		
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/ SEBI registration number: INM000012029 CIN: U64990MH2005PLC157853	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 Email: kusumgar.ipo@iiflcap.com Investor grievance email: ig.ib@iiflcap.com Website: https://www.iiflcap.com/ SEBI registration number: INM000010940 CIN: L99999MH1996PLC132983	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: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com SEBI Registration Number: INM000011005 CIN: L67190MH2005PLC153397

SEBI Ref. No. ACL-CF-Kusumgar Ltd-2025-122

September 27, 2025

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 (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/ Madam:

Re: Proposed initial public offering of equity shares of face value of ₹ 1 each (the “Equity Shares”) of Kusumgar Limited (formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited) (the “Company”) and such offering, comprising of an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, also referred to as the “Offer”)

The Company and the Promoter Selling Shareholders are proposing to undertake the Offer comprising of an offer for sale of such number of Equity Shares of the Company aggregating up to ₹6,500 million, in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) at such price (the “**Offer Price**”) as may be determined by the Company in accordance with the book building process, pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”), read with Regulation 31 of the SEBI ICDR Regulations, the Companies Act, 2013, as amended (“**Companies Act, 2013**”) and other applicable laws, as amended from time to time.

The number of shares being offered for sale by the Promoter Selling Shareholders are as below:

Name of the Promoter Selling Shareholder	Type	Aggregate amount of Offer for Sale (in ₹ million)
Siddharth Yogesh Kusumgar	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹4,200 million
Sapna Siddharth Kusumgar	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹2,000 million
Siddharth Yogesh Kusumgar HUF	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹300 million

The Company and the Promoter Selling Shareholders have appointed Axis Capital Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) and Motilal Oswal Investment Advisors Limited as the book running lead managers (“**Book Running Lead Managers**” or “**BRLMs**”) to manage the Offer.

The draft red herring prospectus of the Company dated September 27, 2025 (the “**DRHP**”) in relation to the Offer is being filed in accordance with Chapter II, and in compliance with other applicable provisions, of the SEBI ICDR Regulations with the Securities and Exchange Board of India (“**SEBI**”), for your consideration and observations.

All capitalized terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP.



In connection with the filing of the DRHP with the Securities and Exchange Board of India (the “SEBI”), we hereby submit the following:

1. The soft copy of the DRHP in “.PDF” format (**Annexure I**) approved by the board of directors of the Company (the “**Board**”) pursuant to its resolution dated September 27, 2025 has been signed and executed by: (i) all the Directors of the Company (“**Directors**”); (ii) the Chief Financial Officer of the Company; and (iii) the Promoter Selling Shareholders. The soft copy of the DRHP, together with this letter and all annexures hereto, are being uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in>, as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 (“**SEBI ICDR Master Circular**”) read with the SEBI directive dated October 14, 2022 issued to the Association of Investment Bankers of India (“**AIBI**”) and has been filed with the Stock Exchanges as specified in Regulation 25(3) of the SEBI ICDR Regulations along with the in-principle application in relation to the Offer, in compliance with “*Guidelines for filings of Draft Offer Documents*” dated July 25, 2024 issued by the Stock Exchanges and Regulation 7(1) of the SEBI ICDR Regulations. The soft copy of the DRHP together with this letter and all annexures hereto, is submitted by way of an e-mail to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to “Easing of Operational Procedure - Division of Issues and Listing – CFD”. Furthermore, three physical copies of the DRHP (including one signed copy of the DRHP signed by the Board, the Chief Financial Officer of the Company, and the Promoter Selling Shareholders) shall be filed with SEBI at SEBI Bhavan situated at Plot C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India.
2. A certificate from the BRLMs confirming that the Company, the Promoter Selling Shareholders and the BRLMs have entered into an offer agreement dated September 27, 2025 (including the statement of *inter-se* allocation of responsibilities of the BRLMs), in accordance with Regulations 23(5) and 25(2)(a) and the format specified in Schedule II of the SEBI ICDR Regulations (**Annexure II**).
3. A due diligence certificate dated September 27, 2025 signed by the BRLMs (**Annexure III**) in accordance with Regulation 25(2)(b) of the SEBI ICDR Regulations, along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (**Annexure III-A**); and (ii) a detailed checklist confirming regulation-wise compliance of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (**Annexure III-B**).
4. In connection with the Offer, the Company will make a payment towards the DRHP filing fees, along with goods and services tax (“**GST**”), in the bank account number basis the e-challan to be generated on the SEBI’s intermediary portal towards DRHP filing fees as provided under Schedule III of the SEBI ICDR Regulations and the payment details, along with a copy of the acknowledgement of the payment made, will be subsequently intimated to SEBI.

As the Offer Price will be determined through the Book Building Process, we are unable to ascertain the actual size of the Offer at this stage. Accordingly, this filing fee is based on an estimated Offer size of ₹ 6,500 million which shall not be construed to be the final Offer size for purposes of Schedule XVI of the SEBI ICDR Regulations. Details of the filing fees, along with goods and services tax, are provided in the table below:

Particulars	Amount in ₹
DRHP Filing Fee	65,00,000
GST (18%)	11,70,000
Total	76,70,000

Further, the details of GST registration of the Company are as follows:

- GST Registration Number: 27AAACK2030M2ZO
- GST Registered Dealer Name: Kusumgar Limited
- GST Registered Office Address: 1st floor, 101-102, Manjushree, V M Road, JVPD Scheme, Vile Parle, Mumbai Suburban, Maharashtra, India



In connection with the Offer, please note the following:

A. *Confirmations and information in relation to the Company, its Subsidiaries, the Promoters, members of the Promoter Group and Group Company*

Set out below are the confirmations and information in relation to the Company, its Subsidiaries, the Promoters, members of the Promoter Group and the Group Company in terms of the SEBI directive dated March 12, 2020, issued to the Association of Investment Bankers of India (“AIBI”):

S. No.	Particulars	Response
1.	Whether the Company is registered with SEBI or any other financial regulatory body like RBI/ IRDAI/ etc., in any capacity. If yes, provide details	Not applicable. The Company is not registered with SEBI or any other financial regulatory body such as RBI, IRDAI, etc., in any capacity.
2.	List of Promoters/ Promoter Group companies/group companies/subsidiaries registered with SEBI in any capacity along with registration details.	Not applicable. None of our Promoters, members of the Promoter Group, Group Company or Subsidiaries are registered with SEBI.
3.	List of Promoters/ Promoter Group/group companies/ subsidiaries registered with any other financial regulatory body like RBI/ IRDAI/ etc., in any capacity along with registration details.	Not applicable. None of our Promoters, members of the Promoter Group, Group Company or Subsidiaries are registered with any other financial regulatory body.
4.	If any debt securities of Company/group companies/subsidiaries are listed. If yes, the following may be provided: a. Details of the debt securities listed along with the name of the exchange on which the same are listed. b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made.	Not applicable. The Company, Group Company or Subsidiaries have not issued any debt securities since the date of its incorporation.

