Choice

IPO Report

"**Subscribe for Long-Term**" to

Karamtara Engineering Ltd.

India's largest integrated solar mounting & tracker manufacturer

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Choice

08th Sept. 2026

Salient features of the IPO:

- Incorporated in 1996, **Karamtara Engineering Ltd. (KEL)** began as a transmission tower fabricator at Tarapur, Maharashtra and entered the solar structures market in Fiscal 2016. It converted from a private limited company and was renamed Karamtara Engineering Ltd. in December 2024.
- Karamtara is a backward-integrated manufacturer of structural products for the renewable energy and power transmission sectors — it makes the steel that solar panels and power lines are mounted on, not the panels or conductors themselves. Per the F&S Report it is the largest integrated manufacturer in India by installed capacity for solar mounting structures and tracker components in Fiscal 2026, with aggregate installed capacity of 889,200 MTPA (including 492,000 MTPA of solar products, approximately 16.81 GW) plus 480,000 pieces per annum, across 13 manufacturing facilities — eight in Maharashtra, four in Gujarat and one in Italy.
- The Offer comprises a **fresh issue of Rs. 675cr** and an **offer for sale of Rs. 200cr** by the Promoter Selling Shareholders. From the fresh issue net proceeds, **Rs. 600 Cr** proceeds is earmarked for prepayment or repayment of borrowings, with the balance for general corporate purposes. A pre-IPO placement of compulsorily convertible preference shares aggregating Rs. 75cr was completed before filing and has been reduced from the fresh issue.

Key competitive strengths:

- Largest integrated manufacturer
- One-stop solution provider across fixed-tilt & tracker structures
- Global footprint with exports to 50+ countries
- Strong customer relationships and high retention
- Strategic manufacturing network with advanced capabilities
- Experienced promoters & management team

Business strategy:

- Expand existing installed capacity in India
- Strengthen renewable energy positioning
- Expand international customer base
- Improve operational efficiency

Risk and concerns:

- Revenue is overwhelmingly tied to one end-market.
- No long-term customer contracts.
- Capacity has been added well ahead of volume.
- Competition

Issue details	
Price band	Rs. 241 – 254 per share
Face value	Rs. 10
Shares for fresh issue	2.801 – 2.657cr shares
Shares for OFS	0.787cr shares
Fresh issue size	Rs. 675 cr
OFS issue size	Rs. 189.8 – 200 cr
Total issue size	3.588 – 3.445cr shares (Rs. 864.7 – 875.0 cr)
Bidding date	09th Sept. – 11th Sept. 2026
Implied MCAP at higher price band	Rs. 8,174.299cr
Implied enterprise value at higher price band	Rs. 8,505.364cr
Book running lead manager	JM Financial Ltd., ICICI Securities Ltd., IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Sector	Renewable Energy
Promoters	Tanveer Singh, Rajiv Singh, Inderjeet Singh, Inderjeet Tanveer Singh Trust And Inderjeet Rajiv Singh Trust

Issue Structure:

Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.794 – 1.722cr shares
Non institutional portion (Big)	10%	0.359 – 0.344cr shares
Non institutional portion (Small)	5%	0.179 – 0.172cr shares
Retail portion	35%	1.256 – 1.206cr shares

Indicative IPO process time line	
Finalization of basis of allotment	15th Sept. 2026
Unblocking of ASBA account	16th Sept. 2026
Credit to demat accounts	16th Sept. 2026
Commencement of trading	17th Sept. 2026

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	46.06%	39.47%
Public	51.71%	58.62%
Non-promoter & Non-public	2.23%	1.91%
Total	**100.00%**	**100.00%**

Max Retail application money at higher cut-off price per lot	
Number of shares per lot	59
Application money	Rs. 14,986

