Kusumgar
Unusual is usual

Date: 18th August, 2026

To, **BSE Limited** P J Towers, Dalal Street, Fort, Mumbai – 400001 **Scrip Code: 544821**	To, **National Stock Exchange of India Ltd** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Trading Symbol: KUSUMGAR**

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call for the quarter ended June 30, 2026

Pursuant to Regulation 30 and 46 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of Company's Earnings Conference Call held on Friday, August 14, 2026, to discuss the Unaudited Standalone and Consolidated Financial Results for the Quarter Ended June 30, 2026,

The said transcript is also available on the Company's website at www.kusumgar.com.

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully,
For Kusumgar Limited
(Formerly known as Kusumgar Private Limited)

DEVANAND PARSHOTTAM MOJIDRA
Digitally signed by DEVANAND PARSHOTTAM MOJIDRA
Date: 2026.08.18 14:00:15 +05'30'

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"Kusumgar Limited
Q1 FY27 Conference Call"
August 14, 2026

MANAGEMENT: MR. ANKUR KOTHARI – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER – KUSUMGAR LIMITED
MR. RATAN JHA – CHIEF FINANCIAL OFFICER – KUSUMGAR LIMITED
MR. NARENDRA JAIN – CHIEF BUSINESS OFFICER – KUSUMGAR LIMITED

MODERATOR: MR. HARSH MITTAL – EMKAY GLOBAL FINANCIAL SERVICES

Moderator: Ladies and gentlemen, good day and welcome to the Kusumgar Q1 FY27 Conference Call hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Harsh Mittal from Emkay Global Financial Services. Thank you, and over to you, sir.

Harsh Mittal: Thank you, Alriac. Good morning, everyone. On behalf of Kusumgar, I would like to welcome all to Kusumgar Q1 FY27 earnings call. Today on the call, we have with us, the senior management team of Kusumgar, Mr. Ankur Kothari, the CEO, Mr. Narendra Jain, the CBO, and Mr. Ratan Jha, the CFO. Now, without further ado, let me hand over the call to Mr. Ankur Kothari for his opening comments. Over to you, sir.

Ankur Kothari: Good morning, everyone. Thank you for joining us. On behalf of the Board of Directors and the entire Kusumgar family, I would like to welcome all our shareholders, analysts, and members of the investment community to our earnings call for the first quarter of financial year 2027. This also happens to be our first Investor call after becoming a publicly listed company. So, we thank the investors for their trust and confidence that they have placed in us. I would also like to thank Harsh and Emkay Global for hosting today's call.

This is a proud moment for us. Kusumgar's listing on the Exchanges is an important milestone in our journey that began several decades ago. But we see this listing not as a destination. It's the beginning of a much larger journey with a much larger ambition, and we are grateful for the trust and confidence the investment community has placed in us as we take this next step together.

Since this is one of our first interactions with many of you in this format, I would like to take a few minutes to introduce Kusumgar and share what makes us a differentiated business. Kusumgar's work in engineered fabrics began in 1970, and the company as it exists today was formally incorporated in 1990. Around 2009-2010, we made a decisive shift into manufacturing at scale, marking a pivotal phase in our transformation into an engineered textiles company.

For a number of years through FY2017-FY2020, our revenue held steady, but over the last 5-6 years, we have grown approximately 7-8 times, transforming from being a fabric supplier into a specialized engineering fabrics and aerospace and defense solutions company. Looking back over fiscal 2020 through fiscal 2026, our revenue grew at a compounded annual rate of approximately 35%, and profit after tax grew significantly faster at above 70% over the same period. A reflection of both scale and improving profitability as our business mix shifted towards higher value military and aerospace work.

We listed on the NSE and BSE on July 15th this year, an important milestone as we begin this next chapter as a public company. Over the years, we have evolved from a trading company into an engineering textile manufacturer, and today into a company with growing capabilities across military and aerospace fabrics and solutions. We see ourselves as a technology-led company with deep roots in fabric science and material science chemistry.

What do we do? Today, we operate across four reported market segments. First, aerospace and defense fabrics. These are performance fabrics engineered for the most demanding applications including parachute canopies, tactical clothing, specialty gear, and other such applications where our core strength lies in polyamide and polyester filament technology and polyurethane chemistry, which as a combination of these materials is critical for durability, strength-to-weight ratio, waterproofing, abrasion resistance, etcetera.

