Kusumgar Limited

7th July, 2026

IPO Details

IPO Date	8th to 10th Jul, 2026
Face Value	₹1 per share
Price Band	₹398 to ₹419
Lot Size	35 Shares
Sale Type	Offer for Sale only
Total Issue Size	1,55,13,126 shares (agg. up to ₹650 Cr)
Offer for Sale	1,55,13,126 shares of ₹1 (agg. up to ₹650 Cr)
Employee Discount	₹39.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	10,49,91,372 shares
Share Holding Post Issue	10,49,91,372 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	35 Shares & 455 shares
Retail (Min & Max) application amount	₹14,665 & ₹1,90,645
S-HNI (Min shares & application amount)	490 shares & ₹2,05,310
S-HNI (Max shares & application amount)	2,380 shares & ₹9,97,220
B-HNI (Min shares & application amount)	2,415 shares & ₹10,11,885
Basis of Allotment	Mon, Jul 13, 2026
Initiation of Refunds	Tue, Jul 14, 2026
Credit of Shares to Demat	Tue, Jul 14, 2026
Listing Date	Wed, Jul 15, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Jul 10, 2026
Promoters	Yogesh Kantilal Kusumgar, Siddharth Yogesh Kusumgar, Sapna Siddharth Kusumgar and Siddharth Yogesh Kusumgar (HUF)
Registrar	Bigshare Services Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Kusumgar Limited is a manufacturer of woven, coated and laminated synthetic fabrics, referred to as engineered fabrics. The company offers engineered fabrics and solutions focusing on polyamides and polyester filaments and polyurethane chemistry that cater to the high-performance requirements of its customers. Their expertise is manufacturing fabrics where critical performance parameters include tensile strength, tear strength, abrasion resistance, comfort, air-permeability, and water proofing, among others. They have leveraged their process knowledge and product development expertise to manufacture over 1,000 unique fabric configurations (referred to as SKUs) as at March 31, 2026, to build a niche around synthetic functional and performance fabrics, addressing growing demand in the aerospace and defence, industrial and automotive, and outdoor and lifestyle segments.

In the recent years, the company has built on their expertise and industry knowledge to expand into manufacturing finished products for aerospace and military applications, such as parachute systems, stealth solutions, and rapid deployment systems. They sell their products to both government-owned entities and non-government-owned companies (such companies are also known as private integrators when they are involved in assembling and delivering bundled aerospace and defence products and solutions).

Objects of the Issue

- Offer for sale- ₹650.00 crores

Financial Details

Particulars (Amount in Crores)	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from Operations	692.0	779.0	467.9
Other income	19.8	11.2	6.7
Total Income	**711.8**	**790.2**	**474.6**
Expenses			
- Cost of Material Consumed	308.2	371.4	200.3
- Changes in the inventories of Finished Goods, Stock in Trade and Work in Progress	(51.9)	(11.2)	(23.3)
- Cost of Services	8.4	-	-
- Employee benefit expenses	88.2	65.6	41.5
- Other expenses	151.3	164.8	117.6
Total expenses	**504.1**	**590.6**	**336.1**
EBITDA	**187.9**	**188.4**	**131.9**
EBITDA Margin (%)	**27.1%**	**24.2%**	**28.2%**
- Finance cost	26.0	14.6	6.3
- Depreciation and amortization	46.7	34.2	17.1
Profit/(Loss) before tax	**135.0**	**150.8**	**115.1**
Tax expense/(credit)	36.8	38.8	30.7
Profit/(Loss) After Tax	**98.2**	**112.0**	**84.5**
PAT Margin (%)	**13.80%**	**14.18%**	**17.80%**
Basic EPS (in Rs.)	**9.68**	**11.03**	**8.32**

Key Metrics	31-Mar-26	31-Mar-25	31-Mar-24
Return on Equity (in %)	25.82	56.26	86.13
Debt to EBITDA	0.93	1.09	(0.51)
Working Capital Cycle (days)	90.00	14.00	(10.00)
Capacity Utilisation at processing, dyeing, finishing, printing and coating factories. (%)	49.5	42.32	94.33

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Competitive Strengths

- **Operating in High Entry Barrier Markets** – The company has developed and manufactured over 1,000 unique engineered fabrics. Market entry barriers for their products are high and include (i) technical knowledge, (ii) long product approval cycles, (iii) customized solutions, (iv) partnerships with leading brands and manufacturers, (v) customer loyalty for life-preserving features, and (vi) manufacturer size and infrastructure

- **Strong Technical Capabilities Enable Customized Solutions** – The company offers synthetic engineered fabrics and solutions that cater to the high-performance requirements of their customers. They have strategically focused on building a niche around synthetic functional and performance fabrics, addressing growing demand in the aerospace and defence, industrial and outdoor sectors. Their core expertise lies in working with polyamide and polyester filaments and polyurethane chemistry. Their most salient technical strengths are: (i) their light fabrics made of fine denier yarns; (ii) their ability to handle Nylon 6 and Nylon 66; (iii)their complex fabric engineering; (iv) their coating and lamination capabilities; and (v) their integrated fabric value chain.