Valuation Overview and IPO Rating

KEL enters the market as **India's largest integrated manufacturer of solar mounting structures and tracker components**, well positioned to benefit from the rapid expansion of renewable energy and the tracker market. The company has demonstrated strong operating momentum, with **FY24-26 revenue, EBITDA and PAT CAGR of 33.3%, 37.6% and 49.3%**, respectively, alongside improving margins and **19.0% ROCE** in FY26. At the upper price band, the issue is valued at a **P/E of 35.7x (based on FY26 EPS of Rs. 7.1)** and appears fully priced. The IPO provides a meaningful balance-sheet reset, with Rs. 600cr earmarked for debt repayment, potentially reducing debt/equity from **0.92x to ~0.17x**, driving a **~170 bps expansion in PAT margin** and reducing the effective P/E to **27.09x** on post-deleveraging earnings. Further, **59.1% capacity utilisation** provides significant operating leverage, while **recently commissioned capacity is expected to contribute progressively as utilisation ramps up**, supporting growth without substantial fresh capex. Strong export capabilities across 50+ countries and established global customer relationships provide a diversified revenue base, while declining customer concentration further strengthens the business profile. Meanwhile, **wind, BESS, PEB, Saudi Arabia and international markets** offer multiple avenues for diversification and future growth. While high solar concentration and execution risks in newer businesses remain concerns, the combination of **strong earnings growth, deleveraging, margin expansion, available capacity and multiple growth levers** makes the issue reasonably valued. We recommend **"Subscribe for Long-Term"** rating to the issue.

Peer Comparison :-

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	6M Return (%)	12M Returm (%)	FY26 Revenue (Rs. cr)	FY26 EBITDA (Rs. cr)	FY26 PAT (Rs. cr)	FY26 EBITDA margin (%)	FY26 PAT margin (%)
Karamtara Engineering Ltd.	**10**	**254**	**8,174.30**	**7,908.33**	-	-	**4,312**	**498**	**229**	**11.6%**	**5.3%**
KP Green Engineering Ltd.	5	271	7,371.20	7,711.20	(25.6%)	(51.4%)	1,246	245	136	19.7%	10.9%
Pennar Industries Ltd.	5	180	2,448.00	3,340.00	22.0%	(30.4%)	3,620	355	139	9.8%	3.8%
Average										**14.7%**	**7.4%**

Company name	Total Debt	Cash	FY26 RoE (%)	FY26 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Karamtara Engineering Ltd.	**559**	**825**	**11.6%**	**19.0%**	**35.7**	**4.1**	**1.8**	**15.9**	**1.9**	**7.1**	**61**	**0.3**
KP Green Engineering Ltd.	349	9	29.7%	37.0%	54.2	16.1	6.2	31.5	5.9	5.0	17	0.8
Pennar Industries Ltd.	1,162	270	12.0%	15.0%	17.6	2.1	0.9	9.4	0.7	10.2	86	1.0
Average			**20.8%**	**26.0%**	**35.9**	**9.1**	**3.6**	**20.4**	**3.3**			**0.9**

Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	4Y PAT growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Receivable days	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth
Karamtara Engineering Ltd.	**39.2%**	**48.0%**	**75.4%**	**10.7%**	**4.1%**	**13.4%**	**18.6%**	**80**	**82**	**96**	**1,970**
KP Green Engineering Ltd.	121.9%	126.8%	124.6%	17.3%	10.5%	25.5%	35.3%	110	135	102	458
Pennar Industries Ltd.	7.7%	17.1%	22.8%	8.9%	3.3%	11.2%	15.0%	61	167	148	1,163
Average	**64.8%**	**72.0%**	**73.7%**	**13.1%**	**6.9%**	**18.3%**	**25.1%**	**86**	**151**	**125**	

Note: Considered Financial for the period during FY23-26 (with IPO adjustments); Source: Choice Equity Broking

Key Highlights of the Industry:

- India's installed solar capacity reached 157 GW as of April 1, 2026, which is only about 21% of an estimated ~749 GWp of practical potential. The country is targeting 500 GW of non-fossil capacity by CY2030E — including 282 GW of solar — against 283.5 GW already installed as at March 31, 2026, and total generation capacity is projected to reach 868 GW by Fiscal 2031E. Renewable and non-fossil sources have already crossed 53% of installed capacity, ahead of the Fiscal 2030 target.
- India's solar tracker market stood at approximately USD 11,693mn in Fiscal 2026, more than ten times its Fiscal 2021 value of USD 991mn — a 63.8% CAGR — and is forecast to reach USD 17,681mn by Fiscal 2031E. Tracker penetration in India is expected to approach 66% by Fiscal 2031E. Over the same window India's fixed-tilt market, having grown from USD 2,350mn in Fiscal 2021 to USD 10,550mn in Fiscal 2026, is projected to decline to USD 7,170mn by Fiscal 2031E. Globally the pattern is the same: the fixed-tilt market shrinks from USD 123,500mn in CY2025 to USD 115,500mn by CY2030E while the tracker market grows from USD 38,177mn to USD 70,562mn.
- India's tracker structural components market expanded from USD 209mn in CY2020 to USD 2,819mn in CY2025 and is expected to reach USD 4,544mn by CY2030E. The global torque tube market grew from USD 694mn to USD 3,082mn over CY2020-25 (34.8% CAGR) and is projected at USD 6,135mn by CY2030E (14.8% CAGR). The global piles and piers market grew from USD 987mn to USD 5,429mn (40.6% CAGR) and is projected to more than double again to USD 12,012mn by CY2030E (17.2% CAGR).
- The National Electricity Plan 2023-2032 envisages investment of approximately Rs. 9.15 lakh crore in transmission infrastructure. India's transmission network is expected to expand from roughly 4.91 lakh circuit kilometres in 2024 to 6.48 lakh circuit kilometres by 2032, transformation capacity from 1,290 GVA to approximately 2,342 GVA, and inter-regional transfer capacity from 119 GW to 168 GW, alongside multiple new HVDC corridors. Per capita electricity consumption is projected to rise from about 1,460 kWh in Fiscal 2025 to 2,000 kWh by 2030.
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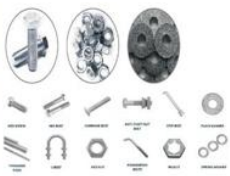
Solar module mounting structures
Fixed-tilt frames; 113,000 MTPA (~6.28 GW)

Tracker piles, piers and torque tubes
Piles and piers 271,000 MTPA; torque tubes 108,000 MTPA

Lattice towers for transmission lines
Up to 1,200kV; over 0.50mn MT supplied since 1998

Angular towers for wind turbines
Commenced March 2025; up to 140m for 3.15 MW turbines

Tubular towers for wind turbines
Commenced June 2025; sections up to 45m and 6m diameter



Fasteners
Bolts, nuts, studs, U-bolts and washers; 30,000 MTPA

OHTL hardware fittings and accessories
Insulator fittings, clamps and dampers up to 1,000kV

Key Highlights of the Company:

- **Positioning and scale**
  - A backward-integrated manufacturer of products for the renewable energy and transmission line sectors. Per the F&S Report, the largest integrated manufacturer in India in terms of installed capacity for solar mounting structures and tracker components in Fiscal 2026, and one of the largest Indian players by number of product offerings in the solar sector.
  - Aggregate installed capacity of 889,200 MTPA — including 492,000 MTPA of solar products, equivalent to approximately 16.81 GW — plus 480,000 pieces per annum at the Italian subsidiary, as of March 31, 2026, excluding galvanizing capacity. In Fiscal 2026 the company produced 332,729 MT of solar energy products, approximately 11.30 GW.
  - Operated 13 manufacturing facilities as of March 31, 2026 — eight in Maharashtra, four in Taluka Bhachau, Kutch (Gujarat) and one in Italy. Five of the thirteen are on leasehold premises; the Gujarat units and Unit Profiles are owned.
  - One of the largest exporters of solar products from India to North America in Fiscal 2025, and a Four Star Export House recognised by the Directorate General of Foreign Trade. Cumulative exports to over 50 countries as of March 31, 2026 across North America, Europe, Asia, Africa, Australia and Latin America.

- **Backward integration**
  - One of the few manufacturers in the sector to operate in-house galvanizing, and the largest such installed capacity in India's solar energy sector at 276,800 MTPA as of March 31, 2026, used entirely for captive consumption.
  - Two in-house rolling mill furnaces produce multiple grades and sections of structural steel to ISO, EN and ASTM standards — angles, channels, beams and tracker piles and piers.
  - Management cites quality control, reduced cost, shorter lead times, just-in-time inventory alignment and end-to-end traceability as the benefits. Note however that the share of total raw material consumed that was produced in-house has fallen from 39.70% in Fiscal 2024 to 32.54% in Fiscal 2025 and 23.73% in Fiscal 2026, while imports rose to 31.46% of materials consumed.