Second, aerospace and defense solutions. This is where we forward integrated from just being a fabric supplier into manufacturing and supplying complete integrated systems including parachute systems, protective and camouflage solutions, rapid deployment solutions, etcetera. This has led to a shift up from our value chain from just being a material supplier to a solutions provider and has driven a large portion of our growth over the last several years.

Third, industrial and automotive fabrics. This segment serves steady, diversified demand across automotive and general industrial applications. It has been a part of our business for several decades, and it continues to remain an important part of our overall portfolio today. And we hope that this continues to grow steadily as it has over the last several years.

Fourth, our outdoor and lifestyle fabrics, also sometimes called as our active wear business. Here, we supply performance fabrics to global outdoor and active wear brands, an area where we work closely with international partners entering or expanding in the Indian market. This is a business that we started a few years ago and we have rapidly scaled up. There is a large underlying demand that this business can serve and which we are very excited about for the future.

We are focused on driving growth across all four of these segments, rather than concentrating our efforts on any single one. We have several organic opportunities to grow. We always remain open for partnerships, for collaborations, for tie-ups, and that has also been a major part of how we have been able to grow so well over the last several years. We work with a broad and long-standing customer base across these segments, built over several years.

Let me also give you a sense of the operational scale behind these numbers. We operate seven manufacturing facilities, six in Gujarat and one in UP, spanning the full value chain from preparatory and weaving through dyeing, printing, finishing, coating, lamination, and fabrication of certain specialized products. This vertically integrated setup gives us direct control over quality and delivery. Over decades of process knowledge and product development, we have built a portfolio of more than 1,000 unique fabric SKUs, each engineered for a specific application.

As of March 26, we employ just over 2,000 people across our manufacturing, engineering, product development, quality assurance, and business operations. Our work is supported by a dedicated R&D team focused on pushing the technical frontiers in fiber science and chemistry. Exports have become an increasingly important part of our story, and we continue to see growth in our international markets as we deepen our global partnerships.

But an important question that comes up in all investor communication and conversation is what is our moat and why is our business hard to replicate? I think the most important part of this is decades of technical know-how built by our team, starting from our founders themselves. We have over four and a half decades of accumulated expertise in engineered fabrics.

These capabilities are, they take a lot of time, involvement, R&D, and material science expertise to build. For example, manufacturing zero-porosity fabric for parachute applications, where we are only one of two suppliers globally, for fabrics rated for minus 50-degree climates, where we are a very proud supplier to the Indian military. We are also the only Indian manufacturer of Kevlar filament fabrics, and one of the very few companies globally that can consistently manufacture fine denier fabrics from 25 GSMs and above.

Second qualification barriers. Pretty much everything that we do requires extensive testing, validation, and approval cycles, often taking years. Once we clear that path with a customer, we become deeply embedded, and switching costs for the customers becomes very high. This has been a cornerstone of our success and a philosophy of doing business that we continue to cherish and will keep building upon.

Third partnerships and know-how that are difficult to replicate. We hold exclusive partnerships with several organizations, global leaders in their respective fields, that give us access to IP, to know-how, to relationships, licenses, etcetera. And over a period of time, as we build long-standing relationships with these global technology partners, our own foundation of knowledge keeps expanding, which keeps on feeding on itself.

And fourth, co-development and patience. Many of our products take over a decade to materialize. But once they do, they translate into long-term sticky recurring business. This is not a business built for quick wins. It's built for durable, defensible partnerships.

Now I'll hand over for a few minutes to Mr. Ratan Jha, our CFO, who will take you through our Q1 financial performance.

Ratan Jha: So, let me now walk you through our performance for the quarter. On a consolidated basis, revenue from operations stood at INR247.2 crores compared to INR122.5 crores in the same quarter last year. A growth of approximately 102% over a year. This growth was primarily driven by execution of our ready parachute contracts which scaled meaningfully during the quarter.

On a sequential basis, revenue declined from INR312.8 crores in Q4 FY26 to INR247.2 crores in this quarter, a decline of roughly about 21%. This is not a demand issue. Q4 '26 includes a concentrated push of export segments that was expedited following the resolution of tariff related uncertainties in the US markets, pulling forward volume that would otherwise have scaled more evenly across the quarters.