B. *Confirmation in relation to securities laws violations by the Company, Promoters, members of the Promoter Group and Group Company*

In accordance with the terms of the SEBI directive dated June 29, 2021 issued to the AIBI, based on the confirmations received from the Company, Promoter Selling Shareholders, members of the Promoter Group, and the Group Company, there are no securities market violations by the Company, its Promoters, members of the Promoter Group or the Group Company.

C. *Reservation and discount for eligible employees of the Company*

Pursuant to Regulation 33 of the SEBI ICDR Regulations, the Company may consider reservation of certain Equity Shares in the Offer for allocation and allotment on a proportionate basis to eligible employees as may be identified by the Company (“**Employee Reservation Portion**”) in accordance with the SEBI ICDR Regulations. The Employee Reservation Portion, if undertaken, shall be finalized by the Company in consultation with the BRLMs prior to filing of the RHP and shall not exceed 5% of the post-Offer paid-up Equity Share capital of the Company, subject to compliance with Rule 19(2)(b) of the SCRR.



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Further, the Company, in consultation with the BRLMs, may consider providing a discount to such eligible employees bidding in the Employee Reservation Portion, in accordance with the SEBI ICDR Regulations. Based on the decision of the Company, in consultation with the BRLMs, particulars of such discount (if any) will be suitably updated in the price band advertisement to be announced prior to the Bid/ Offer Opening Date in accordance with the provisions of the SEBI ICDR Regulations.

D. Dematerialization status of the Equity Shares

All the Equity Shares, including the Offered Shares, are in dematerialized form as of the date of the DRHP.

E. Para-wise compliance with (i) the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012, (ii) the Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 and (iii) the Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015 (each amended as “SEBI General Orders”)

In accordance with the terms of the SEBI’s directive dated November 3, 2022 to the AIBI, please refer to **Schedule I**, **Schedule II** and **Schedule III** of this letter for para-wise confirmations on the non-applicability of each criterion specified under the SEBI General Orders. The Company does not trigger any criteria specified in the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012 (the “**SEBI General Order 2012**”) that will result in rejection of the DRHP.

The Company does not trigger any criteria mentioned in the SEBI General Order 2012, Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015 (the “**SEBI General Order 2015**”) and Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 (the “**SEBI General Order 2020**”) as certified by M/s Pankaj R Shah & Associates (“**Independent Chartered Accountant**”), through their certificates dated September 26, 2025 and September 27, 2025 which may result in rejection of the DRHP or prohibit raising further capital from the public.

F. Confirmation in relation to fraudulent borrowers, wilful defaulters and fugitive economic offenders with respect to the Company, its Promoters and its Directors

As per Regulation 5(1)(c) of the SEBI ICDR Regulations, the SEBI directive dated June 14, 2021 issued to the AIBI and based on the relevant confirmations received, the Company, its Promoters and its Directors have not been declared as ‘Fraudulent Borrowers’ or as ‘Wilful Defaulters’ as defined in the SEBI ICDR Regulations, or as ‘Fugitive Economic Offenders’ under section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 5(1)(d) of the SEBI ICDR Regulations. A negative confirmation in this respect has been included in the section “*Other Regulatory and Statutory Disclosures*” on page 370 of the DRHP.

G. Confirmations required under additional confirmations and disclosure requirements by SEBI provided on May 29, 2024 and further updated on June 24, 2024

Based on confirmations received from the Company, a checklist of the additional confirmations to be provided in terms of the SEBI directive dated May 29, 2024 is attached as **Schedule IV**. We confirm that the additional confirmations and general observations shared by SEBI with us pursuant to e-mail dated June 24, 2024 have also been complied with to extent such confirmations/ observations were applicable to the Offer and the Company.

H. Application to the Stock Exchanges

The Company has filed the DRHP with the Stock Exchanges and has applied to the Stock Exchanges to obtain their respective in-principle listing approvals for listing of the Equity Shares. In compliance with and pursuant to the SEBI ICDR Regulations, the Company undertakes to finalize and appoint the ‘Designated Stock Exchange’ prior to the filing of the Red Herring Prospectus.



I. Financial information of Group Company

As per the provisions of the SEBI ICDR Regulations, the Company is required to provide links of the website of the top five Group Companies of the Company where certain financial information of the Group Companies have been disclosed. As on date, the Company has only one Group Company, namely Specialty Fabrics Private Limited. Since the Group Company does not have a functional website, the financial information of the Group Company has been disclosed on the website of the Company at <https://www.kusumgar.com/investor-relations/home/>.

J. Online access for DRHP and material documents for inspection

Based on SEBI's guidance to the AIBI on October 22, 2021 and the SEBI ICDR Regulations:

- a) the DRHP will be uploaded on the website of the Company and the BRLMs.
- b) Based on paragraph 18(3) of Schedule VI of the SEBI ICDR Regulations, the Company shall provide online access on the website of the Company to material contracts and material documents as listed in the section "*Material Contracts and Documents for Inspection*" on page 459 of the DRHP, as well as be made available at the Registered Office between 10 a.m. and 5 p.m. IST on all Working Days from the date of the RHP until the Bid/ Offer Closing Date for inspection, in accordance with applicable law (except for such agreements executed after the Bid/ Offer Closing Date).
- c) The report titled "*Engineered Fabrics industry report*" dated September 26, 2025 issued by Lattice Technologies Private Limited (Lattice), which has been exclusively commissioned and paid for by the Company specifically in connection with the Offer, has been included as a material document for inspection by the public in the section "*Material Contracts and Documents for Inspection*" of the DRHP, and will be available on the website of the Company at <https://www.kusumgar.com/investor-relations/home/>.
- d) The details pertaining to outstanding dues towards the material creditors of the Company have also been made available on the website of the Company at <https://www.kusumgar.com/investor-relations/home/>.
- e) the audited standalone financial statements of the 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/investorrelations/home/>.

K. Conversion of preference shares of the Company

In accordance with Regulation 5(2) of the SEBI ICDR Regulations, the following compulsorily convertible cumulative preference shares of the Company will be converted into Equity Shares prior to the filing of the RHP in a manner given below:

Outstanding CCPS of face value of ₹5 each as on date of the DRHP	Maximum number of resultant Equity Shares of face value of ₹1 each
3,501,372	3,501,372

L. Repository requirements

The BRLMs undertake to submit the requisite documents in the repository maintained by the Stock Exchanges in compliance with the SEBI Circular bearing number SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/170 dated December 5, 2024.

M. Other confirmations



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The Company shall obtain authentication on the 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.

Further, please note that the disclosures in the DRHP shall be suitably updated to reflect the Company's latest restated financial information, factual updates and any other developments, as may be necessary, at the time of filing of the RHP with the RoC.