- **Manufacturing footprint and capacity utilisation**
  - Blended capacity utilisation was 59.05% in Fiscal 2026 against 70.36% in Fiscal 2025 and 67.91% in Fiscal 2024. The decline is a function of capacity being added ahead of volume — installed capacity rose 53.4% from 579,500 to 889,200 MTPA while production grew 28.6%.
  - Five units were commissioned or reached first production during Fiscal 2026: Unit Wind Tubular Tower (June 2025, 126,000 MTPA), Unit TLT and Wind Angular Tower (64,700 MTPA), Unit Kumbhavali (October 2025, 7,300 MTPA), Unit Solar Piles & TLT Bhachau (February 2026, 36,400 MTPA) and Unit Solar MMS Bhachau (January 2026, 18,000 MTPA). Together they added 252,400 MTPA at a blended first-year utilisation of roughly 22%.
  - Unit Solar TT was relocated from Tarapur, Maharashtra to Bhachau, Kutch in July 2025. Its capacity rose from 93,600 to 108,000 MTPA but production fell from 69,740 MT to 48,066 MT and utilisation halved from 74.51% to 44.51%.
  - Galvanizing utilisation was 72.66% in Fiscal 2026 and Unit Iselfa ran at 86.67%, against 21.98% in Fiscal 2024.

- **Supply chain**
  - Key raw materials are steel billets, hot rolled steel coils, galvanized and zinc-aluminium-magnesium coated coils, steel wire rods, angles, hot rolled plates and zinc. Imports — largely from Vietnam and South Korea — were 31.46% of cost of materials consumed in Fiscal 2026 against 25.62% in Fiscal 2024.
  - Supplier concentration remains high: the largest supplier accounted for 16.87% of purchases in Fiscal 2026, the top five 70.77% and the top ten 89.65%. Procurement is on purchase orders or umbrella contracts of three to twelve months rather than long-term fixed-price contracts, and raw material cost is largely passed through to customers.

- **Expansion pipeline**
  - Saudi Arabia — a wholly owned subsidiary, Karamtara Renewables Saudi Limited, was incorporated in July 2024. In July 2025 it entered a 20-year lease with MODON for 200,892 sq. mtrs. at a concessional SAR 3 per sq. mtr. per annum. The facility will manufacture solar torque tubes, tracker piles and piers and lattice towers with captive galvanizing and a rolling mill, plus a PEB structures unit. Estimated project cost is approximately SAR 176mn (about Rs. 405cr) with part financing of about Rs. 329.7cr obtained. Operations are expected by Fiscal 2028; the RHP discloses delays owing to the recent conflict in the Middle East.
  - Battery energy storage systems — the company intends to enter BESS through Karamtara Green Energy Limited, a wholly owned subsidiary incorporated in May 2025.
  - Prefabricated engineered building structures — manufacturing facilities are intended, including at the Saudi Arabia site.

- **Product portfolio**
  - Solar energy — fixed-tilt structures (Solar MMS including solar C piles and 90-degree hat purlins) and tracker components (solar tracker piles and piers, solar torque tubes, Z-posts and post couplers). Solar MMS installed capacity is 113,000 MTPA (~6.28 GW); tracker piles and piers 271,000 MTPA (~7.53 GW), fungible into lattice and angular towers; torque tubes 108,000 MTPA (~3.00 GW).
  - Lattice towers for transmission lines — design, manufacture and supply up to 1,200kV, with over 0.50 million MT supplied cumulatively since 1998.
  - Tubular towers for wind turbines — production commenced June 2025. The facility carries a single 800-metre production layout capable of single sections up to 45 metres long and six metres in diameter.

