

Kusumgar Ltd

IPO Note



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Quality-Driven Textile Solutions Provider

Kusumgar Limited, incorporated in 1970, is a specialised manufacturer of engineered and technical fabrics catering to niche applications across aerospace, defence, automotive, inflatables, mechanical rubber goods and outdoor equipment. Unlike conventional textile manufacturers, the company operates as a total-solutions provider with integrated capabilities across weaving, finishing, coating and lamination, supported by in-house R&D and quality-control infrastructure.

The company primarily uses synthetic fibres such as nylon, polyester and aramids to manufacture fabrics ranging from 15D to 1000D denier. Its product portfolio includes military parachute fabrics, heddle belts, spindle tapes and coated or laminated fabrics for demanding industrial applications. Kusumgar is among the limited manufacturers globally producing military parachute fabric and is one of the few domestic players with meaningful scale in high-performance technical fabrics. The company is also expanding its global customer base and increasing the use of recycled materials and renewable energy in operations.

Kusumgar reported revenue of INR 4,679 million in FY24, INR 7,790 million in FY25 and INR 6,920 million in FY26. EBITDA stood at INR 1,318 million, INR 1,884 million and INR 1,879 million, respectively, with margins of 28.18%, 24.18% and 27.15%. Despite its smaller scale, the company maintained higher EBITDA margins than its benchmarked peers. PAT increased from INR 844 million in FY24 to INR 1,120 million in FY25 before moderating to INR 982 million in FY26.

The key areas to monitor are working-capital intensity and customer concentration. Operating cash flow declined sharply from INR 2,010 million in FY24 to negative INR 1,550 million in FY25 and recovered only to INR 283 million in FY26, while receivables increased to INR 2,333 million. The top 10 customers contributed 59.52% of FY26 revenue, although concentration has reduced materially from FY25. Export contribution increased to 39.99% of FY26 revenue, indicating improving international diversification and growing acceptance of the company's specialised technical-fabric portfolio.

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	ROE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	467.9	131.8	84.4	28.2	18.0	8.0	13.4	60.1	155.9	52.1	32.9
FY25	779.0	188.4	112.0	24.2	14.4	10.7	24.5	43.4	33.3	39.3	24.4
FY26	692.0	187.9	98.2	27.1	14.2	9.4	47.9	0.3	0.2	44.8	24.5

Source: Ventura Research & Company update

Industry	Textiles
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Script Details

Listing	BSE &NSE
Open Date	July 08, 2026
Close Date	July 10, 2026
Price Band	INR 398 – 419
Face Value	INR 1
Market Lot	35 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	650
Issue Size (Shares Cr)	1.55
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	10.50
Post Issue sh. (cr)	10.50
Post Issue Market Cap (cr)	4,399

Shareholding (%)	Pre(%)	Post (%)
Promoter	90.48	90.48
Public	9.52	9.52
TOTAL	100.0	100.0

Issue Structure and Offer Details

Kusumgar Limited IPO is a book build issue of INR 650 Cr. The issue comprises a offer for sale of 1.55 Cr Shares aggregating to offer for sale of INR 650 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Net Offer
NII (HNI)	Not less than 15.00% of the Net Offer
Retail	Not less than 35.00% of the Net Offer

Number of shares based on a higher price band of INR 419

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. Offer for Sale – INR 650 Cr

Proceeds go to the existing investors.

