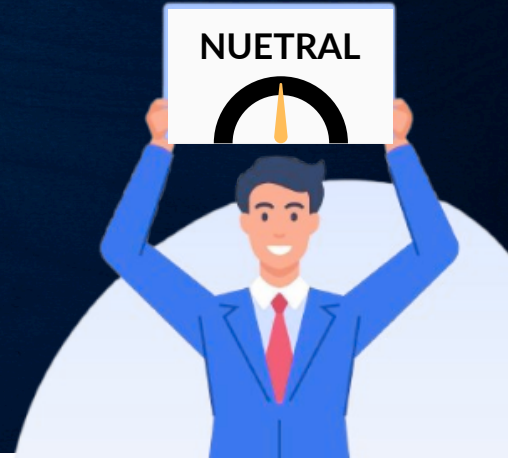




# IPO NOTE

## KUSUMGAR LIMITED



Rating:

**NUETRAL****ISSUE OFFER**

Issue Opens on	JULY 08, 2026
Issue Close on	JULY 10, 2026
Total IPO size (cr)	₹ 650
Fresh issue (cr)	-
Offer For Sale (cr)	₹ 650
Price Band (INR)	₹ 398-419
Market Lot	35 SHARES
Face Value (INR)	₹ 1
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹ 4,399.14

**ISSUE BREAK-UP (%)**

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

**INDICATIVE TIMETABLE**

Basis of Allotment	13-07-2026
Refunds/Unblocking ASBA Fund	14-07-2026
Credit of Share to Demat A/c	14-07-2026
Listing Date	15-07-2026

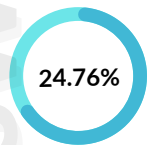
Kusumgar Ltd is a manufacturer of woven, coated, and laminated synthetic fabrics known as engineered fabrics. Its products are based mainly on polyamide and polyester filaments, using polyurethane chemistry.

**OBJECTS OF THE ISSUE**

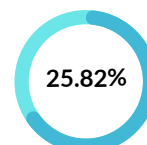
- Offer for Sale (OFS) of shares worth up to ₹6,500 million by promoter selling shareholders.
- Listing of equity shares on stock exchanges to enhance visibility and liquidity.

**FINANCIALS (RESTATED CONSOLIDATED)**

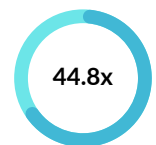
PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	11.9	10.9	1.9
Net Worth	502.95	257.75	140.36
<b>Total Income</b>	<b>711.78</b>	<b>790.21</b>	<b>474.55</b>
EBITDA Margin%	26.39%	23.84%	27.78%
<b>Net Profit/Loss of the year</b>	<b>98.20</b>	<b>111.99</b>	<b>84.40</b>

**FINANCIAL RATIOS OF FY26**

ROCE



ROE



P/E ( Pre IPO)

**OUTLOOK & VALUATION**

- Operates in a niche, high-entry-barrier business with strong defence-sector tailwinds.
- Financial performance has weakened, with revenue, EPS, and RoNW declining (86.13% → 56.26% → 25.82% during FY24-FY26).
- FY25 appears to have been a peak year, driven by a one-off CFF parachute order rather than sustainable growth.
- The IPO is a 100% Offer for Sale (OFS), with no fresh capital infusion into the company.
- Consider the issue primarily for potential listing gains, while maintaining a cautious long-term investment view.



## COMPANY PROFILE

- Kusumgar Limited is a manufacturer of technical textile fabrics and solutions catering to diverse industrial applications.
- The company primarily operates across four market segments: Aerospace and Defence Fabrics, Aerospace and Defence Solutions, Industrial and Automotive Fabrics, and Outdoor and Lifestyle Fabrics.
- The company serves a diversified customer base across multiple end-use industries through its specialised technical textile offerings.
- Its products are used across defence, aerospace, automotive, industrial, and outdoor applications, with revenue generated mainly from the manufacture and sale of these specialised fabrics and solutions.
- The company undertakes the complete value chain in-house, from yarn selection and weaving to coating, lamination and finishing, enabling it to manage quality, optimise costs and develop customised products for different customer requirements.



## COMPETITIVE STRATEGIES

- Continue to follow a “build, retain, extend” framework with respect to aerospace and defence business.
- Continue to work closely with global brands to grow Outdoor and Lifestyle Fabrics business.
- Steadily grow Industrial and Automotive Fabrics business by increasing wallet share and providing customized solutions.
- Continue to focus on manufacturing products and solutions with high gross margins and high entry barriers to continue to drive profitable growth.



## KEY CONCERNS

- High revenue dependence on a few cyclical industries (aerospace, defense, industrial, automotive).
- The top 10 customers accounted for 59.52% of FY2026 revenue, making it highly vulnerable to customer loss.
- Dependent on a limited number of suppliers with no long-term purchase agreements.
- Manufacturing facilities are concentrated heavily in Gujarat, exposing operations to regional or localized disruptions.



## KEY STRENGTHS

- Supplies customized technical textiles to aerospace, defense, automotive, and industrial sectors.
- Fully handles internal weaving, coating, lamination, and finishing processes.
- Protected by strict certifications, regulatory approvals, and long customer qualification cycles.
- Core focus on R&D and continuous new product development to drive growth.

## COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
<b>Kusumgar Ltd.</b>	<b>9.68</b>	<b>44.8</b>	<b>49.56</b>	<b>843.77</b>	<b>25.82</b>
<b>Peer Group</b>					
Garware Technical Fibres Limited	20.01	39.80	136.44	1528.7	15.29
Arvind Limited	15.80	32.72	154.47	9303.1	10.91
SRF Limited	61.91	43.77	473.74	15786.5	13.76



### DISCLAIMER:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.

Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: [compliance@swastika.co.in](mailto:compliance@swastika.co.in) Phone: (0731) 6644 241

Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532

CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.