Key Highlights of the Company (Contd…):

- Angular towers for wind turbines — production commenced March 2025; hybrid lattice towers of up to 140 metres for 3.15 MW turbines.
- Fasteners — bolts, nuts, anti-theft bolts and nuts, studs, U-bolts, plain and spring washers for the solar, wind, transmission, telecom and automobile industries.
- OHTL hardware fittings and accessories — insulator string fittings, jumper tubes, suspension clamps, vibration dampers and optical ground wire fittings for lines up to 1,000kV, manufactured since the 2011 acquisition of Iselfa Morsetteria SRL, Italy.
- Structural steel profiles — angles, channels and beams, largely for captive consumption.

Revenue Mix & Operational Metrics:

Revenue Bifurcation - Product Wise (Rs. cr)										
Particulars	**FY22**	**% of Rev.**	**FY23**	**% of Rev.**	**FY24**	**% of Rev.**	**FY25**	**% of Rev.**	**FY26**	**% of Rev.**
Solar energy products	783.0	62.9%	1,105.7	69.1%	1,982.6	81.8%	2,570.9	81.4%	3,406.1	79.0%
Lattice towers for transmission lines	181.2	14.6%	158.5	9.9%	101.2	4.2%	164.9	5.2%	273.7	6.3%
Angular Towers for Wind Turbines	-	-	-	-	-	-	1.8	0.1%	88.4	2.1%
Tubular Towers for Wind Turbines	-	-	-	-	-	-	-	-	46.4	1.1%
Fasteners	139.1	11.2%	172.3	10.8%	144.9	6.0%	208.0	6.6%	233.6	5.4%
Others	141.5	11.4%	163.8	10.2%	196.4	8.1%	212.7	6.7%	263.7	6.1%
Total revenue from operations	**1,244.8**	**100.0%**	**1,600.3**	**100.0%**	**2,425.2**	**100.0%**	**3,158.4**	**100.0%**	**4,312.0**	**100.0%**

Revenue Bifurcation - Geographical (Rs. cr)										
Particulars	**FY22**	**% of Rev.**	**FY23**	**% of Rev.**	**FY24**	**% of Rev.**	**FY25**	**% of Rev.**	**FY26**	**% of Rev.**
Domestic	468.5	37.6%	336.8	21.0%	1,015.0	41.9%	1,520.8	48.2%	2,520.8	58.5%
Exports - United States	390.5	31.4%	902.1	56.4%	1,168.3	48.2%	1,401.5	44.4%	1,486.9	34.5%
Exports - Europe	148.7	11.9%	94.5	5.9%	145.1	6.0%	99.7	3.2%	167.1	3.9%
Exports - rest of the world	225.6	18.1%	253.9	15.9%	82.4	3.4%	119.5	3.8%	93.5	2.2%
Export incentives	11.5	0.9%	13.1	0.8%	14.3	0.6%	16.9	0.5%	43.7	1.0%
Total revenue from operations	**1,244.8**	**100.0%**	**1,600.3**	**100.0%**	**2,425.2**	**100.0%**	**3,158.4**	**100.0%**	**4,312.0**	**100.0%**

