kusumgar

Unusual is usual

KUSUMGAR LTD

Price Band	Issue Opens
₹398 to ₹419	**8 Jul to 10 Jul, 2026**

Face Value	Issue Size	Lot Size	Listing At
₹1	₹650 Cr	35 Shares	NSE, BSE

Kusumgar Ltd Info

Issue Size	1,55,13,126 shares / ₹165 Cr
Fresh Issue	N/A
Offer for Sale	1,55,13,126 shares of ₹1 / ₹650 Cr
Retail Quota	Not less than 35% of the Net Issue
Retail Min/Max	₹14,665 / ₹1,90,645

Kusumgar ltd Timeline

Tentative Allotment	Mon, Jul 13, 2026
Initiation of Refunds	Tue, Jul 14, 2026
Credit of Shares to Demat	Tue, Jul 14, 2026
"Kusumgar ltd" Listing Day	Wed, Jul 15, 2026

Objects of The Offer

The proposed Initial Public Offering (IPO) is entirely an Offer for Sale (OFS) of equity shares by the Promoter Selling Shareholders, with an aggregate offer size of up to ₹6,500 million. Accordingly, the Company will not receive any proceeds from the Offer, as the entire proceeds (net of offer-related expenses and applicable taxes) will accrue to the Promoter Selling Shareholders.

- **Offer for Sale:** To facilitate the sale of up to ₹6,500 million worth of equity shares by the Promoter Selling Shareholders.
- **Stock Exchange Listing:** To list the Company's equity shares on the stock exchanges, thereby creating a public market for the shares.

About The Company and Business Overview

Kusumgar Limited is a leading manufacturer of engineered synthetic fabrics and engineered textile solutions, specializing in woven, coated, and laminated fabrics designed for high-performance and mission-critical applications. The Company utilizes advanced polyamide, polyester filament, and polyurethane technologies to manufacture fabrics with superior characteristics such as high tensile and tear strength, abrasion resistance, waterproofing, air permeability, and enhanced comfort.

Over the years, Kusumgar has developed a diverse portfolio of more than 1,000 fabric configurations (SKUs) using synthetic fibres including nylon, polyester, and aramids, ranging from ultra-lightweight 15D fabrics to heavy-duty 1000D fabrics. Building on its technical expertise, the Company has also expanded into the manufacturing of finished products and engineered systems for aerospace and defence applications.

Source: RHP

The Company's operations are organized into four key business segments:

- **Aerospace and Defence Fabrics:** Manufactures high-performance fabrics for military parachutes, aerial systems, tactical clothing, specialty gear, stealth applications, and rapid deployment systems. The Company is recognized as one of the leading suppliers of military parachute fabrics outside the United States and China.
- **Aerospace and Defence Solutions:** Designs and manufactures complete engineered systems, including parachute systems, camouflage nets, decoys, shelters, and other rapid deployment solutions. The Company also provides maintenance and repair services for selected defence customers.
- **Industrial and Automotive Fabrics:** Produces specialized fabrics for automotive wire harness tapes, industrial tapes, mechanical rubber goods (MRG) such as hoses, spindle tapes and heddle belts, along with custom-engineered and inflatable fabric solutions.
- **Outdoor and Lifestyle Fabrics:** Supplies performance fabrics to global brands for applications such as athleisure, winter wear, rainwear, fashion jackets, backpacks, luggage, sleeping bags, and tents.

Kusumgar operates a vertically integrated manufacturing platform, covering the entire value chain from yarn preparation and weaving to dyeing, printing, coating, lamination, finishing, and fabrication. This integrated manufacturing model enables the Company to maintain stringent quality standards, optimize production costs, and ensure timely delivery. Its manufacturing footprint comprises six production facilities in Gujarat and one fabrication unit in Uttar Pradesh, supporting both domestic and international customers.