Should you require any further information or clarifications, please feel free to contact the following persons from Axis Capital Limited:

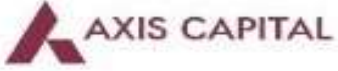
Contact Person	Telephone	Email
Ms. Mayuri Arya	+ 91 9702060004	mayuri.arya@axiscap.in
Mr. Sagar Jatakiya	+ 91 9769627763	sagar.jatakiya@axiscap.in

We request you to kindly provide your observations on the DRHP. Should you require any further information from us, we would be pleased to furnish the same.

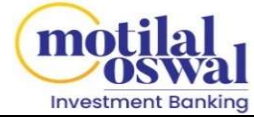
Thanking you.

Yours sincerely,

Enclosed: As above



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Axis Capital Limited**

Authorized Signatory

Name: Sagar Jatakiya

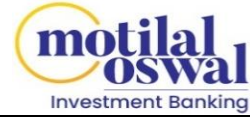
Designation: VP

Contact Number: 022-4325 2183

Email: sagar.jatakiya@axiscap.in



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **IIFL Capital Services Limited** (formerly known as IIFL Securities Limited)



Authorized Signatory

Name: Devendra Maydeo

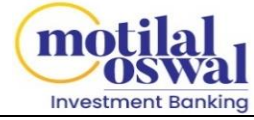
Designation: Sr. Vice President

Contact Number: +91 22 4646 4758

Email: devendra.maydeo@iiflcap.com



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Motilal Oswal Investment Advisors Limited**

Authorized Signatory

Name: Subodh Mallya

Designation: Executive Director- Investment Banking

Contact Number: 91+ 9004672258

Email: Subodh.mallya@motilaloswal.com



ANNEXURE I

[PDF copy of the DRHP has been annexed separately]



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ANNEXURE II

September 27, 2025

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 (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/Madam,

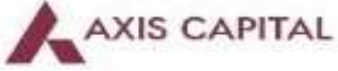
Re: Proposed initial public offering of equity shares of face value of ₹ 1 each (the “Equity Shares”) of Kusumgar Limited (formerly known as Kusumgar Corporates Private Limited) (the “Company”) and such offering, comprising of an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, also referred to as the “Offer

Pursuant to Regulation 25(2)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), we hereby confirm that we have entered into an offer agreement dated September 27, 2025 (which includes, among other things, the statement of *inter-se* allocation of responsibilities of the BRLMs) with the Company and the Promoter Selling Shareholders in connection with the Offer, in accordance with Regulation 23(5) and the format prescribed under Schedule II of the SEBI ICDR Regulations.

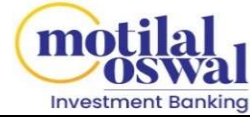
All capitalized terms used herein and not specifically defined have the same meaning as ascribed to such terms in the DRHP.

Yours sincerely,

Enclosed: As above.



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Axis Capital Limited**

Authorized Signatory

Name: Sagar Jatakiya

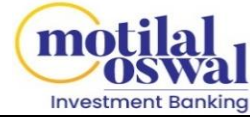
Designation: VP

Contact Number: 022-4325 2183

Email: sagar.jatakiya@axiscap.in



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **IIFL Capital Services Limited** (formerly known as IIFL Securities Limited)



Authorized Signatory

Name: Devendra Maydeo

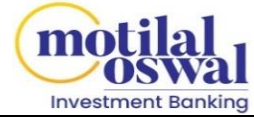
Designation: Sr. Vice President

Contact Number: +91 22 4646 4758

Email: devendra.maydeo@iiflcap.com



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The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Motilal Oswal Investment Advisors Limited**

Authorized Signatory

Name: Subodh Mallya

Designation: Executive Director- Investment Banking

Contact Number: 91+ 9004672258

Email: Subodh.mallya@motilaloswal.com



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ANNEXURE III

SEBI Ref. No. ACL-CF-Kusumgar Ltd-2025-123

September 27, 2025

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 (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares of face value of ₹ 1 each (the “Equity Shares”) of Kusumgar Limited (formerly known as Kusumgar Corporates Private Limited) (the “Company”) and such offering, comprising of an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, also referred to as the “Offer

We, Axis Capital Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) and Motilal Oswal Investment Advisors Limited, the book running lead managers to the Offer (the “BRLMs”), who have been appointed by the Company and the Promoter Selling Shareholders to manage the Offer, confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, intellectual property rights disputes, disputes with collaborators, etc. and other material while finalizing the draft red herring prospectus dated September 27, 2025 (“DRHP”) pertaining to the Offer. – **Complied with to the extent applicable**
- (2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company, we confirm that:
 - (a) the DRHP filed with the Securities and Exchange Board of India (“SEBI”) is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and other applicable legal requirements.
- (3) Besides ourselves, all intermediaries named in the DRHP are registered with the SEBI and that till date, such registration is valid. – **Complied with and noted for compliance.**
- (4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. – **Noted for compliance.**
- (5) Written consent from the Promoters has been obtained for inclusion of their Equity Shares as part of the promoter’s contribution subject to lock-in and the Equity Shares proposed to form part of promoter’s contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. – **Complied with and noted for compliance.**

- (6) All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of promoter's contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance.**
- (7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoter's contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that the Promoters' contribution shall be received at least one day before the opening of the Offer and that the auditors' certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the promoter's contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. – **Not applicable.**
- (8) Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges, and that the agreement entered into between the bankers to the Offer, the Promoter Selling Shareholders, and the Company specifically contains this condition. – **Noted for compliance.**
- (9) The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with to the extent applicable.**
- (10) Following disclosures have been made in the DRHP:
- (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares; and – **Complied with to the extent applicable. There are no SR equity shares issued by the Company.**
- (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with to the extent applicable and noted for compliance.**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance.**
- (12) If applicable, the Company is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not applicable.**

We enclose in **Annexure III-A**, a note explaining the process of due diligence that has been exercised by the BRLMs including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with applicable laws.

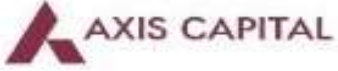
We enclose in **Annexure III-B**, a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

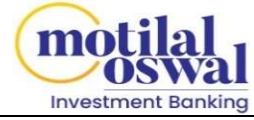
Yours sincerely,

Enclosed: As above.

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IIFL CAPITAL



The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Axis Capital Limited**

Authorized Signatory

Name: Sagar Jatakiya

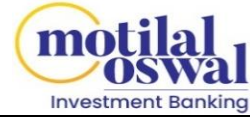
Designation: VP

Contact Number: 022-4325 2183

Email: sagar.jatakiya@axiscap.in



IIFL CAPITAL



The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **IIFL Capital Services Limited** (formerly known as IIFL Securities Limited)



Authorized Signatory

Name: Devendra Maydeo

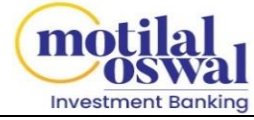
Designation: Sr. Vice President

Contact Number: +91 22 4646 4758

Email: devendra.maydeo@iiflcap.com



IIFL CAPITAL



The signature page forms an integral part of the letter to the Securities and Exchange Board of India in relation to the initial public offering of Kusumgar Limited.