Capacity Utilisation - facility wise (MT unless stated)												
Manufacturing facility / capability	**FY23**	**Actual**	**% util.**	**FY24**	**Actual**	**% util.**	**FY25**	**Actual**	**% util.**	**FY26**	**Actual**	**% util.**
Unit Solar Piles and TLT, Tarapur												
Solar tracker piles & piers and lattice towers	1,21,200	91,517	75.51%	1,35,900	1,24,184	91.38%	1,35,900	96,196	70.78%	1,47,300	1,31,378	89.19%
Galvanising	84,000	70,578	84.02%	84,000	74,292	88.44%	84,000	52,676	62.71%	84,000	62,657	74.59%
Unit Solar Piles, Tarapur												
Solar tracker piles & piers	NA	NA	NA	44,700	6,154	13.77%	44,700	41,767	93.44%	87,300	78,144	89.51%
Fasteners	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Galvanising	NA	NA	NA	84,000	46,924	55.86%	84,000	50,818	60.50%	84,000	71,667	85.32%
Unit Solar MMS, Tarapur												
Solar MMS (incl. post couplers, Z-posts, hat purlins)	40,500	17,843	44.06%	60,000	37,587	62.65%	1,13,000	67,140	59.42%	95,000	73,607	77.48%
Unit Solar MMS, Bhachau												
Solar MMS	NA	NA	NA	NA	NA	NA	NA	NA	NA	18,000	486	2.70%
Unit Solar TT												
Solar torque tubes	60,000	3,216	5.36%	60,000	37,272	62.12%	93,600	69,740	74.51%	1,08,000	48,066	44.51%
Unit Wind Tubular Tower												
Tubular towers for wind turbines	NA	NA	NA	NA	NA	NA	NA	NA	NA	1,26,000	25,893	20.55%
Unit TLT and Wind Angular Tower												
Lattice towers and angular towers for wind turbines	NA	NA	NA	NA	NA	NA	NA	NA	NA	64,700	24,759	38.27%
Unit Kumbhavali												
Plate (part of transmission lines / angular towers)	NA	NA	NA	NA	NA	NA	NA	NA	NA	7,300	2,060	28.22%
Unit Solar Piles & TLT, Bhachau												
Solar tracker piles & piers; lattice towers	NA	NA	NA	NA	NA	NA	NA	NA	NA	36,400	3,641	10.00%
Unit Fasteners												
Fasteners	21,300	15,374	72.18%	21,300	13,535	63.54%	23,100	18,709	80.99%	30,000	19,805	66.02%
Galvanising	18,000	12,278	68.21%	18,000	12,003	66.68%	18,000	17,161	95.34%	24,800	16,595	66.92%
Steel structural profiles	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Unit Profiles												
Structural steel profiles (beams, angles, channels)	1,68,000	84,988	50.59%	1,68,000	1,14,484	68.15%	1,68,000	1,13,772	67.72%	1,68,000	1,17,199	69.76%
Unit OHTL Fittings												
OHTL hardware fittings and accessories	1,200	976	81.33%	1,200	268	22.33%	1,200	400	33.33%	1,200	-	-
Galvanising	33,600	26,917	80.11%	72,000	35,952	49.93%	72,000	46,826	65.04%	84,000	50,215	59.78%
Unit Iselfa - Italy (pieces)												
OHTL hardware fittings and accessories	4,80,000	1,77,450	36.97%	4,80,000	1,05,500	21.98%	4,80,000	4,16,300	86.73%	4,80,000	4,16,018	86.67%

Source: Choice Equity Broking

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)							
	FY22	FY23	FY24	FY25	FY26	CAGR (FY22-24)	CAGR (FY24-26)
Revenue from Operations	**1,244.8**	**1,600.3**	**2,425.2**	**3,158.4**	**4,312.0**	**39.6%**	**33.3%**
Cost of Materials Consumed	(847.1)	(1,113.2)	(1,743.8)	(2,129.8)	(2,573.6)	43.5%	21.5%
Change in inventories of FG & WIP	(24.9)	28.8	20.9	(0.6)	53.6	-	60.1%
Gross profit	**372.8**	**515.9**	**702.3**	**1,028.0**	**1,791.9**	**37.2%**	**59.7%**
Employee benefit expenses	(79.1)	(85.1)	(113.8)	(149.7)	(203.9)	19.9%	33.9%
Other expenses	(163.9)	(277.1)	(325.5)	(531.4)	(1,089.8)	40.9%	83.0%
EBITDA	**129.8**	**153.6**	**262.9**	**346.8**	**498.1**	**42.3%**	**37.6%**
Depreciation & amortization expenses	(31.1)	(31.9)	(34.6)	(37.7)	(50.8)	5.4%	21.1%
EBIT	**98.7**	**121.7**	**228.3**	**309.1**	**447.4**	**52.1%**	**40.0%**
Finance costs	(77.6)	(75.9)	(92.9)	(127.8)	(140.5)	9.4%	23.0%
Other income	1.9	0.8	2.0	6.9	4.4	2.6%	49.3%
Exceptional items/ PL JV	-	-	-	(0.0)	(0.0)	-	-
PBT	**22.9**	**46.6**	**137.4**	**188.3**	**311.2**	**144.8%**	**50.5%**
Tax expenses	(10.3)	(4.2)	(34.8)	(48.9)	(82.5)	84.0%	54.0%
Reported PAT	**12.6**	**42.4**	**102.7**	**139.3**	**228.8**	**184.9%**	**49.3%**
Adjusted PAT	**12.6**	**42.4**	**102.7**	**139.3**	**228.8**	**184.9%**	**49.3%**