We view Q4 as the anomaly, not Q1, and expect revenue to normalize progressively throughout the year as our order books execute on a more even cadence. EBITDA for the quarter was INR75.9 crores at a margin of approximately 31%. Year on year basis, this represents a margin expansion of roughly 900 basis points from the 22% in Q1 FY26, driven by a richer higher margin product mix including the ready parachute contracts.

Sequentially, margin moderated from 41% in Q4 FY26, largely reflecting lower operating leverage as revenue normalized off the elevated Q4 basis rather than any deterioration in underlying profitability. Profit after tax for the quarter was INR42.6 crores at a margin of approximately 17% compared to INR6.6 crores and 5% margin in Q1 FY26. Our new product development pipeline continues to strengthen and we are actively broadening our funnel across products, segments, and geographies.

Ankur Kothari: Thank you, Ratan. This is Ankur back here. Moving forward, I would like to sort of address something that is very directly with the investor community. As management, we would ideally prefer not to give you very detailed guidance on revenue or profitability for the future. This is primarily because there are a few structural uncertainties in our business that we genuinely do not have control over.

Firstly, 90% of what we do is linked to long-standing product approvals. When these approvals will come, when they will get commercialized, is inherently uncertain. So beyond building for a few months, we really do not have great clarity of what the future holds at any point in time.

Secondly, a meaningful portion of our business flows from government tenders, largely from the Indian military but also from certain foreign militaries. These tenders and the business linked to them tend to have an inherent sense of unpredictability. Over a longer time period, we have a reasonably very good sense of how we will perform, right. So, over a few years, I have a very strong feeling around, how much business would materialize from where. But when it does and which quarter it would come is uncertain.

So, and thirdly, as a business we have a global footprint, both in terms of raw material sourcing and end customers. Impact of things, like the last year's US tariffs and given the volatility around the world over the last few years, this has on an overall, on balance, this has had a beneficial impact for our business. It does affect our numbers and it makes them unpredictable both from positive or a negative side.

I think lastly, we are a very new company on the public markets. As a company, as a philosophy, we would rather, play it safe and not make promises that we may not be able to keep. Over time, as we gain more experience navigating these markets, and we have done several quarters, and we have developed a much better sense, and we have educated the investment community about how our business cycle moves.

We expect the portion of our business also to become more predictable, and we hope to be able to guide you better as and when that happens. Of course, we remain committed to informing our investors and the broader community in general, whenever there is anything materially significant that is happening in our business, which we shall be doing. But in the larger present state of our business, we intend to stick to a policy of not providing formal, forward-looking guidance.

With that, I would like to thank you all once again for your time and your trust in Kusumgar. We are happy to now take your questions, and I'll pass on the mic to our moderator. Thank you all for listening to us.

Moderator: The first question comes from the line of Aadesh Gosalia with Spark Capital. Please go ahead.

Aadesh Gosalia: Thank you so much for the opportunity and congratulations to the management for a great listing and a very great set of numbers for the first quarter. I had a couple of questions. Firstly, just a data keeping part that, if you can share our segmental revenue breakup between the four segments that we classify.

Management: So, we are working on single segment, so that's why the segmental report is not applicable to us.

Aadesh Gosalia: Okay, okay. Secondly on the, like in the Q4, we had received an order in the A&D Solution segment which was pending, and was a spillover that happened in FY27. So Q1, if you can share that, how much of our Q1 revenue was driven by that particular order, and how much of it was from new orders, or if you can just give some breakup or clarity on our Q1 revenues?

Management: Yes. I think reasonably, I think, a significant portion of our revenue in Q1 did come from those parachute contracts overflowing, but you have to understand that from an annualized basis it wasn't too much off the mark. And the rest of the business was sort of as per usual, all the other things going on. If you actually look at it for a couple of our segments, the Q1 tends to be sort of the weakest quarter.

And so, I think I would say that this quarter in terms of its revenue would be broadly reflective of what you would expect though Q4 in general tends to be -- on a secular basis it should be the best quarter, but it depends on where is the aerospace and defense solutions business falling and in which quarter.

Aadesh Gosalia: Okay. I think I did miss when CFO sir was talking about the Q4 revenue. So just if you can elaborate more, like around 40%-45% of our FY26 revenue did come in Q4 of last year. I think I did miss reading into it if you can just elaborate something more on that?