For and on behalf of **Motilal Oswal Investment Advisors Limited**

Authorized Signatory

Name: Subodh Mallya

Designation: Executive Director- Investment Banking

Contact Number: 91+ 9004672258

Email: Subodh.mallya@motilaloswal.com



ANNEXURE III-A

Note explaining how the process of due diligence has been conducted

In connection with the draft red herring prospectus dated September 27, 2025 (the “**DRHP**”), we, the BRLMs, have carried out due diligence in relation to the current business of the Company, its Subsidiaries and its background for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), and other applicable laws, and to the extent that it is customary in initial public offerings in India, along with other professionals and experts engaged in connection with the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

For the purposes of the Offer, Khaitan & Co, acted as the Indian legal counsel to the Company, Duane Morris & Selvam LLP acted as the International Legal Counsel to the BRLMs and Talwar Thakore & Associates acted as the Indian legal counsel to the BRLMs (collectively, the “**Legal Counsels**”). The Legal Counsels assisted the BRLMs in carrying out documentary legal due diligence, drafting of the DRHP in compliance with SEBI ICDR Regulations and advised the Company and the BRLMs on relevant legal matters related to the Offer, in their respective roles.

The due diligence process carried out by us and the Legal Counsels involved attending a virtual and physical meeting and interactions with the representatives of the Promoters, Directors, Key Managerial Personnel, members of Senior Management and other members of the management of the Company for gaining an understanding of the business of the Company and its Subsidiaries, key risks involved, involvement of the Promoters and their relationship with the Company and financial overview of the Company and its Subsidiaries, among other matters. These interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Offer. In this regard, the Company was provided with a due diligence questionnaire and information request list that was prepared in consultation with the Legal Counsels. In response to the questionnaire and the requisition lists, the Company has provided us the documents and information, to the extent available, in relation to the questionnaire for our review and diligence and provided relevant explanations. In order to facilitate such review, the Company set up a virtual data room where copies of such supporting documents were made available for undertaking due diligence.

We were also assisted by the statutory auditor of the Company, MSKA & Associates, Chartered Accountants (the “**Statutory Auditor**”), in the financial due diligence process and the Statutory Auditor provided an examination report dated September 4, 2025, in relation to the restated financial information of the Company (the “**Restated Financial Information**”). As on the date of the DRHP, the Statutory Auditor confirmed that they hold a valid peer review certificate. Further, we were also assisted by the previous statutory auditor of the Company, Chaturvedi Sohan & Co (“**Previous Auditor**”). Further, we were also assisted by M/s Pankaj R Shah & Associates (“**Independent Chartered Accountant**”) who have verified and provided certifications with respect to certain financial and operational information included in the DRHP, including, without limitation, key performance indicators included in the “*Basis for Offer Price*” section of the DRHP and other operational information about the Company, weighted average cost of acquisition of Equity Shares acquired by the Promoters Selling Shareholders, details of any amounts outstanding to micro, small and medium enterprises, the employee stock options and its compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations (“**SEBI SBEB & SE Regulations**”), and material creditors and other creditors of the Company and financial indebtedness of the Company and its Subsidiaries. The Independent Chartered Accountant has also confirmed to us that all related party transactions entered into for the periods disclosed in the DRHP has been in accordance with applicable laws on an arm’s length basis. We also obtained a certificate dated September 27, 2025, from Dr. M. K. Talukdar, independent chartered engineer (“**Independent Chartered Engineer**”), certifying (i) the installed capacities and capacity utilization of the manufacturing facilities of the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023; and (ii) the details about the business and the manufacturing process undertaken at the manufacturing facilities of the Company, as included in the section titled “*Our Business*” on page 179 of the DRHP. Further, Vinay Agane and Associates, practicing company secretary, having membership number 4725/2023 (“**Practicing Company Secretary**”), has provided



certifications, amongst others, dated September 26, 2025 and September 27, 2025, respectively that (i) the employee stock option plan of the Company is in compliance with the SEBI SBEB Regulations and Companies Act, 2013; and (ii) all issuances of securities by the Company since inception till the date of filing of DRHP are in compliance with the Companies Act, 2013. Further, the Practicing Company Secretary has carried out an online and physical inspection at the RoC and verified and certified certain missing records and issued a report dated September 26, 2025 on the same.

The Company has also placed reliance on the industry report titled “*Engineered Fabrics industry report*” dated September 26, 2025, exclusively commissioned and paid for by the Company pursuant to the engagement letter dated February 3, 2025, and issued by Lattice Technologies Private Limited (“**1Lattice**” and such report, the “**1Lattice Report**”), for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent from 1Lattice dated September 27, 2025 to include the 1Lattice Report in the DRHP.

The Statutory Auditor, the Independent Chartered Accountant, Independent Chartered Engineer, the Practicing Company Secretary and 1Lattice, each have consented to be named as experts, in terms of the Companies Act, 2013, as amended (“**Companies Act**”), in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

1. **Business and Commercial Diligence**

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending transaction related calls and virtual and in-person meetings, including a kick-off discussion, with the management of the Company to develop an understanding of the business, history and other matters of the Company, including the industry overview and the regulatory environment, which were attended by members of the Company team, the BRLMs, the Legal Counsels and the Statutory Auditor. A broad overview of the business of the Company, the industry in which they operate, their financial information, the regulatory framework with respect to the business, the corporate structure as well as the Company’s capital structure, its shareholding pattern and the details of the Promoters of the Company were provided, followed by interactive virtual discussions.

Regularly interacting with the senior management of the Company, including the Directors, Key Managerial Personnel, members of Senior Management, other personnel from the business, secretarial, legal and finance departments of the Company such as the Company Secretary and Compliance Officer and the Chief Financial Officer, and the Statutory Auditor and Independent Chartered Accountant, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included (i) drafting sessions and conference calls to discuss the disclosures in the DRHP; (ii) due diligence calls and seeking appropriate clarifications with the Statutory Auditor, Independent Chartered Accountant and Independent Chartered Engineer; (iii) due diligence calls with 1Lattice; (iv) due diligence calls with vendors and customers of the Company; and (v) due diligence calls with management to receive updated information from the Company before filing the DRHP. These interactions were conducted with the objective of assisting the Company to prepare disclosures in the DRHP as required under the SEBI ICDR Regulations, and other applicable laws with regard to the Offer. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled “*Our Business*” and “*Risk Factors*”, respectively, in the DRHP. We expect these interactions, and due diligence calls to continue at relevant stages until completion of the Offer.