Restated consolidated balance sheet statement (Rs. cr)							
	FY22	FY23	FY24	FY25	FY26	CAGR (FY22-24)	CAGR (FY24-26)
Equity share capital	5.5	5.5	5.5	292.3	292.3	0.0%	626.9%
Other Equity	403.8	445.2	547.9	690.9	927.6	16.5%	30.1%
Minority Interest	-	-	-	-	-	-	-
Non-current borrowings	134.3	118.9	146.9	218.2	566.7	4.6%	96.4%
Non-current lease liabilities	0.3	-	-	1.3	62.8	-100.0%	-
Non-current provisions	5.3	6.2	6.8	7.6	10.6	13.3%	25.0%
Deferred tax liabilities (net)	37.5	29.2	28.6	31.0	38.0	-12.7%	15.3%
Other non-current liabilities	79.4	135.7	57.1	-	177.1	-15.2%	76.1%
Trade payables	500.1	450.4	610.4	1,035.2	1,324.7	10.5%	47.3%
Current borrowings	293.2	208.4	361.6	338.1	463.5	11.0%	13.2%
Current lease liabilities	0.6	0.3	0.0	1.3	11.9	-88.1%	3543.3%
Other current financial liabilities	0.6	1.5	10.7	23.2	51.1	316.1%	119.0%
Current provisions	4.5	4.0	5.3	2.3	2.9	8.3%	-26.5%
Current tax liabilities (net)	3.5	8.0	22.8	22.3	16.3	155.0%	-15.5%
Other current liabilities	75.2	123.5	40.9	98.9	196.8	-26.3%	119.4%
Total liabilities	**1,544.0**	**1,536.9**	**1,844.6**	**2,762.6**	**4,142.2**	**9.3%**	**49.9%**
PP&E	452.3	502.1	569.4	641.8	1,164.3	12.2%	43.0%
Intangible assets	1.7	1.0	0.5	0.8	4.2	-43.2%	177.4%
Right-of-use assets	1.3	0.8	0.5	2.5	66.4	-37.8%	1031.0%
Capital WIP	40.2	16.0	16.9	194.2	484.6	-35.1%	434.7%
Intangible assets under development	-	0.0	0.0	1.7	0.1	-	88.1%
Goodwill	2.6	2.8	2.8	2.9	3.4	3.3%	10.2%
Non current investments	0.5	0.5	0.5	4.3	9.3	-0.2%	355.2%
Other non current financial assets	4.3	4.0	5.9	7.9	9.9	17.5%	29.1%
Investment in properties under development	41.1	41.5	47.4	-	-	7.5%	-100.0%
Other non-current assets	11.5	14.1	24.9	78.7	148.7	47.2%	144.4%
Inventories	549.7	530.1	528.6	691.6	571.8	-1.9%	4.0%
Current Trade receivables	298.0	316.8	568.5	934.6	1,316.1	38.1%	52.2%
Current Investments	0.2	0.2	0.2	0.0	0.1	14.1%	-45.0%
Cash & cash equivalents	5.9	5.6	9.9	30.8	74.9	29.1%	175.3%
Bank balances other than cash	22.1	27.8	32.5	31.9	68.3	21.5%	44.9%
Other current financial assets	39.5	22.5	13.2	12.4	26.2	-42.1%	40.7%
Other current assets	73.2	51.1	22.7	126.0	192.6	-44.3%	191.3%
Total assets	**1,544.1**	**1,536.9**	**1,844.6**	**2,762.6**	**4,142.2**	**9.3%**	**49.9%**

Source: Choice Equity Broking

Financial statements (Contd…):