FINANCIAL RATIOS:

Financial Ratios	ROCE	ROE	P/E	INDUSTRY P/E	EV / EBITDA
Garware Technical Fibres Limited	22.00	16.10	34.40	39.80	21..4
Arvind Limited	13.80	10.90	33.00	39.80	14.60
SRF Limited	14.60	14.30	43.70	39.80	24.90
Kusumgar Limited	***24.76***	***25.82***	***43.29***	***39.80***	***N/A***

Source : RHP

Brief profile of the Directors

- **Siddharth Yogesh Kusumgar** is serving as the Chairman and Managing Director of the Company. A diploma in Textiles from the Synthetic and Art Silk Mills Research Association, Mumbai, was obtained by him. He has over 25 years of experience in the technical textiles industry.
- **Sapna Siddharth Kusumgar** is serving as the Joint Managing Director of the Company. A bachelor's degree in Construction Engineering from Shah and Anchor Kutchi Engineering College, University of Mumbai, and a Post Graduate Diploma in Management (Family Managed Business) from S.P. Jain Institute of Management & Research, Mumbai, were obtained by her. She has over 21 years of experience in human resources, information technology and technical textiles.
- **Ankur Kothari** is serving as the Executive Director and Chief Executive Officer of the Company. A bachelor's degree in Textile Technology from the Indian Institute of Technology, Delhi, and a Master of Business Administration degree from the J.L. Kellogg School of Management, Northwestern University, were obtained by him. He has over 15 years of experience in strategy and operational leadership.
- **Kaushal Jaysingh Sampat** is serving as an Independent Director of the Company. A bachelor's degree in Commerce from the University of Bombay and a Master of Business Administration degree from Bowling Green State University, Ohio, were obtained by him. He has over 16 years of experience in general management, sales, marketing, operations, international business development, risk management, and data analytics.
- **Deepti Gupta** is serving as an Independent Director of the Company. A bachelor's degree in Science (Home Science), a master's degree in Science (Clothing and Textiles) from Govind Ballabh Pant University of Agriculture & Technology, Pantnagar, and a Doctor of Philosophy (Ph.D.) in Textile Technology from the Indian Institute of Technology, Delhi, were obtained by her. She has over 28 years of experience in textile chemical processing, product development and academia.
- **Nihar Ajay Parikh** is serving as an Independent Director of the Company. A bachelor's degree in Chemical Engineering from the University of Mumbai was obtained by him. He has over 10 years of experience in business strategy, finance and operations.

Source : RHP

Profit and loss Statement

Particulars	FY2026	FY2025	FY2024
Revenue from Operations	6,920.03	7,789.97	4,679.08
Other Income	197.75	112.15	66.43
Total Income	**7,117.78**	**7,902.12**	**4,745.51**
Cost of Materials Consumed	3,081.66	3,713.71	2,002.86
Change in Inventories of Finished Goods and Semi-Finished Goods	(519.12)	(111.76)	(232.62)
Cost of Service	84.47	0.00	0.00
Employee Benefits Expense	881.86	655.73	414.85
Finance Costs	259.78	146.31	63.22
Depreciation and Amortisation Expense	466.89	341.90	170.97
Other Expenses	1,512.66	1,648.40	1,175.52
Total Expenses	**5,768.20**	**6,394.29**	**3,594.80**
Profit Before Tax	**1,349.58**	**1,507.83**	**1,150.71**
Current Tax	362.22	408.91	289.13
Short Provision for Tax Relating to Prior Years	0.23	0.05	0.69
Deferred Tax Expense/(Credit)	5.13	(21.01)	16.93
Total Income Tax Expense	**367.58**	**387.95**	**306.75**
Profit After Tax	**982.00**	**1,119.88**	**843.96**
Remeasurement Gain/(Loss) of Net Defined Benefit Liability	9.34	(5.61)	(11.11)
Gain on FVTOCI Equity Investments	4.52	27.87	13.79
Income Tax Effect on OCI	(3.00)	(2.58)	0.83
Foreign Currency Translation Reserve	9.88	(0.20)	(0.01)
Other Comprehensive Income (Net of Tax)	20.74	19.48	3.50
Total Comprehensive Income	**1,002.74**	**1,139.36**	**847.46**
Basic EPS (₹)	**9.68**	**11.03**	**8.32**
Diluted EPS (₹)	**9.31**	**10.81**	**8.32**

Source : RHP

Strengths

- **High Entry Barriers in Specialized Markets:** Kusumgar operates in niche technical textile segments that require advanced engineering expertise, specialized manufacturing capabilities, and stringent quality standards. Long product qualification cycles, customized product development, and the critical nature of applications such as military parachutes and protective equipment create significant barriers for new entrants.
- **Strong Technical Expertise and Product Development Capabilities:** The company possesses advanced technical know-how in manufacturing high-performance engineered fabrics using polyamide, polyester, and aramid fibres. Its expertise spans ultra-lightweight fabrics, complex fabric engineering, advanced coating and lamination technologies, and customized product development for demanding applications across multiple industries.
- **Vertically Integrated Manufacturing Platform:** Kusumgar operates a fully integrated manufacturing setup covering the complete value chain, including weaving, dyeing, printing, finishing, coating, lamination, and fabrication. This integrated model enables greater control over product quality, production costs, lead times, and supply chain efficiency.
- **Diversified End-Market Presence:** The company serves multiple high-growth industries, including aerospace and defence, industrial and automotive, and outdoor and lifestyle applications. This diversified customer base reduces dependence on any single industry and provides resilience across different economic cycles.