Management: Yes, sure. So, I think two parts to that. One is that, one of the parachute contracts that we got, we were able to ship out a portion of that in Q4. So that led to a little bit of a rise in revenue there. And as I think we mentioned in the commentary also, around, I mean, between 10% to 15% of our revenue tends to come from the United States.

And a lot of that further year had been kept blocked up, which once the tariffs got lifted in Q4 of last year, that got shipped out. So that's what led to a larger Q4 than usual. And that's why, I think we said, I think this Q1 is better reflective of what an average quarter would look like, though structurally there will continue to be a little bit of an up and down in our business, for reasons that I had mentioned before.

Aadesh Gosalia: Okay. And on the same lines, on the margin profile also, like the last year our margin EBITDA margin came at around 19%, then in Q4 it went up to 37%. Now we are at 31%, and FY26 blended was around 27%. So, if you can even share something that how we should look at our margins considering the volatile nature, and some kind of light on it would be really helpful.

Management: I think if we expect -- again, right, and that's why I am always uncomfortable guiding too much forward because of whatever reasons, but under….

Aadesh Gosalia: No forward guidance historically only like if you can, you know, just explain?

Management: So, if you look at '25 and '26, I think there would be reasonable guides for, I mean, we should expect very similar numbers in '27 for EBITDA as a percentage.

Aadesh Gosalia: Okay. But I think probably the kind of volatility that we have seen can it can also be like 19%?

Management: Yes. I think that was a very dramatic thing because both affected by aerospace and defense solutions business going out and then the tariffs coming in. So, I think that was a more dramatic shift. I think you would see less dramatic shifts. But again, the world has continued to surprise us. So never say never, but under normal circumstances we should expect it to move a few percentage points and not as dramatic as you saw between let's say a Q4 of last year and the Q1 of last year.

Aadesh Gosalia: Okay, okay. Thank you. And just last two questions. First, firstly if you can share something on our Outdoor and Lifestyle segment. I think that has a much more visibility as compared to other segments. So, if you can share something like the capacity that we have over there, is it a fully unutilized?

Management: Yes, I think the outdoor and lifestyle business, I mean, capacity at this point of time is not really a constraint for us. It's progressive product approvals, that brand by brand, customer by customer, we continue to get approvals. As these approvals come in, the volumes also once you ship in one season, the next season the volume typically tends to increase. So, we are on track there. No complaints.

Aadesh Gosalia: Yes, but do we have some kind of like at least six, eight months kind of visibility on revenue from that segment or even that is a very...

Management: So, I think the way I would put it is, that while we do have, what we like to call projections from brands, what we have seen in the last couple of years is that, even after that, they end up having fairly material changes. So that's why we become uncomfortable in sort of giving you more exact numbers. But we -- if I were to say that right now the projections that we have in place with these brands are pretty strong, and should drive reasonable growth within that segment itself.

Aadesh Gosalia: Okay. And just last question on the geopolitical situation. Like the tariffs thing is not actually going away. It's coming up and down, and Middle East thing is going on. Is it affecting our business a lot, and how are we working around this entire situation?

Management: Yes. So, two, three things, right. I think, when we had the tariff situation last time around, we did work out a few arrangements with our end customers to ameliorate the situation if it were to happen again. So, if it happens, would it affect our business? Absolutely. And I think it's going to affect everyone. But not so badly as its last time because of some things that we put in place.

In general, I think we believe and we hope that the, the kerfuffle that's going on in the Middle East should lead to increased defense spending, and that from a longer-term perspective should be a tailwind for us. So, fingers crossed.

Aadesh Gosalia: So, we do supply to the Middle East? Like we have customers in that market also?

Management: So, we are both a raw material and a finished products supplier, right. In terms of raw materials, we do end up selling goods to people, then eventually end up all over the world. But at this point in time, in terms of finished products, Middle East is not a meaningful portion of our business.

Aadesh Gosalia: Okay, okay. Thank you so much.

Moderator: The next question comes from the line of Rajat Baldewa with Kizuna Wealth. Please go ahead.

Rajat Baldewa: Yes, hi Ankur sir. Thanks for the opportunity and congratulations on a good set of numbers. So, my first question on the partnership you have made. So, the products say basically on the decoys and on the carbon prepreg. Can you throw some light on the technology and the partnership agreement which you have made with the Russian company and which you have made with the Japanese company? And what's the opportunity of that product?