- **Diversified Presence Across Multiple End-Use Segments** – The company operates across four diversified market segments—Aerospace & Defence Fabrics (31.67% of FY26 revenue), Industrial & Automotive Fabrics (24.43%), Aerospace & Defence Solutions (22.97%), and Outdoor & Lifestyle Fabrics (18.57%), resulting in a well-balanced revenue mix across multiple end-use industries. This diversified presence reduces dependence on any single segment and provides multiple independent growth drivers, supporting long-term business resilience and sustainable growth.

- **Long Standing Relationships with Customers**– – The company has long-standing relationships with their key customers, which allows them to increase their wallet share. In Fiscal 2026, their top six customers accounted for ₹333.03 crore, or 49.35%, of their revenue with customers. The company has an average customer relationship of 7 years with its top six customers.

Key Risk Factors

- **Dependence on Key End-Use Segments –** The company derived 31.67%, 24.43% and 22.97% of its revenue from contracts with customers for Fiscal 2026 from their Aerospace and Defence Fabrics, Industrial and Automotive Fabrics, and Aerospace and Defence Solutions market segments respectively. If there is any decline in demand for aerospace and defence fabrics, industrial and automotive fabrics, and aerospace and defence solutions, it could have a material adverse effect on their business, financial condition, results of operations and cash flows.

- **Customer Concentration Risk –** The company has derived and expect to continue to derive a significant portion of its revenue from their top 10 customers, which exposes them to customer concentration risks. Their top customer and top 10 customers contributed 11.13% and 59.52% to its FY26 revenues respectively. Any decrease in sales to such customers or the loss of such customers could have an adverse effect on their business operations, financial condition and cash flows.

- **Geographic Concentration of Manufacturing Facilities –** All six of the company’s manufacturing facilities are in Gujarat. Due to the geographic concentration of their manufacturing facilities, their operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political changes and other unforeseen events and circumstances. Further, any such adverse development affecting continuing operations at their manufacturing facilities could result in significant loss due to an inability to meet production schedules, which could adversely affect the business, results of operations, financial condition and cash flows.

- **Supplier Concentration Risk** - The company sources a large portion of its raw materials from a limited number of suppliers to benefit from bulk purchase discounts and better pricing. In FY26, its top 10 suppliers accounted for 51.42% of the total cost of materials consumed. However, the company does not have long-term contracts with these suppliers. If any of these key suppliers are unable to provide the required materials and the company cannot find suitable alternatives in time, it could disrupt production and negatively affect the company's business, financial performance, and cash flows.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Kusumgar	NA	1	45.01*	9.68**	9.31	25.82%	49.56
Peers:							
Garware Technical Fibres Limited	731	10	39.8	20.01	20.01	15.29%	136.44
Arvind Limited	547	10	32.72	15.8	15.79	10.91%	154.47
SRF Limited	2831	10	43.77	61.91	61.91	13.76%	473.74

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

India's engineered technical fabric industry is undergoing massive transformation, shifting from traditional apparel to high-performance applications like defense, aerospace, infrastructure, and healthcare. Primarily driven by Man-Made Fibers (MMF), the sector features major manufacturing clusters in Gujarat, Maharashtra, and Tamil Nadu. India's engineered fabrics industry, as measured by domestic consumption (including imports) and excluding exports, was valued at ₹ 55,880 crore (US$ 6.3 billion) in Fiscal 2020 and reached ₹99,000 crore (US$ 11.2 billion) in Fiscal 2026, growing at a CAGR of 10.0% during Fiscal 2020-2026. The market is expected to grow further and reach a value of ₹186,470 crore (US$ 21.1 billion) by Fiscal 2031, registering a CAGR of 13.5% during Fiscal 2026-2031.

Incorporated in 1990, Kusumgar is a manufacturer of woven, coated, and laminated synthetic fabrics known as engineered fabrics. Its products are based mainly on polyamide and polyester filaments, using polyurethane chemistry. As of March 31, 2026, it has developed over 1,000 unique fabric types (SKUs), building a strong position in the synthetic functional and performance fabric space. Its products serve a wide range of industries, including aerospace and defence, industrial and automotive, and outdoor and lifestyle segments. In recent years, the company has also expanded into finished products for aerospace and military use, such as parachute systems, stealth materials, and rapid deployment systems.

The company derives nearly two-thirds of its revenue from the Aerospace & Defense segment, with the remaining contribution coming from its Industrial & Automotive and Outdoor & Lifestyle businesses. In FY26, revenue growth was impacted by the deferment of two large orders, one from a military customer and another from a U.S. client, with the latter delayed due to tariff-related disruptions. Management expects both orders to be executed and recognized in FY27 as these issues have largely been resolved. Looking ahead, the company is well positioned to benefit from rising global defense and aerospace spending amid an evolving geopolitical landscape. Supported by a healthy order pipeline and improving execution, the company expects sustained revenue growth, while higher capacity utilization and operating leverage are likely to support margin expansion over the medium term.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering its growth potential.

DISCLAIMER

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