Key Risk Factors

- **High Customer and Revenue Concentration:** The company derives a significant portion of its revenue from a limited number of customers and business segments. Its top 10 customers contributed nearly 59.52% of revenue in Fiscal 2026. In addition, Aerospace & Defence Fabrics, Aerospace & Defence Solutions, and Industrial & Automotive Fabrics account for a substantial share of total revenue. The absence of long-term customer contracts exposes the company to the risk of order cancellations, lower repeat business, and customer attrition.
- **Geographic Concentration of Manufacturing Facilities:** All six manufacturing facilities are located in Gujarat. Any regional disruptions arising from natural disasters, political developments, labor issues, or infrastructure constraints could adversely affect production and business continuity.
- **Dependence on Limited Suppliers:** The company relies on a concentrated supplier base for key raw materials, with the top ten suppliers accounting for over half of its material procurement. The absence of long-term supply agreements increases the risk of supply disruptions, price volatility, and procurement challenges.
- **Dependence on Imported Raw Materials:** Kusumgar imports critical raw materials such as synthetic yarns and polyurethane resins from international markets. Consequently, the business is exposed to foreign exchange fluctuations, global supply chain disruptions, shipping delays, and changes in international trade policies.
- **Working Capital Intensive Operations:** The business requires substantial working capital due to long production cycles and customer credit periods, resulting in a working capital cycle of approximately 90–180 days. Higher inventory and receivable levels may increase financing requirements and pressure cash flows.
- **History of Negative Operating Cash Flows:** The company has reported negative operating cash flows in certain periods, primarily due to increased working capital requirements. Continued pressure on cash generation could affect future expansion plans and liquidity.

Source: RHP

Valuation and Outlook

Kusumgar Limited IPO is expected to be priced between **₹398 to ₹419** per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **43.29x. Industry (P/E)** Price-To-Earning-Ratio is **39.80x**

Company	Revenue from Operations (₹ Million)	Face Value (₹/Share)	Closing Price as on July 07, 2026 (₹)	P/E Ratio	Basic EPS (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹/Share)
Our Company	6,920.03	1.00	-	-	9.68	9.31	25.82	49.56
Garware Technical Fibres Limited	15,287.86	10.00	724.00	34.40	20.01	20.01	15.29	136.44
Arvind Limited	93,031.90	10.00	537.00	33.00	15.80	15.79	10.91	154.47
SRF Limited	1,57,865.10	10.00	2,805.00	43.70	61.91	61.91	13.76	473.74

Kusumgar Limited is well positioned to benefit from the growing demand for high-performance technical textiles across aerospace & defence, industrial, automotive, and outdoor applications. Increasing defence modernization, higher government spending on indigenous manufacturing under the 'Make in India' initiative, and rising adoption of specialized engineered fabrics are expected to create significant long-term growth opportunities for the company.

The company's vertically integrated manufacturing capabilities, strong product development expertise, and ability to manufacture over 1,000 customized fabric configurations provide a competitive advantage in niche markets with high entry barriers. Its growing presence in value-added aerospace and defence solutions, coupled with strategic technology partnerships, is expected to support margin expansion and strengthen its market position.

In addition, increasing global demand for lightweight, durable, and performance-oriented synthetic fabrics across industrial and lifestyle applications provides further opportunities for business diversification. The company's continuous focus on innovation, advanced coating and lamination technologies, and customized product development is expected to support long-term growth.

However, the company remains exposed to risks arising from customer concentration, dependence on exports, fluctuations in raw material prices, supply chain disruptions, and working capital requirements. Its manufacturing concentration in Gujarat and reliance on imported raw materials also present operational and cost-related risks.

Overall, Kusumgar Limited is well positioned to capitalize on the long-term growth potential of the technical textiles industry. Continued investments in product innovation, expansion of defence and industrial applications, diversification of its customer base, and prudent working capital management will be key drivers of its future growth and profitability.

"Call us on 8448899576" to find out whether or not you should apply.

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