Management: Our arrangements with our various foreign partners come under fairly strict confidentiality agreements, Rajat. So, I would not be able to answer very detailed responses on these. All I can say is that in both the area of stealth and camouflaging, as well as lightweight materials that include carbon and its sort of forward goods, we are working on those and we hope that we continue to -- that these, the products that we develop become growth drivers in the future. At this point in time, it would be too early and premature for me to say more than that.

Rajat Baldewa: Okay. And second question on the demand front. Can you please explain the dynamics of the technical textiles, particularly in defense fabric, aerospace fabric and parachute applications? Like what are the key technical specifications required in these products? And how do the industry dynamics differ across India versus the global markets like China, Japan and etcetera?

Management: A few different questions, Rajat, so let me sort of take one by one. I think there is a fixed and then there is a sort of a surge demand in some of these things. By definition, everything that happens in a textile product is a consumable. So, let's say you have an armed forces of let's say a million soldiers. Now every year, they will need uniforms, they'll need winter clothing, they'll need let's say even the camouflage products that you do, or even the parachutes that you make, they go out of service and then they have to be replaced, right? So, there is a sort of a fixed demand.

Now what is a surge demand? Let's say, there is an event that is happening, there is war is brewing, and then people would like to not only replenish their inventory, but also keep a larger stock as to when, if and when they would need these goods, right? So, the way you have to look at this market, whether it is uniforms, whether it is technical clothing, rucksacks, sleeping bags, bulletproof jackets, parachutes, camouflage, is that at any point in time, you are going to have some steady demand, and then you are going to have surges when events happen. So, that is one. Now, everything that goes into the military goes through a fairly rigorous technical approval process, right?

It is not so easy to get a qualified and it always tends to be a few people who are qualified and within them, the business basically gets distributed. So, I think for Kusumgar, as far as India is concerned, we are an incumbent supplier for a large set of products, and we hope to be able to maintain our incumbent's advantage. As far as the global market is concerned, we are a challenger. We have been able to sort of make inroads, get our products qualified, and we are hopeful that that is something that we are able to do continuously and that portion of our business keeps growing. I don't know if I answered your full question, but yes, from what I could gather.

Rajat Baldewa: Yes, yes, understood. And sir, just the last question on the competition front. Like how does the Kusumgar is being placed versus the company like Gliders India versus the company like Kohli Enterprise?

Management: So, I think all companies have their own strengths and advantages. I think if I were to talk about, and we have a lot of respect for Gliders India Limited, they have been a large supplier to the Indian military for several decades, right? There are a set of products that they manufacture which are mandated by the Government of India to be supplied by them.

In fact, if I would rather if I were to talk of Kusumgar, our strength comes from a couple of different sources. One is the raw materials. We have we do the raw material, which I mean, and cost is one part of it, which is an advantage, but more importantly, it gives us faster turnarounds, it gives us more ability to develop fairly technical and high-performance parachute solutions, which others would find difficult to.

And the second advantage is that, we have certain partnerships which gives us access to design, know-how, and products and which helps us bring world-class products to the Indian military. So that's our advantage. And I think every company has their own advantage. In some cases, its legacy, in some cases it's agility, in some cases it's materials. So, everybody finds their own space to win wherever they are strongest.

Rajat Baldewa: Yes. And sir, does Kusumgar supply fabrics to the SMPP Private Limited, an indigenized, Indian defense manufacturing company?

Management: I would not like to comment upon specific customers of ours. But we do supply fabrics that are used for bulletproof jacket applications to manufacturers in the country, yes.

Rajat Baldewa: Okay, okay. Great, sir. Thank you very much, sir. And best wish for the future.

Moderator: Thank you so much, Rajat. The next question comes from the line of Nishita Jain with Sapphire Capital. Please go ahead.

Nishita Jain: Yes, am I audible?

Management: Yes, hi Nishita. You are.

Nishita Jain: So, I just wanted to understand, you mentioned that we do finished products and raw material both. So, can you give the revenue bifurcation between how much revenue does the raw material contribute and how much of it, how much does the finished product contribute? And do we also use the raw material in captive consumption?

Management: So, I think our revenue stemming from our fabrics business continues to be the majority of the business. Though Nishita, I mean, the entire solutions piece of our business is more recent. So that's something that will take time, but it has grown pretty fast. So that's one thing I would be happy to say. I would not, if you were to ask me what percentage of my business stems, of my business comes from, sorry, what was the second question you asked, Nishita, if you can just repeat it, I got a little confused.

