IPO Report

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Kasturi Metal Composite Limited

Materials

Price Band: ₹61 to ₹64 per share
Bidding: Jan 27 to Jan 29, 2026
Listing At: BSE SME
Listing Date: Feb 3, 2026

ESG Rating: Not Rated

ESG Initiatives

- Company has not disclosed ESG related activities

Details of the Issue

Lead Manager	Hem Securities Ltd.
Market Maker	Hem Finlease Pvt. Ltd.
Registrar	Bigshare Services Pvt. Ltd.

Promoter Holding

Pre-Issue	92.35%
Post-Issue	67.90%

Offer Structure

Market Maker	1,38,000 shares
QIB	13,04,000 shares
Retail	3,94,000 shares
NII	9,16,000 shares
Fresh Issue	60,00,000 shares
Total Issue	₹17.61 Cr

Financial Summary (₹ in Lakhs)

Particular	FY25	FY24
Revenue	5,697.22	4,974.55
EBITDA	568.92	539.54
PAT	207.37	235.14

Minimum Application

Category	Lots	Shares	Amount
Retail	2	4,000	₹ 256,000
S-HNI	3-7	6,000-14,000	₹3,84,000-₹8,96,000
B-HNI	8	16,000	₹ 1,024,000

Valuations

NAV(FY25)	24.79
EPS(Pre Issue)	2.86
P/E(Pre Issue)	22.38

Promoters

Samit Surendra Singhai, Akash Surendra Singhai, Surendra Fatechand Singhai and Lata Surendra Singhai

Company Overview

Incorporated in 2005, Kasturi Metal Composite Limited is engaged in the manufacturing, supply, and export of steel fiber products for industrial applications. The Company manufactures steel wool fiber for brake pads and clutches, trades Durocrete PP Fibers, and provides concrete flooring solutions through Durafloor Concrete Solution LLP, while marketing its products under the Duraflex and Durabond brands for applications in construction, mining, automotive, and infrastructure projects such as tunnels, roads, and bridges. It operates three manufacturing units at MIDC Amravati, comprising a fine wire drawing unit and two units for steel fiber and mild steel wire production.

Object of the Issue

- Funding the capital expenditure towards, mechanical and electrical works, interior work and procurement of plant and machinery for setting up a new manufacturing facility at Amravati, Maharashtra ("Proposed Unit IV") : ₹1,329.07 lakhs
- General corporate purposes

Price Band Analysis

At the upper price band of ₹64, Kasturi Metal Composite Limited is valued at a post-issue P/E of 32.08x and a P/B of 1.99x, reflecting a moderate-to-premium valuation in line with comparable peers. The company operates in the steel fiber manufacturing segment, which is supported by demand from infrastructure and construction activities, though it remains exposed to raw material price volatility and working capital intensity. The valuation factors in growth expectations, with future performance dependent on the company's ability to sustain margins, manage working capital efficiently, and control input costs while scaling operations.

Peer Comparison

Risk Measures:

- The company is significantly dependent on a limited number of key suppliers for the procurement of its principal raw materials, including low-carbon and medium-carbon wire rods. For the period ended September 30, 2025, purchases from the top ten suppliers accounted for 84.89% of the total raw material purchases. Additionally, approximately 83.07% of such purchases are sourced from the state of Maharashtra, which exposes the company to risks arising from regional disruptions that could adversely affect the continuity of its raw material supply and operations.
- The prices of steel and steel-related raw materials are subject to volatility due to factors such as global demand and supply dynamics, international trade policies, and currency fluctuations. As the company does not have long-term supply arrangements and procures its raw materials primarily on a spot basis, it is exposed to the risk of sudden increases in input costs, which may not be fully passed on to customers, thereby adversely affecting its profitability and financial condition.