- (b) Physical site visits to the Registered Office and Corporate Office and the following manufacturing facilities of the Company and interacted with the Company’s management and employees there. The site-visits were carried out for our due diligence and to gain an understanding of the Company’s business and manufacturing processes:

Particulars	Address
Registered and Corporate Office	101, Manjushree, V.M. Road, Corner of N.S. Road No. 5, JVPD Scheme, Vile Parle (West), Mumbai 400056, Maharashtra, India



Particulars	Address
Manufacturing facility	Plot No. 10 and No. 11, Fairdeal Textile Park, Mahuvej Village, Managrol Taluka, Surat District, Gujarat, India
Manufacturing facility	Plot No. 1808 and 1809, Chhiri Village, Vapi Taluka, Valsad District, Gujarat, India
Manufacturing facility	Block no. 172, Kothwa Village, Taluka Mangrol, Surat

- (c) Interactions with the Promoter Selling Shareholders and their counsels to prepare disclosures in the DRHP in relation to the Promoter Selling Shareholders and their Offered Shares, and obtaining certifications in this regard;
- (d) Requesting the Company to make available the due diligence documents and reviewing those documents along with the Legal Counsels, based on the disclosure requirements under the SEBI ICDR Regulations and other applicable laws, and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions;
- (e) Obtaining and relying on:
- (i) comfort letter on tick-and-tie circle-up confirmations from the Statutory Auditor on the Restated Financial Information and financial information included in the DRHP, in each case, as of and for the periods specified therein;
 - (ii) certificate on tick-and-tie circle-up confirmations from the Independent Chartered Accountant on operational and financial information included in the DRHP, in each case, as of and for the periods specified therein
 - (iii) certificates, formal representations and undertakings from the Company, the Subsidiaries, the Promoters, Promoter Group, the Directors, the Key Managerial Personnel and members of Senior Management of the Company, the Promoter Selling Shareholders, the Statutory Auditor, the Independent Chartered Accountant, Independent Chartered Engineer, and other documents in support of certain disclosures made in the DRHP, for compliance with the SEBI ICDR Regulations.
- (f) Interacting with the industry consultant, 1Lattice and assisting the Company in obtaining the 1Lattice Report, exclusively commissioned and paid for by the Company in connection with the Offer for the purposes of confirming the Company's understanding of the industry in which it operates. Further, necessary consent was obtained from 1Lattice to disclose the contents of the 1Lattice Report in the DRHP;
- (g) Obtaining a certificate from the Independent Chartered Engineer dated September 27, 2025, certifying (i) the installed capacities and capacity utilization of the manufacturing facilities of the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023; and (ii) the details about the business, manufacturing process, and the manufacturing facilities of the Company, as included in the section titled "Our Business" on page 179 of the DRHP.
- (h) Reviewing, together with the Legal Counsels, material agreements relating to the business and operations of the Company executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time.

2. Key Performance Indicators

Key performance indicators of the Company have been identified and disclosed in the section "Basis for Offer Price" on page 114 of the DRHP in accordance with the SEBI ICDR Regulations and the industry standards on key performance indicators disclosures in draft offer documents and offer documents, as

notified by SEBI by way of its circular numbered SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated February 28, 2025 (“**KPI Standards**”). Further, such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated September 27, 2025 and such key performance indicators as disclosed in the DRHP have been certified by the Independent Chartered Accountant. Such certificate issued by the Independent Chartered Accountant in relation to the KPIs will form part of the section “*Material Contracts and Documents for Inspection*” on page 459 of the DRHP and will be available for public inspection from the date of filing of the RHP with the RoC until the Bid/Issue Closing Date.

The Company has undertaken to continue to disclose such key performance indicators, on a periodic basis, at least once in a year (or for any lesser period as determined by the Company), for a duration of one year after the date of listing of the Equity Shares, in accordance with the SEBI ICDR Regulations.

Further, the compliance of the KPIs disclosed with the KPI Standards has been certified by the Company through its authorized signatory, Ankur Kothari, Executive Director and Chief Executive Officer of the Company, *vide* certificate dated September 27, 2025.

3. *Industry information*

The Company has relied on industry and market data derived from the 1Lattice Report commissioned by the Company and prepared by 1Lattice exclusively for the purposes of confirming its understanding of the industry it operates in, in connection with the Offer pursuant to an engagement letter dated February 3, 2025. We have also conducted due diligence calls and interacted with representatives of 1Lattice to discuss the contents of the report. The industry related information contained in the DRHP, including sections titled “*Summary of the Offer Document*”, “*Industry Overview*”, “*Our Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, has been sourced from the 1Lattice Report. The 1Lattice Report has been included as a material document for inspection by the public in the section “*Material Contracts and Documents for Inspection*” on page 459 of the DRHP and will be available on the website of the Company.

4. *Financial information and financial indebtedness*

Due diligence was conducted on financial matters, which included discussions with the finance department of the Company and virtual meetings and due diligence calls with the Statutory Auditor and Independent Chartered Accountant. The restated financial information comprises the restated financial information of the Company for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, comprising the restated statement of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated statement of cash flow for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, and, the statement of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, the SEBI ICDR Regulations, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, and an e-mail dated October 28, 2021 from the SEBI to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide financial statements prepared in accordance with Ind AS for all the three years (“**Restated Financial Information**”). The Restated Financial Information has been prepared to comply in all material respects with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of division II of Schedule III to the Companies Act, 2013, as applicable to the financial statements and other relevant provisions of the Companies Act, 2013. 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. The 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, the Company adopted a transition date of April 1, 2022. Further, the acquisition of the 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 the 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.

We have reviewed the Statutory Auditor’s examination report with respect to certain financial information included in the DRHP. We have had discussions with the Statutory Auditor on the form and manner of the report required for such financial information. Further, the Statutory Auditor was required to review the financial information relating to the Company in the DRHP and has delivered a customary comfort letter to us confirming the accuracy of the financial information contained in the DRHP. Such comfort letter will be re-issued or brought down at certain future dates including at the stage of RHP and Prospectus.,

Reliance was also placed on the certificate on statement of possible special tax benefits available to the Company and its Shareholders, issued by the Statutory Auditor and included in the DRHP. Additionally, reliance was also placed on *inter alia* the certificate issued by the Statutory Auditor on the computation of the Company’s net worth, pre-tax operating profit, net tangible assets and monetary assets, each on a consolidated basis, to assess eligibility of the Company to undertake the Offer under Regulation 6 of the SEBI ICDR Regulations. Furthermore, a certificate has been obtained from the Statutory Auditor, for compliance with corporate governance requirements by the Company.

In relation to the information disclosed in summarized form in the section “*Financial Indebtedness*” on page 317 of the DRHP, the relevant sanction letters and agreements issued by the lenders as well as other financing related documents were made available. On the basis of our review, consents were obtained from the relevant lenders in connection with the corporate actions related to the Offer, as required under the arrangements with such lenders. The BRLMs have also relied on a certificate from the Independent Chartered Accountant to ascertain the amount of sanctioned and outstanding borrowings of the Company as of August 15, 2025, as disclosed in the section “*Financial Indebtedness*”, on page 317 of the DRHP.