Nishita Jain: If we use the raw material for our own use for captive consumption?

Management: So I think that, in any case, I actually to be honest, I do not have ready numbers for that, Nishita. I would be happy to take it offline and have somebody from my team get back to you with that information.

Nishita Jain: Okay, okay, sure, no problem. My next question is on what is our total capacity, if we could share, and what is the current utilization level?

Management: So, I think in terms of capacity, again, right, it becomes, because there are certain products that sort of take multi, go at 5 meters and then there are others that go at 300 meters. So, it becomes difficult to give an estimate of total capacity. So, it depends on product mix. However, on utilization, I would be I would say we are currently between I would say 55% to 60% utilization.

We did a very large capex, that sort of came fully online last year. And so, we are hopeful that that's something that gets -- I would ideally want it to be fully utilized next quarter, but our business just takes time with approvals and business growth to come in.

Nishita Jain: Right, understood. So, because we did a large capex last year only, I am assuming that this year we don't have any big capex plans. Is that right?

Management: I'm so sorry. Can you just repeat? I lost you for a few seconds.

Nishita Jain: Yes. I just wanted to understand if we have any big capex plans in FY27, FY28?

Management: So, at any point in time, we are exploring, so there's a standard business that we have, right, where we are doing engineered fabrics and sort of the solutions piece. Within that sphere, we will largely be doing maintenance capex and there isn't any large capex planned. But we are exploring certain new areas of business to get into. These are still taking shape.

What I would say is for new technologies and new areas that we are looking into, there could be some capex that could be coming up, which at this point in time are not fully materialized, so I cannot really talk too much about them. But in terms of our regular business, there isn't, we do not really need it. I mean, we'll need some maintenance capex, but nothing significant.

Nishita Jain: For maintenance, and if we have some sort of idea on what capex we can need for, like the areas you have mentioned into?

Management: So, I think because those as far as those areas are concerned, because they are emerging, it's difficult to pin down numbers. But for maintenance capex, I mean, you can look at, I think at any point in time, it will be a few percentage points, that is required. So, one can say that between 5% to 10% of your gross block at any point in time you can assume is a maintenance capex that you have to keep doing.

There is always also a little bit of debottlenecking that happens once in a while. Nothing planned as such, but hopefully there is some large business that comes in and then we put in some debottlenecking capex to bring it online.

Moderator: Thank you. The next question comes from the line of P. Shrinavas Reddy with Srinivasan Market. Please go ahead.

P. Shrinavas Reddy: Hello, sir. Am I audible?

Management: Yes, sir.

P. Shrinavas Reddy: Yes, sir, yes sir, thank you very much sir. And congratulations on the quarter sir. Sir, could you please help us with executable order book as of June 30th, sir?

Management: No sir. We do not comment on our order book, sir. I think, and I just let me explain to you sir why I am not giving it out to you, sir. At any point in time, sir, we have orders that are in various stages. One is where we have received formal POs, then the second is where we have LOIs, and then the third is where we have projections. It becomes difficult for us to sort of parse these numbers and be able to sir, exactly tell you which of these will get shipped out.

So, to be honest, sir allow us to work on it, maybe in a couple of quarters we'll be in a better position to analyze and to give you better sort of visibility on what these numbers look like. At a present point in time, all I can say, sir, is that this year in general looks to be a steady, good year of growth, and with sort of, I would say, reasonably, with not too much volatility. But again, the world is sometimes very interesting and they throw up some surprises, but right now it seems to be a good year of growth.

P. Shrinavas Reddy: Okay sir. On receivables and cash, debtor days have moved from roughly 59 to 117. Could you walk us through the receivables position at end June, like what collection cycle we should model for FY27, and whether you expect operating cash flow to turn positive this year?

Management: So, sir, we have not circulated the debtor's position in this quarter. I think it would be safe for me to say that, so I think, let me sort of the Q4 was an anomaly in general, because we had a very large quarter and those receivables sort of obviously looked artificially higher at the end of March.

And I would say sir, that business has normalized at this point in time, and its sort of a more regular level of debtors, and if you look at our sort of last couple of years of history, that will give you a good indication of where we would stand, sir.

P. Shrinavas Reddy: Okay sir, what about the cash flow to turn positive this year sir? Whether it is still?

Management: I think it will be positive sir. It is positive only, sir. Yes, sir.

