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IPO Note
08th July 2026

Kusumgar Limited

Subscribe

Rating: Subscribe

Issue Offer

Total issue size: OFS – INR 650 Mn (15.51 Mn shares)

Issue Summary	
Price Band (INR)	398-419
Face Value (INR)	1
Implied Market Cap (INR mn)	43,991
Market Lot	35
Issue Opens on	08 July, 2026
Issue Close on	10 July, 2026
No. of share pre-issue	104,991,372
No. of share post issue	104,991,372
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≥ 50
Retail Portion	≤ 35
NII Portion	≤ 15

Book Running Lead Managers

Axis Capital Ltd
IIFL Capital Services Ltd
Motilal Oswal Investment Advisors Ltd

Registrar

Bigshare Services Private Ltd

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	90.48%	75.70%
Public & Others	9.52%	24.30%

Objects of the Offer	Exp. Amt (INR Mn.)
The company will use INR 6,500 Mn to carry out the offer for sale.	6,500
The company will achieve the benefits of listing on stock exchanges from this offer for sale.	

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Kusumgar Limited is a manufacturer of engineered synthetic fabrics and defence solutions, specializing in woven, coated and laminated fabrics made from polyamide, polyester filaments and polyurethane chemistry. The company develops high-performance fabrics for applications across the aerospace & defence, industrial & automotive, and outdoor & lifestyle segments. As of March 31, 2026, it had over 1,000 fabric SKUs, reflecting its strong product development capabilities and technical expertise. In recent years, Kusumgar has expanded into value-added aerospace and defence solutions such as parachute systems, camouflage nets, stealth solutions and rapid deployment systems. The company serves both domestic and international customers and is well positioned to benefit from rising exports, defence modernization, supply chain diversification and growing demand for high-performance engineered fabrics.

Investment Rationale:

Strong position in a niche business with high entry barriers: Kusumgar is in the niche engineered fabrics business, where making high-performance products requires years of experience, precision manufacturing and consistent quality. The company has built a portfolio of more than 1,000 fabric SKUs across fine-denier weaving, coating, lamination and polyurethane-based products. Many of these products, especially those supplied to the defence and industrial sectors, go through lengthy testing and approval before they can be used by customers. Once a product is approved, customers generally prefer to continue with the same supplier, which makes it difficult for new companies to enter the market. Since most of the manufacturing process is done in-house, Kusumgar has better control over product quality, can introduce new products more quickly and respond faster to customer requirements.

Diversified product portfolio with multiple growth drivers: Kusumgar earns revenue from four businesses (i) aerospace & defence fabrics (ii) aerospace & defence solutions (iii) industrial & automotive fabrics, (iv) outdoor & lifestyle fabrics. This means the company is not dependent on any one industry for growth. Defence orders, demand from industrial and automotive customers, and the growing use of technical fabrics in outdoor products all support the business. The company is also increasing its exports, which should contribute a larger share of revenue over time.

Strong Customer Relationships Backed by an Integrated Manufacturing Platform: The company has built long-standing relationships with leading domestic and international customers and has entered strategic partnerships with global technology providers and brands. These partnerships provide access to advanced technologies, new product opportunities and international markets, while strengthening customer confidence. Supported by its vertically integrated manufacturing facilities covering weaving, dyeing, finishing, coating, lamination and fabrication, Kusumgar can maintain consistent product quality, improve operational efficiency and respond quickly to evolving customer requirements.

Valuation & Outlook:

Kusumgar is well positioned to benefit from favourable industry trends, supported by increasing defence modernization, government focus on domestic manufacturing, export opportunities and global supply chain diversification. The company's strong technical capabilities, diversified product portfolio, integrated manufacturing platform and expansion into higher value-added defence solutions provide multiple growth levers. While execution of new projects and export demand will remain key monitorables, the company appears well placed to deliver sustainable long-term growth. **At the upper band of INR 419, the issue is valued at a P/E ratio of 43.29x, based on FY26 EPS of INR 9.68. We are recommending a "Subscribe" rating for this issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	4,679.08	7,789.97	6,920.03
Growth (%) YoY	_	*66.49%*	*-11.17%*
EBITDA	1,318.47	1,883.89	1,878.50
Margins (%)	*28.18%*	*24.18%*	*27.15%*
PAT/(Loss)	843.96	1,119.88	982.0
Margins (%)	*17.78%*	*14.17%*	*13.80%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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