5. ***Outstanding Litigation Proceedings and Material Creditors***

The Company has disclosed outstanding litigation involving the Company, its Subsidiaries, its Promoters, its Group Company and its Directors, its Key Managerial Personnel, Senior Management and details of material creditors on the basis of the legal requirements under the SEBI ICDR Regulations in the “*Outstanding Litigation and Other Material Developments*” section on page 359 of the DRHP.

The Company has disclosed the following outstanding litigation involving the Company, Subsidiaries, Promoters and Directors (collectively “**Relevant Parties**”), Key Managerial Personnel and Senior Management: (i) all outstanding criminal proceedings (including any notices received for such criminal proceedings and matters which are at FIR stage or police complaint has been made even if no cognizance has been taken by any court), involving the Relevant Parties, Key Managerial Personnel and Senior Management; (ii) all outstanding actions (including all disciplinary actions, penalties, and show cause notices and any findings/ observations or warning letters of any of the inspections by SEBI or any other regulatory authority and all penalties) by regulatory authorities and statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities) against the Relevant Parties, Key Managerial Personnel and Senior Management; (iii) all outstanding claims related to direct and indirect tax matters in a consolidated manner; giving the number of cases and total amount, involving the Relevant Parties; (iv) litigations (including civil and arbitration proceedings) as determined to be material by the Company’s Board as per the Materiality Policy adopted by the Company’s Board and (v) litigations involving the Group Company which may have a material impact on the Company.

For the purposes of the above, pre-litigation notices received or sent by any of the Relevant Parties, Key Managerial Personnel and Senior Management from/to third parties (excluding those notices issued by statutory or regulatory or governmental or taxation authorities and notices threatening criminal action or FIRs), shall not be considered as litigation until such time that the Relevant Parties, Key Managerial Personnel and Senior Management are not impleaded as a party in the litigation proceedings before any judicial/ quasi-judicial or arbitral forum, unless otherwise decided by the Company’s Board.

Except as stated in the “*Outstanding Litigation and Material Developments*” section of the DRHP, there

are no outstanding material dues to creditors of the Company. In terms of the Materiality Policy, outstanding dues to any creditor of the Company having a monetary value which exceeds 5% of the trade payables of the Company as at the end of the most recent financial period covered in the Restated Financial Information included in the Offer Documents. Accordingly, as on March 31, 2025, any outstanding dues exceeding ₹23.60 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information, as disclosed in the DRHP. The details pertaining to outstanding dues towards the material creditors of the Company have also been made available on the website of the Company at <https://www.kusumgar.com/investor-relations/home/>. Further, for outstanding dues to MSMEs, the disclosure is based on information available with the Company regarding status of the creditors under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

The Company provided a list of outstanding litigations involving the Company and supporting documents for material proceedings involving the Company. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. In relation to the litigation involving the Promoters, Subsidiaries, Group Company, Directors, Key Managerial Personnel and Senior Management, relevant certificates have been received, solely based on which appropriate disclosures, wherever applicable, in relation to litigation proceedings involving them have been included in the DRHP. With respect to taxation proceedings involving the Company, Subsidiaries, Promoters and Directors, reliance has been placed on a list provided by the Company, Subsidiaries, Directors and Promoters and the certificate dated September 27, 2025, issued by the Independent Chartered Accountant, in this regard.

In accordance with the SEBI ICDR Regulations, in respect of litigations involving the Group Company, the Company is required to disclose only such pending litigations that can have a material impact on the Company. In this regard, the Group Company through its certificate addressed to the Company and the BRLMs, have confirmed that there no outstanding litigation involving them that could have a material impact on the Company as per the Materiality Policy. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the five Financial Years preceding the date of the DRHP, including any outstanding action.

6. *Promoters, members of the Promoter Group, Directors, Subsidiaries, Key Managerial Personnel, Senior Management, Group Company and the Promoter Selling Shareholders*

For the purposes of making certain disclosures with respect to the Promoters, members of the Promoter Group, Directors, Subsidiaries, Key Managerial Personnel, Senior Management, Group Company and the Promoter Selling Shareholders, certifications and certain other documents were obtained from the relevant entities/ persons.

Confirmations have been received from the Company, its Subsidiaries, Directors, Promoters (including the Promoter Selling Shareholders) and members of the Promoter Group stating that they are not debarred or prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction by SEBI or any other securities market regulator in any other jurisdiction or any other authority/ court. Confirmations have also been received from the Company, Promoters and Directors that they are not wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations.

Further, public domain searches including on the websites of CIBIL and watchout investors for Company, Subsidiaries, Promoters, Directors, members of the Promoter Group, Key Managerial Personnel, Senior Management and Group Company were carried out and the results of such searches were analyzed and written confirmations regarding non-applicability of positive results, if any, in respect of the relevant parties, were obtained.

Further, confirmations have been taken from Directors and the Promoters of the Company, as applicable that (a) they are not directors on the board of other listed companies whose shares have been suspended from being traded on any stock exchange during the period of five years before the date of the DRHP during his/ her tenure, and (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange during his/

her tenure. Additionally, confirmations have been obtained from the Directors that they have not been declared as Fugitive Economic Offenders as defined under the Fugitive Economic Offenders Act, 2018. Confirmations have also been obtained from the Company, Promoters, members of the Promoter Group and the Promoter Selling Shareholders in respect of their compliance with Section 90 of the Companies Act 2013, read with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent in force and applicable, as on the date of the DRHP.

7. *Group Company*

Group companies have been identified in accordance with the definition provided under the SEBI ICDR Regulations, which include (i) such companies (other than the promoters and Subsidiary) with which there were related party transactions during the period for which Restated Financial Information have been disclosed in the DRHP, as covered under Ind AS 24; and (ii) any other companies which were considered material by the Board. In respect of item (ii) above and in terms of the Materiality Policy, companies (other than the promoters and Subsidiaries) forming part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has had transactions in the most recent financial year or the relevant stub period, as applicable, which individually or in the aggregate, exceed 10% of the total restated revenue from operations of the Company for the most recent financial year, as per the Restated Financial Information, were considered material.

Based on the parameters outlined above, as on the date of the DRHP, the Company has identified Speciality Fabrics Private Limited as its Group Company.

As per the provisions of the SEBI ICDR Regulations, the Company is required to provide the link of the website of the Group Company where certain financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of the Group Company based on their audited financial statements for the preceding three years of the Group Company have been disclosed. Accordingly, such financial information derived from the audited financial statements of the Group Company for Fiscals 2024, 2023 and 2022 is available at <https://www.kusumgar.com/investor-relations/home/>.

8. *Statutory and/or regulatory related and other diligence*

In connection with diligence of statutory and regulatory matters, the BRLMs have, with the assistance of the Legal Counsels, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, filings made by the Company with various statutory and regulatory authorities, material licenses, approvals and registrations applied for and/or received by the Company, and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time. The DRHP includes a summary of the material approvals required for carrying on the Company's business operations, including tax registrations, approvals under labor and employment related laws and intellectual property registrations. Such approvals have been disclosed in the section "*Government and Other Approvals*" on page 364 of the DRHP and a cross-reference has been included in the section "*Risk Factors*" on page 32 of the DRHP.