P. Shrinavas Reddy: Okay sir. One final question sir. Sir on the finished parachute systems being executed now, are these under your own design and IP, or under a licensing arrangement as with FY25 program?

Management: Yes, they are, so it's under a licensing agreement. That's right. With one of our technology partners, sir.

Moderator: Thank you. The next question comes from the line of Prakhar Tibrewal with Choice Institutional Equities. Please go ahead.

Prakhar Tibrewal: Yes, hello Ankur sir. So, I wanted to understand how does our defense fabric business work? So, do we just sell the fabric to our customer and they'd then make their end product, and what kind of use cases are for these kinds of fabrics?

Management: Great question. So, I think there are two, three different models that we follow. One is, as you rightly said, that we basically supply fabrics to our customers, and who then are supplying further to let's say an Indian military or let's say a foreign military. So that's a standard model. Actually, let me start with the applications first. So, I think the applications are winter clothing, super high-altitude clothing, rainwear, rucksacks, sleeping bags, bulletproof jackets, I think I've covered most of it, but I may have missed out a few things, tents maybe sometimes. Yes. So that's one.

The second model is sometimes especially internationally, we supply it through agents, who then interact with the local authorities. There are language barriers, there is all sorts of barriers in some of the other countries that we operate in. So, there we basically work through what I would call registered agents for those militaries through whom we work.

And the third, which is very interesting is where sometimes a lot of governments, I mean, in the case of Indian government through the through entities like Gliders India Limited or through Troop Comforts Limited or through other PSUs. They buy directly from us and then they make finished goods out of it. So, a few different models.

But prima facie, what you said, which is that we make we supply fabrics, somebody makes finished goods out of them and supplies to the military, largely stands correct. Except obviously for things like parachutes and camouflage systems etcetera, where we, where we manufacture the end product itself.

Prakhar Tibrewal: Got it, got it. That's great sir. So, you mentioned there are two players in the parachute systems market globally, including yourselves. I heard that there were two players in some parachute system, okay.

Management: No, sir, there are lots of people, sir. Lots of companies all around the world we work with, sir.

Prakhar Tibrewal: Okay. So, can you just give an example of how many competitors do we compete with in the domestic aerospace and defense market?

Management: Sir, there is no clear answer for product to product, category to category for example, if you take something like a parachute system one of the other questions asked somebody mentioned Gliders India Limited, right? I would not call them competitors, I would call them peers, right? We all have our own strength and our own area that we do in. So there the competition is lower.

But if you were to take let's say a simple fabric, let's say something that is used for rainwear, I think the number of people increases. I think Kusumgar stands out within them for its quality, its consistency, its adherence to specifications. So, I think category to category it varies sir.

Moderator: Thank you. The next question comes from the line of Harsh Mittal with Emkay Global Financial Services. Please go ahead.

Harsh Mittal: Thank you, Alriac. So, my question is to Ankur sir. Sir, we have seen a fabulous journey in the past decade for Kusumgar, and we have, the last month had a successful listing. My question is sir, what catalysts do you see going ahead which will keep on this growth drivers being robust and keep our revenues buoyant. This is my only question. Thank you.

Management: I think, and let me give me some time to think through it. I think there are a few mega trends that are driving that, that we have seen actually drive our growth over the last few years, and that we believe will continue to be prevalent over at least the next several years to come.

One is the entire focus on aerospace and defense in India and indigenization therein. If we believe that the aerospace and defense industry will develop supply chains in India, I think that is something that Kusumgar will continue to drive. The second is global situation in terms of defense spending. That is also something that we believe is secular and that will keep driving us.

And the third is the standard focus on China plus one, global supply chains moving. All of these are throwing a lot of opportunities to us. It's our ability to take advantage of them which we hope we are able to do well, that should drive our growth.

Harsh Mittal: Thank you so much for the response. Thank you. So, I pass on to again to you the floor for any closing remarks.

Management: Thank you, Harsh. Thank you everyone for being kind to us on the first call, listening to our answers, and we hope to be able to continue speaking with the investment community, answering their questions within the constraints of what we can. Thank you for your time, for your attention. Thank you.

Harsh Mittal: On behalf of Emkay Global, I thank the management team for giving us the opportunity to host the call, and I request Alriac to please conclude the call. Thank you.

Moderator: Thank you, sir. On behalf of Emkay Global Financial Services, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.