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26	Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement				Per share data & Yields			
Revenue	467.9	779.0	692.0	Adjusted EPS (INR)	8.0	10.7	9.4
<i>YoY Growth (%)</i>	<i>55.1</i>	<i>66.5</i>	<i>(11.2)</i>	Adjusted Cash EPS (INR)	9.7	13.9	13.8
Raw Material Cost	177.0	360.2	264.7	Adjusted BVPS (INR)	13.4	24.5	47.9
<i>RM Cost to Sales (%)</i>	<i>37.8</i>	<i>46.2</i>	<i>38.3</i>	Adjusted CFO per share (INR)	19.1	(14.8)	2.7
Employee Cost	41.5	65.6	88.2	CFO Yield (%)	4.6	(3.5)	0.0
<i>Employee Cost to Sales (%)</i>	<i>8.9</i>	<i>8.4</i>	<i>12.7</i>	Adjusted FCF per share (INR)	11.8	(24.9)	(3.9)
Other Expenses	117.6	164.8	151.3	FCF Yield (%)	2.8	(5.9)	(0.0)
<i>Other Exp to Sales (%)</i>	<i>25.1</i>	<i>21.2</i>	<i>21.9</i>	Solvency Ratio (X)			
EBITDA	131.8	188.4	187.9	Total Debt to Equity	0.5	1.0	0.4
<i>Margin (%)</i>	<i>28.2</i>	<i>24.2</i>	<i>27.1</i>	Net Debt to Equity	(0.5)	0.8	0.4
<i>YoY Growth (%)</i>	<i>94.3</i>	<i>42.9</i>	<i>(0.3)</i>	Net Debt to EBITDA	(0.5)	1.1	1.1
Depreciation & Amortization	17.1	34.2	46.7	Return Ratios (%)			
EBIT	114.8	154.2	141.2	Return on Equity	60.1	43.4	0.3
<i>Margin (%)</i>	<i>24.5</i>	<i>19.8</i>	<i>20.4</i>	Return on Capital Employed	38.8	22.7	0.2
<i>YoY Growth (%)</i>	<i>118.6</i>	<i>34.4</i>	<i>(8.5)</i>	Return on Invested Capital	155.9	33.3	0.2
Other Income	6.6	11.2	19.8	Working Capital Ratios			
Finance Cost	6.3	14.6	26.0	Payable Days (Nos)	41	22	79
Fin Charges Coverage (X)	18.2	10.5	5.4	Inventory Days (Nos)	112	64	229
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	33	26	76
PBT	115.1	150.8	135.0	Net Working Capital Days (Nos)	104	68	90
<i>Margin (%)</i>	<i>24.6</i>	<i>19.4</i>	<i>19.5</i>	Net Working Capital to Sales (%)	28.6	18.7	0.2
<i>YoY Growth (%)</i>	<i>133.5</i>	<i>31.0</i>	<i>(10.5)</i>	Valuation (X)			
Tax Expense	30.7	38.8	36.8	P/E	52.1	39.3	44.8
<i>Tax Rate (%)</i>	<i>26.7</i>	<i>25.7</i>	<i>27.2</i>	P/BV	31.3	17.1	8.8
PAT	84.4	112.0	98.2	EV/EBITDA	32.9	24.4	24.5
<i>Margin (%)</i>	<i>18.0</i>	<i>14.4</i>	<i>14.2</i>	EV/Sales	9.3	5.9	6.6
<i>YoY Growth (%)</i>	<i>126.8</i>	<i>32.7</i>	<i>(12.3)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	115.1	150.8	135.0
Net Profit	84.4	112.0	98.2	Adjustments	16.0	44.4	72.8
<i>Margin (%)</i>	<i>18.0</i>	<i>14.4</i>	<i>14.2</i>	Change in Working Capital	95.7	(306.3)	(162.2)
<i>YoY Growth (%)</i>	<i>126.8</i>	<i>32.7</i>	<i>(12.3)</i>	Less: Tax Paid	25.8	43.9	17.5
Balance Sheet				Cash Flow from Operations	201.0	(155.0)	28.3
Share Capital	2.0	10.2	11.9	Net Capital Expenditure	(77.5)	(106.0)	(69.4)
Total Reserves	138.4	247.6	490.2	Change in Investments	(124.6)	102.2	(35.6)
Shareholders Fund	140.4	257.8	503.0	Cash Flow from Investing	(199.6)	2.1	(102.7)
Long Term Borrowings	34.8	75.8	85.1	Change in Borrowings	25.1	163.1	(30.5)
Deferred Tax Assets / Liabilities	3.5	1.7	2.5	Less: Finance Cost	3.9	12.4	24.2
Other Long Term Liabilities	36.8	47.9	57.5	Proceeds from Equity	0.0	0.0	124.5
Net Current Liabilities	367.5	246.7	255.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	1.8	2.6	2.0	Dividend Paid	0.0	0.0	0.0
Total Liabilities	444.4	374.7	402.1	Cash flow from Financing	21.2	150.8	69.8
Net Block	136.7	171.9	235.7	Net Cash Flow	22.6	(2.2)	(4.7)
Capital Work in Progress	8.4	45.2	26.3	Forex Effect	0.0	(0.0)	1.0
Intangible assets under developmei	0.0	0.0	0.0	Opening Balance of Cash	10.1	32.7	30.5
Non Current Investments	12.2	15.0	15.4	Closing Balance of Cash	32.7	30.5	26.8
Long Term Loans & Advances	0.0	0.0	0.0				
Other Non Current Assets	65.1	89.1	94.5				
Net Current Assets	(5.1)	64.6	278.2				
Total Assets	584.7	632.4	905.1				

Source: Company Reports

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