We, along with the Legal Counsels, have also regularly interacted with the officials of the Company to understand the approvals that are required to be obtained by the Company to carry out its business, followed by a due diligence exercise of such approvals for the manufacturing facilities operated by the Company. Additionally, we have also reviewed the other material agreements executed by, or in relation to, the Company.

9. *Objects of the Offer*

As the Offer comprises of an Offer for Sale, the Company will not receive any proceeds from the Offer and all such proceeds (net of any Offer-related expenses required to be borne by the Promoter Selling Shareholders in accordance with applicable law) will go to the Promoter Selling Shareholders.

10. *Price information of past issues handled by the BRLMs*



In respect of price information of past issues handled by the BRLMs, reliance has been placed on the information available on the websites of National Stock Exchange of India Limited and/ or BSE Limited for preparing the statement of price information of the past issues handled by each of the BRLMs.



ANNEXURE III-B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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SCHEDULE I

Para wise compliance of the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012

S. No.	Rejection Criteria	Response
	Rejection Criteria	
1.1	Where Capital Structure involves any of the following	
(i)	Existence of circular transactions for building up the capital / net worth of the issuer.	Not applicable
(ii)	Ultimate promoters are unidentifiable.	Not applicable
(iii)	Promoters' contribution not complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in letter or in spirit.	Not applicable
1.2	Where Object of the Issue	
(i)	Is vague for which a major portion of the issue proceeds are proposed to be utilized.	Not applicable
(ii)	Is repayment of loan or inter corporate deposit or any other borrowing of similar nature, and the issuer is not in a position to disclose the ultimate purpose for which the loan was taken or demonstrate utilization of the same for the disclosed purpose.	Not applicable
(iii)	Is such where the major portion of the issue proceeds is proposed to be utilized for the purpose which does not create any tangible asset for the issuer, such as, expenses towards brand building, advertisement, payment to consultants, etc., and there is not enough justification for creation of such assets in terms of past performance, experience and concrete business plan of the issuer.	Not applicable
(iv)	Is to set up a plant and the issuer has not received crucial clearances / licenses / permissions / approvals from the required competent authority which is necessary for commencement of the activity and because of such non-receipt of clearances / licenses / permissions / approvals, the issue proceeds might not be utilized towards the stated objects of the issue.	Not applicable
(v)	Is such where the time gap between raising the funds and proposed utilization of the same is unreasonably long.	Not applicable
1.3	Where business model of an issuer is	
	Exaggerated, complex or misleading and the investors may not be able to assess the risks associated with such business models.	Not applicable
1.4	Where scrutiny of Financial Statements shows	
(i)	Sudden spurt in the business just before filing the draft offer document and reply to clarifications sought is not satisfactory. This will include spurt in line items such as income, debtors/creditors, intangible assets, etc.	Not applicable
(ii)	Qualified audit reports or the reports where auditors have raised doubts / concerns over the accounting policies. This would also be applicable for the subsidiaries, joint ventures and associate companies of the issuer which significantly contributes to the business of the issuer. This would also be applicable for the entities where the issue proceeds are proposed to be utilized.	Not applicable
(iii)	Change in accounting policy with a view to show enhanced prospects for the issuer in contradiction with accounting norms.	Not applicable
(iv)	Majority of the business is with related parties or where circular transactions with connected / group entities exist with a view to show enhanced prospects of the issuer.	Not applicable



S. No.	Rejection Criteria	Response
1.5	Where there exists litigation including regulatory action	
(i)	Which is so major that the issuer's survival is dependent on the outcome of the pending litigation.	Not applicable
(ii)	Which is wilfully concealed or covered.	Not applicable
1.6	Other General Criteria	
(i)	Failure to provide complete documentation in terms of requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	Not applicable
(ii)	Non-furnishing of information or delay in furnishing of information or furnishing of incorrect / vague / misleading / incomplete / false / non satisfactory information to the SEBI.	Not applicable
(iii)	Failure to resolve conflict of interest, whether direct or indirect, between the issuer and merchant banker appointed by the issuer to undertake the book building process. Quantification of conflict of interest may not always be possible but it would largely depend upon the SEBI's assessment on whether such conflict of interest may affect the judgment and ability of the Merchant Banker in conducting due diligence activity of issuer.	Not applicable

SCHEDULE II

Para-wise compliance with the Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020

Paragraph	Contents	Response
3.	<p>Treatment where there is a probable cause for investigation or enquiry or when an investigation or enquiry is in progress against the entities.</p> <p>(1) Where there is a probable cause for investigation, examination or enquiry against the entities, the observations on the draft offer document filed by the issuer with the SEBI shall be kept in abeyance for a period of thirty days after such probable cause arises or the date of filing of the draft offer document with the SEBI, whichever is later.</p> <p>(2) Where the SEBI is unable to conclude such investigation, examination or enquiry against the entities due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of thirty days.</p> <p>(3) Where the SEBI is unable to conclude such investigation, examination or enquiry against the entities due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such investigation, examination or enquiry is concluded.</p>	Not applicable
4.	<p>Treatment where show cause notice has been issued</p> <p>(1) Where a show cause notice has been issued to the entities in an adjudication proceeding, the SEBI may process the draft offer document and issue observations and advise the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document.</p>	Not applicable
	<p>(2) Where a show cause notice has been issued in respect of proceedings under sub-section (4) of section 11 or section 11B(1), the SEBI shall keep in abeyance the issuance of observations for a period of ninety days from the date of filing of the draft offer document with the SEBI.</p> <p>(3) Where the SEBI is unable to conclude the proceedings as referred to sub-clause (2) due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of forty five days.</p> <p>(4) Where the SEBI is unable to conclude the proceedings as referred to sub-clause (2) due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such proceedings are concluded.</p> <p>(5) Where no order is passed within the time period specified in clause (3), the SEBI may process the draft offer document and issue observations and advise the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document.</p>	Not applicable
5.	<p>Treatment where recovery proceedings have been initiated or an order for disgorgement or monetary penalty has not been complied with or in case of non-compliance with any direction issued by the SEBI.</p> <p>Where the SEBI has initiated proceedings for recovery against the entities or when an order for disgorgement or monetary penalty passed against the entities is not complied with or in case of non-compliance with any direction issued by the SEBI, the observations on the draft offer document filed by the issuer with the SEBI shall</p>	Not applicable



IIFL CAPITAL



Paragraph	Contents	Response
	be kept in abeyance till such proceedings are concluded or until the directions are complied with.	
6.	Reconsideration of proceedings pursuant to remand by the Securities Appellate Tribunal or court. Where proceedings has been remanded by the Securities Appellate Tribunal or a court, the same shall in effect be treated as proceedings covered under this Order, and the SEBI may take appropriate action in respect of the draft offer document under the provisions of this general order, subject to any order passed by the Securities Appellate Tribunal or a court, as the case may be, while remanding the matter.	Not applicable
7.	Issuance of observations when the issuer is restrained by a court from making a public issue or filing of offer document. Where the issuer has been restrained by a court or tribunal from making an issue of securities or from issuing offer document to the public, the SEBI may examine the offer document and issue its observations thereof with a qualification that said observations are issued in accordance with the regulatory powers conferred on the SEBI and that the public issue or issuance of the offer document to the public by the issuer shall be subject to the orders of such court or tribunal or authority.	Not applicable

