial turfs. The company was formerly known as Chandni Textiles Engineering Industries Limited and changed its name to Candour Techtex Limited in February 2022. Candour Techtex Limited was incorporated in 1986 and is based in Mumbai, India.
Shree Karni Fabcom Limited (NSEI:SHREEKARNI)	Shree Karni Fabcom Limited manufactures and sells technical textiles in India. The company engages in the weaving, coating, printing, and finishing of woven, knitted, coated, polyester, and recycled polyester fabrics. It also provides PU and EVA coated, air mesh, recycled, inter lining, rain proof, armed forces, luggage and backpack, special custom, and knit backing fabrics. Its products serves various applications, such as luggage, roofing, agricultural nets, vehicle covers, tents, fabrics for the armed forces, sports kits, chairs, medical arch support, umbrellas, and raincoats. Shree Karni Fabcom Limited was incorporated in 2018 and is based in Surat, India.
Faze Three Limited (BSE:530079)	Faze Three Limited manufactures and sells home textile products and auto fabrics in India. The company offers bathmats, rugs, blankets, throws, cushions, durries, carpets, cushion covers, curtains, table covers, chairpads, napkins, patio mats, seat covers, pillows, mattresses, mattresses pads, fiber fillings, floor and table coverings, bed spreads, aprons, mittens, pot holders, placemats, and kitchen mats and towels; and recycled polyester yarn, germieshield, microcapsules, protector, adjustor, and boost yarn, as well as F3 germieshield masks. It also provides masks; automotive seat covers; anti bacterial, water proof dog beds, dog bed covers, and pet collars; and outdoor ranges, such as outdoor furniture covers, awning fabrics, canopies, lounge cushions, and fade resistant and water repellent outdoor cushions.

C. Glossary

Abbreviation	Full Form
I or We	Bala Yadav
KGL / Client / Company	Kusumgar Limited
CAGR	Compound Annual Growth Rate
CCM	Comparable Company Multiples Method
CTM	Comparable Transaction Method
DCF	Discounted Cash Flow
EBIT	Earnings before Interest and Taxes
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EV	Enterprise Value
ICAI	Institute of Chartered Accountants of India
IND AS	Indian Accounting Standards
INR	Indian Rupees
NAV	Net Asset Value
YoY	Year on Year

D. Scope and Limitations

Valuation analysis and results will be specific to the purpose of valuation and the transaction date mentioned in the valuation report. It may not be valid for any other purpose or as at any other date. We assume no responsibility to update the valuation report for events and circumstances occurring after the date of this report.

Valuation is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment and management assumptions.

This report is intended only for use by the Client, relevant authorities and its professional advisors, and accordingly, will not be copied, referred to or disclosed, in whole or in part, to outside parties for any other purpose without our prior express written consent. We accept no responsibility or liability to any person other than to the party to whom we have agreed in writing to accept a duty of care in respect of this report, and accordingly, if such other persons choose to rely upon any of the contents of this report, they do so at their own risk.

It should be noted that our valuation neither constitutes recommendations to you as to whether or not to proceed with the proposed transaction nor constitutes an offer for or invitation to any third party for investing in, or in the assets and liabilities of the Company. Any user intending to provide finance/invest in the shares/business of the Company and/or the Client, its subsidiaries, if any, shall do so after seeking their professional advice and after carrying out their due diligence procedures to ensure that they are making an informed decision.

This report is based on the information provided by the Client/Company and has been confirmed by the Client. We have not independently verified or checked the accuracy or timeliness of the same and accordingly, express no opinion or make any representation concerning its accuracy and completeness and to that extent, the information may not be reliable.

We will not, pursuant to the letter of engagement, perform any management functions for you nor make any decisions. You are responsible for making management decisions, including accepting responsibility for the results. Additionally, the Management of the Client is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations, establishing and maintaining internal controls, and monitoring ongoing activities.

Our work did not constitute an audit or due diligence of the financial statements and accordingly, we do not express any opinion on the truth and fairness of the financial position as indicated in this Report. Our work did not constitute a validation of the financial statements of the Company and accordingly, we do not express any opinion on the same.

The Valuation Report shall not be construed as a substitute for due diligence, save and except the to the extent of determining the fair value of the shares of the Company.

Competent management assumed - It should be specifically noted that the valuation assumes the property/business will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of the Company's Management effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

Financial Projections - It must be understood that the valuation is for the future and it is the future stream of earnings which are of utmost significance in the process of valuation. The conclusion arrived at is a valuation result or a calculation result depends upon the nature of the financial information provided and reliance placed on the same by the Valuer. The Valuer has read and analyzed but not

at is a valuation result or a calculation result depends upon the nature of the financial information provided and reliance placed on the same by the Valuer. The Valuer has read and analyzed but not independently verified the financial projections and underlying data and assumptions and accordingly provided no opinion on the factual basis of the same. We understand that the financial model is reviewed and approved by the Management of the Client. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, this may have a material effect on our findings.

Although we will read, analyze and discuss the management of the Company's business plan for the purpose of undertaking the valuation, we will not comment on the achievability and reasonableness of the assumptions provided to us save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment.

The realization of the projections in the financial model provided by the Client will be dependent on the continuing validity of assumptions on which it is based. Our analysis therefore will not and cannot be directed to providing any assurance about the achievability of the future plans. Since the projections relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected and the differences may be material. Although, we will extensively rely upon the information provided to us by the Client, we will not carry out any validation procedures or audit or scrutiny will respect to the information or carry out any verification of the assets.

We accept no responsibility for any error or omission in the report which is due to an error or omission in data, information or statements supplied to us by other parties including the Client ('Data'). We have not independently verified such Data and have assumed it to be accurate, complete, reliable and current as of the date of such information and accordingly, express no opinion or make any representation concerning its accuracy and completeness and to that extent, the information may not be reliable. We accept no responsibility for matters not covered by the report or omitted due to limited nature of our analysis and non-availability of information as discussed later in the report.

We are not responsible for determining the difference between price sensitive and non-price sensitive information. All information supplied to us (in whatever form) which is not in the public domain is confidential information for the purposes of this engagement. We recommend that you obtain legal advice to ensure that information supplied to us is not in contravention of any applicable laws and regulations.

In case of Dispute - Any dispute or disputes shall be first resolved by attempted negotiation at the highest executive levels between the parties. In the event such executive negotiation is unsuccessful, the dispute or disputes shall either be decided by a sole arbitrator mutually appointed by the parties or as approved by concerned authority. The arbitration proceeding under this clause will be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment in lieu thereof. The arbitration proceedings shall be in English language; venue of the arbitration shall be New Delhi and cost of arbitration will be borne by the parties in equal share. The award of the Arbitrators shall be final, conclusive and binding on both the parties.

THANK YOU!

Presented by:

Bala Yadav

Chartered Accountant

MRN: 533776

Registered Valuer - Securities & Financial Asset

IBBI Reg. No: IBBI/RV/06/2021/14373