Investment Rationale:

- Despite an increase in revenue from ₹4,974.55 in FY24 to ₹5,697.22 in FY25, the Company witnessed a decline in profitability ratios, with PAT Margin reducing from 4.73% to 3.64% and Return on Equity (ROE) moderating from 24.35% to 13.80% over the same period. This trend indicates pressure on margins and a moderation in capital efficiency as the business scaled, which may impact overall return metrics if not addressed going forward.
- A significant portion of the company's recent revenue growth is driven by Durafloor Concrete Solutions LLP, in which Kasturi Metal Composite Limited acquired a 98% stake during FY24. For the period ended September 30, 2025, this subsidiary accounted for 45.74% of the total revenue. However, the absence of a long-term consolidated financial track record for Durafloor Concrete Solutions LLP introduces uncertainty regarding the sustainability and stability of this growth contribution.
- Despite the company being valued at a premium, it continues to face significant concentration risks on both the revenue and procurement fronts. As of September 30, 2025, the top ten customers contributed 65.98% of revenue from operations, indicating high dependence on a limited customer base. Concurrently, the top ten suppliers accounted for 84.89% of total raw material purchases during the same period, exposing the company to supply-side risks that could adversely impact operations and financial performance.

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Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	FY23	FY24	FY25
Revenue From Operations	3,711.94	4,974.55	5,697.22
EBITDA	397.47	539.54	568.92
EBITDA Margin (%)	10.71	10.85	9.99
PAT	149.22	235.14	207.37
PAT Margin (%)	4.02	4.73	3.64
EPS	2.18	3.40	2.86
Return on Equity (RoE%)	23.76	24.35	13.80
Return on Capital Employed (RoCE%)	17.24	18.43	13.76
Debt to Equity Ratio	1.39	0.96	0.74

Source: RHP

Product & Service Wise Revenue Bifurcation (₹ in Lakhs)

Particulars	FY23	FY24	FY25
Products:	-	-	-
Duraflex Steel Fiber	2,437.80	3,042.22	2,342.95
Durabond Steel Wool Fiber	1,262.96	953.00	680.10
Duracrete PP Fiber	11.18	20.54	10.33
Durasheild Armour Joint	0.00	21.26	12.61
DuraSleeve	0.00	1.90	8.21
Duracure Curing Compound	0.00	0.00	1.69
Others	0.00	4.10	53.68
Services:	-	-	-
Flooring Work	0.00	849.08	2,252.64
Polishing & Densification	0.00	81.55	295.81
FM Certification	0.00	0.90	8.57
Others	0.00	0.00	30.63
Total	**3,711.94**	**4,974.55**	**5,697.22**

Customer concentration (% of Revenue)

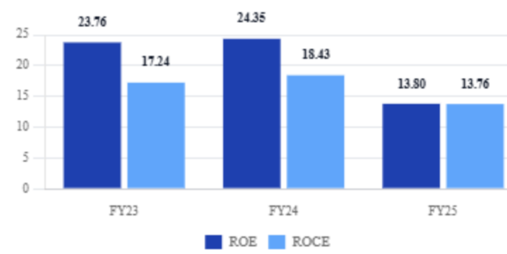
Particulars	FY23	FY24	FY25
Top 1 Customer	24.04	20.00	9.87
Top 5 Customers	68.04	52.68	40.94
Top 10 Customers	82.14	70.16	65.19

About The Founder

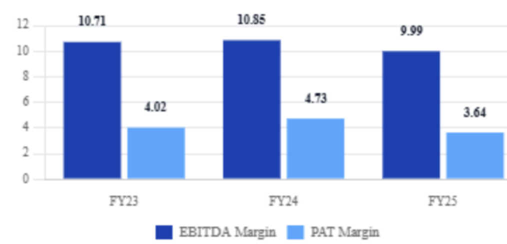
Samit Surendra Singhai is the Promoter and Chairman & Managing Director of the Company and has been on the Board since its incorporation. He holds an M.S. in Industrial Engineering from the University of Wisconsin–Madison (2004), a B.E. in Mechanical Engineering from the University of Pune (2001), and a Diploma in Blockchain Technology Management from the Institute of Management

FINANCIAL HIGHLIGHTS

Return Ratios



EBITDA and PAT Margin



Key Ratios: