IPO REVIEW

Kanishk Aluminium IPO

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- The company is engaged in the manufacturing comprehensive range of aluminium extrusion products for variety user industry.
- The company marked almost static top lines with inconsistent bottom lines for the reported periods.
- Boosted profits from FY25 onwards appears window dressing to fetch fancy valuations for IPO.
- Based on its recent financial data, the issue appears greedily priced.
- There is no harm in skipping this pricey issue.

About the Company

Kanishk Aluminium India Ltd. (KAIL) is specializing in manufacturing a comprehensive range of aluminium extrusion products, including solid & hollow section profiles, solar profiles, railings, heatsinks and sliding / fixed windows and doors profiles. Its products serve a diverse array of industries, such as electronics, automotive, mechanical, solar, furniture, transport, electrical, and architecture.

Its mission is to consistently deliver sustainable value to customers by offering quality products and services at optimal costs. The company achieves this through continuous improvement, integrity, and excellence in every aspect of operations. In November 2024, it has proudly launched brand, “Baari by Kanishk“, which focuses on aluminium system doors and windows. At Baari, it designs and manufactures a wide range of doors and window systems, including sliding doors, casement series, slide-and-fold doors, lift-and-slide doors, fixed panels etc.

All complete frames for doors and windows are manufactured in-house using advanced techniques to ensure durability and precision. Surface treatments such as anodizing, polishing, and powder coating are carried out by trusted third-party partners with whom it maintains long-standing relationships. Once the profiles are ready, it personally oversees the fabrication and installation process at customers ‘sites to ensure seamless service and uncompromised quality.

To further expand its presence and ensure consistent product quality across regions, it has entered into exclusive fabricator agreements with several partners across India. Under these agreements, the company supplies the raw materials, and the fabrication is done under its brand name, Baari by Kanishk. These collaborations span multiple states, including Jammu & Kashmir, Punjab, Haryana, Uttar Pradesh, Delhi, Madhya Pradesh, Kerala and West Bengal reflecting its growing footprint across diverse geographies. The company continues to focus on expanding horizons, building strategic

partnerships, and bringing the excellence of Baari by Kanishk to new markets across the country.

KAIL’s manufacturing unit, located in the vibrant "Blue City" of Jodhpur, Rajasthan, spans approximately 4,000 square meters. This facility is dedicated to producing precision aluminum extrusions according to the industry standards. Additionally, for Baari by Kanishk, it has established an experience centre in the heart of Jodhpur, providing customers with direct access to explore its product range.

Its primary raw material is aluminium, sourced from both pure aluminium ingots and recycled aluminium products, procured from domestic. It manufactures aluminium extrusions that serve a wide range of applications, including: Engineering products: Solar panel frames, automotive components, and transportation systems, electrical & electronics: Conductive profiles and Architectural products: Aluminium doors, kitchen profiles, and window frames. This diverse application range highlights its commitment to quality and sustainability in aluminium manufacturing. As of November 30, 2025, it had 46 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden IPO of 4000000 equity shares of Rs. 10 each at a fixed price of Rs. 73 per share to mobilize Rs. 29.20 cr. The IPO opens for subscription on January 28, 2026, and will close on January 30, 2026. The minimum application to be made is for 3200 shares and in multiple of 1600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 29.76% of post-IPO paid-up equity capital of the company. The company is spending a whooping amount of Rs. 4.58 cr. (15.70%) for this IPO process, and from the net proceeds, the company will utilize Rs. 19.50 cr. for repayment/prepayment of certain borrowings, Rs. 0.80 cr. for Branding and promotion of its brand “Baari by Kanishk”, Rs. 4.32 cr. for general corporate purpose.

The IPO is solely lead managed by Sun Capital Advisory Services Pvt. Ltd., and KFin Technologies Ltd. is the registrar to the issue. Sunflower Broking Pvt. Ltd., is the market maker. The IPO is underwritten to the tune of 15% by Sun Capital and 85% by Sunflower Broking.

The company has issued initial equity shares at par value, it has issued further equity capital at a fixed price of Rs. 60 per share in March 2024. It has also issued bonus equity shares in the ratio of 3 for 5 in March 2025. The average cost of acquisition of shares by the promoters is Rs. 6.25, Rs. 7.50, and Rs. 12.63 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 9.44 cr. will stand enhanced to Rs. 13.44 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 98.11 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 59.68 cr. / Rs. 1.76 cr. (FY23), Rs. 59.54 cr. / Rs. 1.52 cr. (FY24), Rs. 60.13 cr. / Rs. 3.04 cr. (FY25). For 5M - FY26 ended on August 31, 2025, it earned a net profit of Rs. 2.15 cr.

on a total income of Rs. XX cr. The company has posted almost static top lines for the reported periods with inconsistency in bottom lines. The sudden boost in its profits from FY25 onwards appears to be a window dressing for fancy valuations of IPO. The company is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 2.25, and an average RoNW of 21.03%. The issue is priced at a P/BV of 3.68 based on its NAV of Rs. 19.83 as of August 31, 2025, but missing on its post-IPO NAV data info in the offer document.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 19.01, and based on its FY25 earnings, the P/E stands at 32.30. Thus, the issue appears greedily priced.

The company has posted PAT margins of 2.96% (FY23), 2.56% (FY24), 5.09% (FY25), 17.62% (5M-FY26), and RoCE Margins of 10.78 %, 10.95%, 14.61%, 19.92%, respectively, for the referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It has adopted a dividend policy in March 2025, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Maan Aluminiuim, and Banco Products, as its listed peers. They are currently trading at a P/E of 57.1, and 19.1 (as of Jan. 22, 2026). However, they are not comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

MERCHANT BANKER’S TRACK RECORDS:

This is the 6th mandate from Sun Capital in the last three fiscals. Out of the last 5 listings, 3 opened at discount and the rest with premium ranging from 5.13% to 12.18% on the listing date. The Lead Manager has a poor track record.

Conclusion / Investment Strategy

KAIL is engaged in the manufacturing comprehensive range of aluminium extrusion products for variety user industry. The company marked almost static top lines with inconsistent bottom lines for the reported periods. Boosted profits from FY25 onwards appears window dressing to fetch fancy valuations for IPO. Based on its recent financial data, the issue appears greedily priced. There is no harm in skipping this pricey issue.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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