SCHEDULE III

Paragraph wise compliance of the SEBI (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015

Paragraph	Contents	Status
1	<p>In order to ensure effective enforcement of listing conditions and improve compliance environment among the listed companies and taking into account the interests of investors in securities and the securities market, it is felt necessary to strengthen the regulatory mechanism in the above regard. Accordingly, in exercise of powers conferred under sections 11 and 11A of the SEBI Act, in order to protect the interest of investors, it is hereby ordered that-</p> <p>a) a suspended company, its holding and/or subsidiary, its promoters and directors shall not, issue prospectus, any Issue document, or advertisement soliciting money from the public for the issue of securities, directly or indirectly; till the suspension is revoked by the concerned recognised stock exchange or securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier: Provided that SEBI may, in the interest of trade and securities market, relax the strict enforcement of this restriction on recommendation of the concerned stock exchange in case of companies, other than aforementioned, wherein such promoters are also promoters/directors;</p> <p>b) the suspended company and the depositories shall not effect transfer, by way of sale, pledge, etc., of shares of a suspended company held by promoters /promoter group and directors till three months after the date of revocation of suspension by the concerned recognised stock exchange or till securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier. The concerned recognised stock exchange and depositories shall co-ordinate with each other for ensuring compliance of this requirement. Such promoter/director may file objection, if any, before the concerned recognised stock exchange who may, on satisfactory reasons shown by such promoter/director, remove this restriction in accordance with its applicable rule, regulations and by-laws.</p>	Not applicable
2	For the aforesaid purposes, “suspended company” means a listed company in whose shares trading is suspended from trading by the recognised stock exchange on account of non-compliance with listing requirements.	Not applicable

SCHEDULE IV

CHECKLIST OF ADDITIONAL CONFIRMATIONS TO BE PROVIDED IN TERMS OF THE SEBI DIRECTIVE DATED MAY 29, 2024

Proposed initial public offering of equity shares of face value of ₹ 1 each (the “Equity Shares”) of Kusumgar Limited (formerly known as Kusumgar Private Limited and Kusumgar Corporates Private Limited) (the “Company”) and such offering, comprising of an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, also referred to as the “Offer

All capitalized terms not defined herein would have the same meaning as attributed to it in the draft red herring prospectus dated September 27, 2025, filed with the Securities and Exchange Board of India (“SEBI”) along with this Annexure (“DRHP”).

Sr. No.	SEBI Directive	Status of Compliance	Page No.	Remarks
A. Confirmations to be received from LMs				
1.	LM is advised to confirm and disclose, along with justification, that the issuer company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.	Complied with, to the extent applicable	92	The Company is in compliance with Companies Act, 1956 and Companies Act, 2013, to the extent applicable, with respect to issuance of securities from the date of incorporation of the Company till the date of filing of the Draft Red Herring Prospectus. However, the Company has filed an adjudication application dated September 20, 2025 under section 454 of the Companies Act, 2013 read with sections 29 and 450 of the Companies Act, 2013 with the RoC in connection with adjudication of penalties for certain contraventions of provisions of section 29(1)(b) of the Companies Act, 2013, read with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, which is currently pending. For details, see “ <i>Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Adjudication Application filed by our Company</i> ” and “ <i>Risk Factors – We have been unable to locate certain of our</i>

Sr. No.	SEBI Directive	Status of Compliance	Page No.	Remarks
				<i>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.” in the DRHP.</i>
2.	LM is advised to confirm and disclose that allottees under disclosed ESOPs scheme are employees only. LM shall also confirm and disclose that all grant of options under the disclosed schemes are in compliance with the Companies Act, 2013.	Complied with	96	All options under the ESOP 2024 that have been granted till the date of the DRHP have been granted to the employees of the Company and such options have been granted in compliance with Companies Act, 2013. A specific confirmation has been included in “ <i>Capital Structure</i> ” section of the DRHP.
3.	LM is advised to undertake that the utilization of Pre-IPO proceeds being discretionary in nature, if raised, shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilization towards the disclosed specific objects of the issue. A confirmation to this effect should be submitted at the time of filing of Red Herring Prospectus with the Board and the confirmation should form part of material documents available for inspection.	Not applicable	-	-
4.	LM is advised to undertake that disclosure shall be made of the price and the name of the shareholder on the day of the allotment in case if any Pre-IPO placement is done, through public advertisement. A confirmation to this effect should be submitted at the time of filing of updated draft red herring prospectus/ Red Herring Prospectus with the Board and the confirmation should form part of material documents available for inspection. The details of the Pre-IPO shall also form part of the Price Band Advertisement.	Not applicable	-	-
5.	LM is advised to provide a confirmation that there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.	Complied with and noted for compliance	224	It is submitted that there are no other agreements/ arrangements and clauses/ covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the “ <i>History and certain Corporate Matters</i> ”

Sr. No.	SEBI Directive	Status of Compliance	Page No.	Remarks
				section on page 224 of the DRHP.
6.	LM is advised to provide a confirmation that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document	Not applicable	-	It is submitted that there have been no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision. Further, the Company is not registered with any sectoral regulators.
7.	LM is advised to ensure that if there are any conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the Company) and the Company, Promoter, Promoter Group, Key Managerial Personnel and Directors, the same should be disclosed at all the relevant sections of the offer document	Complied with	229, 218, 251 and 368	A specific confirmation has been included in “ <i>Our Management</i> ”, “ <i>History and Certain Corporate Matters</i> ”, “ <i>Our Promoters and Promoter Group</i> ” and “ <i>Our Group Company</i> ” sections of the DRHP.
8.	LM is advised to ensure that if there are any conflict of interest between the lessor of the immovable properties, (crucial for operations of the Company) and the Company, Promoter, Promoter Group, Key Managerial Personnel and Directors, the same should be disclosed at all the relevant sections of the offer document.	Complied with	228, 218, 251 and 368	A specific confirmation has been included in “ <i>Our Management</i> ”, “ <i>History and Certain Corporate Matters</i> ”, “ <i>Our Promoters and Promoter Group</i> ” and “ <i>Our Group Company</i> ” sections of the DRHP.
9.	LM is advised to confirm and disclose that no material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.	Complied with	219	It is submitted that the Articles of Association of the Company has been included in the DRHP and no material clause of Article of Association have been left out from disclosure having bearing on the Offer/disclosure. A specific confirmation has been included in the “ <i>History and Certain Corporate Matters</i> ” section of the DRHP.