IPO Note:

KARAMTARA ENGINEERING LIMITED - SUBSCRIBE

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IPO Note: KARAMTARA ENGINEERING LIMITED- SUBSCRIBE **09th September, 2026**

Issue Opens	**09th September 2026**
Issue Closes	**11th September 2026**
Type of Issue	Fresh Issue of 2,65,74,803 shares (aggregating up to ₹675.00 Crores) Offer for sale of 78,74,014 shares of ₹10 (aggregating up to ₹200.00 Crores)
Issue size	**₹ 875 Crores**
Price Band	₹241 to ₹254 per share
Bid lot/ Bid Size	59 shares/ Rs. 14,986
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	32,18,22,799 shares
Promoters and Promoter Group **Public**	Pre Issue – 92.06%|Post Issue – 82.01% Pre issue – 7.94%|Post Issue- 17.99%
Post issue implied market cap	₹ 8,174.30 Crores
BRLMs	JM Financial Limited, ICICI Securities Limited, IIFL Capital Services Limited.
Registrar to the issue	MUFG Intime India Private Limited.

Investment Recommendation and Rationale: -

Karamtara Engineering is well positioned to benefit from strong solar and transmission demand, supported by integrated manufacturing capabilities, expanding capacity, rising exports and diversification into wind, BESS and data-centre-related steel structures. Its established customer base and backward integration provide competitive advantages and support strong medium-term growth. Further, increasing renewable-energy installations, grid infrastructure investments and data-centre development offer multiple growth opportunities. At the upper price band of ₹254, the issue is valued at ~35.47x FY26 post-IPO EPS of ₹7.16. We assign a 'SUBSCRIBE' rating to the issue.

Karamtara Engineering Ltd, is a backward-integrated manufacturer of steel-based products used primarily in the renewable energy and power transmission sectors. The company manufactures critical components required for solar power projects, wind projects and transmission infrastructure, with an increasing focus on value-added and specialised products. It has built an **integrated manufacturing platform** covering steel processing, fabrication and galvanization, which helps it improve supply-chain control, reduce dependence on external suppliers and offer faster delivery to customers.

The company is among the **largest integrated manufacturers** in India of solar mounting structures (MMS) and tracker components by installed capacity as of FY26. Its product portfolio includes solar mounting structures, tracker piles, torque tubes, lattice transmission towers, angular and tubular wind towers, fasteners, structural steel profiles and OHTL hardware. This **diversified portfolio** enables Karamtara to participate across **multiple segments** of the renewable and transmission value chain rather than relying on a single product category.

As of FY26, the company had **13 manufacturing facilities**, including **eight in Maharashtra**, **four in Gujarat** and **one in Italy**. Its aggregate installed capacity stood at around 889,200 MTPA, including 492,000 MTPA of solar products, equivalent to approximately 16.8 GW of solar capacity. The company also has around **276,800 MTPA of in-house galvanizing capacity**, which provides an important competitive advantage as galvanization is a critical process for protecting steel structures from corrosion and extending their operating life.

Karamtara has **a strong international presence**, **exporting its products to 50+ countries** across North America, Europe, Asia, Africa, Australia and Latin America. The company is also a Four Star Export House and serves 16 of the top 24 US EPC companies, representing customers associated with approximately 233 GW of installed capacity. Export revenue increased from ₹1,395.8 crore in FY24 to ₹1,747.5 crore in FY26, although the export contribution to total revenue moderated as domestic business also expanded.

The company has **developed relationships with global and domestic renewable-energy players**, with repeat business from customers such as GameChange Solar Services India, Waaree Renewable Technologies, Soltec, Elecnor and Al Babtain. Its customer base and repeat business provide visibility despite the company operating largely through customer purchase orders rather than maintaining a traditional long-term EPC-style order book.

Karamtara is also diversifying beyond its traditional solar and transmission businesses. It **entered the wind-tower segment**, commencing angular tower production in March 2025 and tubular tower production in June 2025. Its Bhuj facility is designed for manufacturing large tubular wind towers, with capability to manufacture towers with diameters of up to 6 metres. The company is also **entering the Battery Energy Storage System** (BESS) segment through its wholly owned subsidiary, Karamtara Green Energy Ltd. (KGEL).

