

# Kasturi Metal Composite IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127

Reviewed on 21 January 2026

- The company is engaged in the manufacturing of steel fiber products for industrial applications.
- It is catering in to domestic markets as well as having exports revenue.
- The company posted growth in its top lines for the reported periods, but its bottom line marked inconsistency.
- Bumper earnings for H1-FY26 (pre-IPO period) appears to be a window dressing for fancy valuations.
- Based on its financial data, the issue appears aggressively priced.
- Well-informed/cash surplus investors may park moderate funds for long term.

## About the Company

Kasturi Metal Composite Ltd. (KMCL) is engaged in the manufacturing supply and export of steel fiber products for industrial applications. Its product portfolio includes Loose Hook-End Steel Fiber, Glued Hook-End Steel Fiber and Flat Crimped Steel Fiber, available in various sizes and configurations for fiber-reinforced concrete applications.

Additionally, it manufactures Steel Wool Fiber, which is widely utilized in the production of friction linings for brake pads and clutches. Furthermore, the company trades Macro Synthetic PP Fibers under its "Durocrete" brand and operate a subsidiary, Durafloor Concrete Solution LLP, which specializes in providing tailored concrete flooring solutions. The company offers comprehensive solutions that enhance the structural integrity and performance of concrete and other composite materials.

KMCL markets its products under the 'Duraflex' and 'Durabond' brands, serving a diverse range of industries, including construction, engineering, warehousing, logistics, mining, infrastructure, and automotive. These products are utilized in various applications such as tunnel shotcrete, precast concrete, industrial and warehouse flooring, roads, pavements, tunnel mining, and automotive friction linings.

Additionally, they are used in hydroelectric plants, road and rail tunnels, underground caverns, bridges, and highways, ensuring structural integrity. With 20 years of experience in understanding customer requirements, the company remains committed to delivering quality, safe, and value-driven solutions. It operates three manufacturing units in the MIDC industrial area of Amravati, Maharashtra, ensuring operational efficiency and seamless production.

It generates revenue through both domestic sales and exports, catering to clients in six countries. Its revenue distribution from export sales stood at 1.88%, 16.56%, 4.56% and 11.76%, while domestic sales accounted for 98.12%, 98.34%, 95.44%, 88.24% of the total revenue for the period ending September 30, 2025, and the fiscal years 2025, 2024 and 2023 respectively. As of December 31, 2025, its consolidated order book stood at Rs. 37.53 cr., comprising orders to be executed by the company and its subsidiary company. As of October 31, 2025, it had 98 employees on its payroll.

## Issue Details / Capital History

---

The company is coming out with its maiden book-building route IPO of 2752000 equity shares of Rs. 10 each to mobilize Rs. 17.61 cr. at the upper cap. The company has announced a price band of Rs. 61 – Rs. 64 per share. The IPO opens for subscription on January 27, 2026, and will close on January 29, 2026. The minimum application to be made is for 4000 shares and in multiple of 2000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.47% of post-IPO paid-up equity capital of the company. From the net proceeds of the fresh equity issue, the company will utilize Rs. 13.29 cr. for capex on mechanical, electrical and interior work and procurement of plant and machinery for new facility, and the rest for general corporate purpose.

The IPO is solely lead managed by Hem Securities Ltd., and Bigshare Services Pvt. Ltd. is the registrar to the issue. HEM group's Hem Finlease Pvt. Ltd. is the market maker as well as a syndicate member.

The company has issued initial equity shares at par value, it has issued/converted further equity capital in the price range of Rs. 20 - Rs. 133.60 per share (based on Rs. 10 FV) between March 2007, and February 2025. It has also issued bonus equity shares in the ratio of 250 for 739 in February 2022, and 6 for 1 in December 2024. The average cost of acquisition of shares by the promoters is Rs. 1.62, Rs. 8.10, Rs. 8.51, and Rs. 9.20 per share.

Post-IPO, company's current paid-up equity capital of Rs. 7.64 cr. will stand enhanced to Rs. 10.40 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 66.53 cr.

## Financial Performance

---

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 37.37 cr. / Rs. 1.49 cr. (FY23), Rs. 50.20 cr. / Rs. 2.35 cr. (FY24), Rs. 57.22 cr. / Rs. 2.07 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 2.47 cr. on a total income of Rs. 32.29 cr. The company has posted growth in its top lines, but marked inconsistency in its bottom lines for the reported periods. Super earnings for H1 of FY26 (pre-IPO period) raise eyebrows and concern over its sustainability. This appears to be a window dressing for fancy valuations.

For the last three fiscals, the company has reported an average EPS of Rs. 2.93, and an average RoNW of 15.64%. The issue is priced at a P/BV of 2.42 based on its NAV of Rs. 26.42 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 13.47, and based on its FY25 earnings, the P/E stands at 32.16. Thus, the issue appears aggressively priced.

The company has posted PAT margins of 4.02% (FY23), 4.73% (FY24), 3.64% (FY25), 7.71% (H1-FY26), and RoCE Margins of 17.24 %, 18.43%, 13.76%, 12.35%, respectively for the referred periods.

## Dividend Policy

---

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

## Comparison with Listed Peers

---

As per the offer document, the company has no listed peers to compare with.

### MERCHANT BANKER'S TRACK RECORDS:

This is the 63rd mandate from Hem Securities in the last three fiscals. From the last 10 listings, 2 opened at discount, and the rest with premium ranging from 1% to 90% on the date of listing.

### Conclusion / Investment Strategy

KMCL is engaged in the manufacturing of steel fiber products for industrial applications. It is catering in to domestic markets as well as having exports revenue. The company posted growth in its top lines for the reported periods, but its bottom line marked inconsistency. Bumper earnings for H1-FY26 (pre-IPO period) appears to be a window dressing for fancy valuations. Based on its financial data, the issue appears aggressively priced. Well-informed/cash surplus investors may park moderate funds for long term.

## 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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

Disclaimer: The information provided herein is solely for educational and informational purposes and does not constitute an offer, solicitation, or recommendation to buy or sell any securities. Readers are advised to consult a qualified financial advisor before making any investment decisions. Investments in the securities market are subject to market risks. The author does not intend to invest in the securities discussed.