Restated consolidated cash flow statement (Rs. cr)	FY22	FY23	FY24	FY25	FY26	CAGR (FY22-24)	CAGR (FY24-26)
Cash flow before working capital changes	133.1	153.8	265.5	346.6	507.4	41.3%	38.2%
Working capital changes	57.4	94.9	(205.0)	(196.6)	250.2	-	-
Cash flow from operating activities	**181.5**	**240.7**	**40.0**	**102.5**	**675.1**	**-53.0%**	**310.7%**
Purchase of fixed assets & CWIP	(59.4)	(61.6)	(116.5)	(337.3)	(925.7)	40.1%	181.8%
Cash flow from investing activities	**(56.0)**	**(61.0)**	**(123.8)**	**(276.4)**	**(959.5)**	**48.7%**	**178.4%**
Cash flow from financing activities	**(129.4)**	**(180.0)**	**88.1**	**194.9**	**328.3**	**-**	**93.1%**
Net cash flow	**(3.8)**	**(0.3)**	**4.3**	**21.0**	**44.0**	**-**	**220.6%**
Opening balance of cash	9.7	5.9	5.6	9.9	30.8	-24.1%	134.8%
Closing balance of cash from continuing operations	**5.9**	**5.6**	**9.9**	**30.8**	**74.9**	**29.1%**	**175.3%**

Financial ratios					
Particulars	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**
Profitability ratios					
Revenue growth rate	19.0%	28.6%	51.5%	30.2%	36.5%
Gross profit growth rate	6.6%	38.4%	36.1%	46.4%	74.3%
Gross profit margin	30.0%	32.2%	29.0%	32.5%	41.6%
EBITDA growth rate	11.5%	18.3%	71.2%	31.9%	43.6%
EBITDA margin	10.4%	9.6%	10.8%	11.0%	11.6%
EBIT growth rate	17.1%	23.4%	87.6%	35.4%	44.7%
EBIT margin	7.9%	7.6%	9.4%	9.8%	10.4%
Restated PAT growth rate	20.4%	235.0%	142.3%	35.7%	64.2%
Restated PAT margin	1.0%	2.6%	4.2%	4.4%	5.3%
Cash Conversion					
Inventories days	153.7	123.1	79.7	70.5	53.5
Trade receivables days	82.0	70.1	66.6	86.9	95.3
Trade payables days	(133.6)	(108.4)	(79.8)	(95.1)	(99.9)
Cash conversion cycle	102.2	84.9	66.5	62.3	48.9
Turnover ratios					
Inventory turnover ratio	2.3	3.0	4.6	5.2	6.8
Trade receivable turnover ratio	4.2	5.2	5.5	4.2	3.8
Accounts payable turnover ratio	2.5	3.4	4.6	3.8	3.7
Fixed asset turnover ratio	2.5	3.1	4.1	3.7	2.5
Total asset turnover ratio	0.8	1.0	1.3	1.1	1.0
Liquidity ratios					
Current ratio	1.1	1.2	1.1	1.2	1.1
Quick ratio	0.5	0.5	0.6	0.7	0.8
Total debt	429.1	329.2	519.2	582.1	1,156.0
Net debt	423.1	323.4	509.1	551.2	1,081.1
Debt to equity	1.0	0.7	0.9	0.6	0.9
Net debt to EBITDA	3.3	2.1	1.9	1.6	2.2
Cash flow ratios					
CFO to PAT	14.4	5.7	0.4	0.7	3.0
CFO to Capex	3.1	3.9	0.3	0.3	0.7
CFO to total debt	0.4	0.7	0.1	0.2	0.6
CFO to current liabilities	0.2	0.3	0.0	0.1	0.3
Return ratios					
RoIC (%)	8.9%	16.3%	23.9%	19.9%	17.3%
RoE (%)	3.1%	9.4%	18.5%	14.2%	18.8%
RoA (%)	0.8%	2.8%	5.6%	5.0%	5.5%
RoCE (%)	11.3%	15.0%	20.8%	19.7%	19.0%
Per share data					
Restated EPS (Rs.)	0.4	1.3	3.2	4.3	7.1
BVPS (Rs.)	12.7	14.0	17.2	30.6	37.9
Operating cash flow per share (Rs.)	5.6	7.5	1.2	3.2	21.0
Free cash flow per share (Rs.)	0.8	1.1	3.8	(7.9)	(13.1)

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.
Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.
Avoid: Concerns on both fundamentals and demanded valuation.

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