Going forward, capacity expansion and product diversification are expected to remain key growth drivers. The company plans to establish a structural steel profile facility and solar stamping parts facility, while a **PEB structures facility** is planned for FY28. The PEB business can help Karamtara participate in emerging applications such as data centres and transmission converter stations. The planned **Saudi Arabia manufacturing facility** should further strengthen its international manufacturing footprint.

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2026	2025	2024
Revenue from operations (₹ million)	43,119.76	31,584.45	24,251.50
Revenue Growth (%)	36.52%	30.24%	51.54%
A. Domestic revenue from operations	25,644.84	15,377.26	10,293.18
Domestic %	59.48%	48.69%	42.44%
B. Export revenue	17,474.92	16,207.19	13,958.32
Exports %	40.52%	51.31%	57.56%
EBITDA (₹ million)	4,981.10	3,468.30	2,629.28
EBITDA margin (%)	11.55%	10.98%	10.84%
Restated PAT (₹ million)	2,287.54	1,393.32	1,026.50
Restated PAT margin (%)	5.30%	4.40%	4.23%
Debt (₹ million)	10,301.29	5,562.76	5,085.14
Debt to equity	0.84	0.57	0.92
RoE (%)	20.77%	18.13%	20.45%
RoCE (%)	23.27%	23.30%	24.15%
Capacity (MTPA)	889,200	579,500	491,100
Capacity Utilization	59.05%	70.36%	67.91%

Source: RHP

Set out below are details of revenue from diverse product portfolio for the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	(%) of revenue from operations	Amount (₹ million)	(%) of revenue from operations	Amount (₹ million)	(%) of revenue from operations
Solar energy products	34,061.46	78.99%	25,709.21	81.40%	19,826.44	81.75%
Lattice towers for transmission line	2,737.06	6.35%	1,649.32	5.22%	1,012.35	4.17%
Angular towers for wind turbines	884.29	2.05%	18.35	0.06%	-	-
Tubular towers for wind turbines	464.06	1.08%	-	-	-	-
Fasteners	2,335.58	5.42%	2,080.42	6.59%	1,448.52	5.97%
Others*	**2,637.31**	**6.11%**	**2,127.15**	**6.73%**	**1,964.19**	**8.10%**
Total	**43,119.76**	**100.00%**	**31,584.45**	**100.00%**	**24,251.50**	**100.00%**

Source: Red Herring Prospectus (RHP)
*****_Others include revenue from OHTL hardware fittings and accessories, engineering and service fees, job work services, sale of raw materials, sale of scrap, structural steel profiles and export incentives_**.**

Set out below are details of installed capacity for each of manufacturing facilities:

Manufacturing Facility	Capability / Product	Installed Capacity
Solar Piles & TLT, Tarapur	Solar tracker piles & piers; lattice towers for transmission lines; angular towers for wind turbines	147,300 MT
Solar Piles, Tarapur	Solar tracker piles & piers	87,300 MT
Solar MMS, Tarapur	Solar MMS, including post coupler, Z-posts, solar C-piles & 90-degree hat purlins	95,000 MT
Solar MMS, Bhachau	Solar MMS, including post coupler, Z-posts, solar C-piles & 90-degree hat purlins	18,000 MT
Solar TT, Tarapur	Solar torque tubes	108,000 MT
Wind Tubular Tower	Tubular towers for wind turbines	126,000 MT
TLT & Wind Angular Tower	Lattice towers for transmission lines; angular towers for wind turbines	64,700 MT
Fasteners	Fasteners	30,000 MT
Kumbhavali Plate	Plates used in transmission lines / angular towers	7,300 MT
Solar Piles & TLT, Bhachau	Solar tracker piles & piers; lattice towers for transmission lines	36,400 MT
Profiles	Structural steel profiles, including angles, channels & beams	168,000 MT
OHTL Fittings	OHTL hardware, fittings & accessories	1,200 MT
Total		**889,200 MT**
Iselfa – Subsidiary	**OHTL hardware, fittings & accessories**	**480,000 pieces**

Note: MT = Metric Tonnes, Solar MMS includes post coupler, Z-posts, solar C-piles and 90-degree hat purlins, TT = Torque Tubes, TLT = Transmission Line Towers, OHTL = Overhead Transmission Line.
The 889,200 MT represents the aggregate installed manufacturing capacity of Karamtara Engineering as of March 31, 2026.

