IPO Note – Kusumgar Ltd (7th July 2026)

Company Overview

- Incorporated in 1990, Kusumgar Ltd manufactures high-performance engineered synthetic fabrics utilizing polyamide, polyester filaments and polyurethane chemistry. As of March 31, 2026, the company boasts a robust portfolio of over 1,000 unique SKUs and employs a workforce of 2,077 personnel.
- The enterprise serves a diverse global clientele across the aerospace, defense, industrial, automotive and outdoor lifestyle sectors. Its Aerospace and Defence Fabrics division develops specialized, strictly certified materials for tactical gear, stealth systems and rapid deployment operations. Expanding beyond raw textiles, the Aerospace and Defence Solutions segment manufactures finished products like complete parachute systems, camouflage nets and deployable shelters.
- The Industrial and Automotive Fabrics division produces high-durability materials optimized for tapes, inflatables and mechanical rubber goods. Rounding out its portfolio, the Outdoor and Lifestyle Fabrics branch supplies premium, functional textiles for global activewear, luggage, tents, and protective outerwear.

Sector Outlook

- The global engineered fabrics sector, a highly specialized subset of technical textiles prioritizing functional performance over aesthetics, grew from $41.6 billion in 2019 to $62.5 billion in 2024. This expanding market is defined by stringent entry barriers resulting from complex manufacturing requirements, highly customized client demands and deeply entrenched industry relationships. The sector delivers high-tensile, durable and resistant materials critical for mission-critical aerospace and defense applications, including ballistic protection, parachute systems and advanced tactical gear.
- Concurrently, it sustains heavy industrial and automotive supply chains by providing essential, high-performance components for filtration systems, conveyor belts, airbags and tire cords. Looking ahead, the industry is increasingly aligning with contemporary green norms by pivoting toward sustainable manufacturing practices and advanced textile recycling methodologies.

Kusumgar Ltd

₹ 398 - 419 **Price Band**	**₹ 650 Cr** Issue Size
8th July - 10th July Subscription Days	**15th July 2026** Listing date

SUBSCRIBE

Particulars	IPO Details
No of Shares under IPO (Cr.)	1.5513
Post Issue MCap (Cr.)	**₹ 4,399.14**
QIB (Cr.)	0.7757
NIB (Cr.)	0.2327
Retail (Cr.)	**0.5430**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	90.48%	74.71%
Others	9.52%	25.29%
Total	**100%**	**100%**

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Company Outlook

- The company maintained a healthy financial profile in FY26, with net worth nearly doubling to ₹503 crore and assets rising to ₹905 crore, while borrowings declined to ₹224 crore. Although revenue and PAT moderated to ₹712 crore and ₹98 crore, respectively, EBITDA remained stable at ₹188 crore, reflecting resilient operating performance.
- The company is raising ₹650.00 crores through a 100% Offer for Sale (OFS), meaning all proceeds will go directly to the selling shareholders and the company itself will receive nil proceeds, with the primary corporate objective being to list on the exchanges to enhance brand visibility and provide liquidity to shareholders.
- At the upper price band of ₹419, Kusumgar Ltd. is valued at a P/E of 43.28x (basic) and 45.01x (diluted), reflecting an inline valuation with its sector peers so minor discount to larger ones. There is a strong defense sector tailwind along with high credibility in niche product portfolio make it a strong case of "SUBSCRIBE" for high risk investors.

Key Risks

- Crude oil linked volatility may squeeze operating margins with no supplier contract as buffer while bigger companies are in continuous R&D investment which is a costly arms race for a smaller company like Kusumgar.

Particulars	FY24	FY25	FY26
Revenue (Rs. Cr)	4,679.1	7,790.0	6,920.0
Revenue Growth %		*66.5%*	*-11.2%*
EBITDA (Rs. Cr)	1,318.5	1,883.9	1,878.5
EBITDA Growth %		*42.9%*	*-0.3%*
EBITDA Margin %	28.2%	24.2%	27.1%
PAT (Rs. Cr)	844.0	1,119.9	982.0
ROCE (%)	55.9%	42.9%	24.8%

Metric	Garware Ltd	Arvind Ltd	SRF Ltd
Revenue (Rs. Cr)	15,287.9	93,031.9	1,57,865.1
PAT (Rs. Cr)	1984.9	4269.7	18351.8
PE Ratio	39.8	32.7	43.8
RoNW(%)	15.3%	10.9%	13.8%
EBITDA Margin	NA	10.7%	22.9%

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