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Tanveer Singh	PSS	Equity shares of face value of ₹10 each aggregating up to ₹ 1,000.00 million	NIL
Rajiv Singh	PSS	Equity shares of face value of ₹10 each aggregating up to ₹ 1,000.00 million	NIL

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue of 2,65,74,803 shares (aggregating up to ₹675 Cr)
Offer for Sale of 78,74,014 shares of ₹10 (aggregating up to ₹200 Cr)

Company plans to use the Net Proceeds to fund the following objects:

1. Funding prepayment, repayment and/ or payment obligations to lenders towards borrowings and Acceptances, in part or full.
2. General corporate purposes.

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Peer Comparison:

Name of the Company	Face Value per Equity Share (₹)	Market capitalization as on August 28, 2026 (in ₹ millions)	Revenue from operations, for Fiscal 2026 (in ₹ million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	NAV (₹ per share) for Fiscal 2026	P/E	RONW (%) for Fiscal 2026
Karamtara Engineering Limited	10.00	NA	43,119.76	7.83	7.83	41.72	NA	20.78 %
Listed Peers								
Inox Wind Limited	10.00	1,24,018.35	43,971.20	2.65	2.65	36.93	27.08	8.32%
Waaree Energies Limited	10.00	7,59,111.87	265,367.70	129.10	128.84	501.90	20.48	32.48 %
KP Green Engineering Limited	5.00	13,100.00	12,455.69	27.15	27.15	91.52	9.65	32.32 %
Suzlon Energy Limited	2.00	6,42,888.07	166,791.10	2.31	2.31	6.90	20.25	40.64 %
Premier Energies Limited	1.00	4,60,306.83	78,243.74	33.63	33.63	95.09	30.15	42.35 %
Vikram Solar Limited	10.00	62,578.60	48,022.51	13.68	13.68	87.43	12.70	21.34 %
Saatvik Green Energy Limited	2.00	53,841.68	45,484.37	29.83	29.76	107.08	14.23	41.97 %
Emmvee Photovoltaic Power Limited	2.00	2,24,285.17	50,498.77	17.17	17.17	53.37	18.87	51.12 %

*Source: Red Herring Prospectus (RHP) ; *P/E ratio of peers based on the CMP of equity shares on NSE as on November 20, 2025*

Competitive Strengths

1. Leading integrated manufacturer of solar mounting structures and tracker components in India.
2. Comprehensive product portfolio across fixed-tilt structures and trackers, enabling a one-stop solution for solar projects.
3. Strong global presence, with a proven track record of exports across 50+ countries.
4. Established relationships with global customers, supported by a strong track record of customer retention.
5. Strategically located manufacturing network equipped with advanced manufacturing capabilities and technology.
6. Experienced promoter-directors backed by a capable and skilled management team.
7. Consistent financial performance supported by a strong balance sheet and healthy financial position.

Growth Strategies

1. Expand installed manufacturing capacity in India to cater to growing demand and support business growth.
2. Strengthen market position in renewable energy and allied infrastructure through new product development and expansion into adjacent product offerings.
3. Expand international customer base by increasing presence and penetration across global markets.
4. Enhance operational efficiency and reduce costs through capacity expansion, better utilisation of existing facilities and strategic realignment of manufacturing capacities.

Key Risks

1. 90.84% of FY26 revenue was attributable to manufacturing facilities in Maharashtra, exposing operations to manufacturing disruption and regional concentration risks.
2. Solar products accounted for 78.99% of FY26 revenue, making the company vulnerable to any slowdown or adverse developments in the solar energy industry.
3. The top 10 customers contributed 48.63% of FY26 revenue, creating significant dependence on key customers and exposing the company to revenue risks from customer loss or reduced orders.
4. Exports contributed 40.52% of FY26 revenue, exposing the company to foreign exchange fluctuations, geopolitical developments, trade policies, tariffs, export controls and economic sanctions.
5. Volatility in raw material prices and dependence on key suppliers, with the top 10 suppliers accounting for 89.65% of FY26 purchases, could adversely impact costs, margins and business continuity.

Source: Red Herring Prospectus (RHP)

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