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KARAMTARA ENGINEERING LIMITED

September 7, 2026

KARAMTARA

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**ENGINEERING / CAPITAL GOODS**
Offer for sale (Shares)	7,874,014
Fresh Issue (Shares)	26,574,803
Net Offer to the Public	34,448,817
Issue Size (Rs. Cr.)	830-875
Price Band (Rs.)	241-254
Offer Date	9-Sep-26
Close Date	11-Sep-26
Face Value	10
Lot Size	59

Issue Composition

	In shares
Total Issue for Sale	34,448,817
QIB	17,224,409
NIB	5,167,323
Retail	12,057,086

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	92.06%	82.01%
QIB	7.94%	12.64%
NIB	0.00%	1.61%
Retail	0.00%	3.75%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards 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

Book Running Lead Manager

- JM Financial Limited
- ICICI Securities Limited
- IIFL Capital Services Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in 1996, Karamtara Engineering Limited is engaged in the business of manufacturing Products for renewable energy and transmission lines. It is a backward-integrated manufacturer of solar module-mounting structures, tracker piles and piers, solar torque tubes, lattice transmission towers, wind tubular and angular towers, industrial fasteners and overhead-line hardware. Frost & Sullivan ranks it India's largest integrated producer of solar mounting structures and tracker parts by installed capacity in FY26. Capacity on 31 March 2026 was 8.89 lakh MTPA of metal products (about 16.8 GW of solar-equivalent kit), plus 2.77 lakh MTPA of in-house galvanizing and 4.80 lakh pieces of fittings from its Italian plant. Thirteen factories — eight in Maharashtra, four in Gujarat, one in Italy — sell to OEMs, EPCs and IPPs in India and more than 50 countries. FY26 revenue was Rs. 4,312 crore (33% two-year CAGR), of which solar products were 79% and exports 41%. EBITDA was Rs. 498 crore (11.6% margin) and PAT Rs. 229 crore.

Strengths

Largest integrated maker of solar mounting structures and tracker parts: Karamtara is, by Frost & Sullivan's FY26 ranking, the largest Indian manufacturer of solar mounting structures and tracker components on an installed-capacity basis. The group rolls its own angles, channels and beams, galvanizes in-house (2.77 lakh MTPA — the largest solar-sector galvanizing line in India) and then fabricates finished structures. In FY24 / FY25 / FY26, 39.7% / 32.5% / 23.7% of raw material consumed was produced internally. That stack shortens lead times, tightens quality control and cuts third-party dependence. Solar products alone delivered Rs. 3,406 crore, or 79% of FY26 sales, after the company entered renewables only in FY16.

A one-stop shop across solar, wind and transmission: The same plants turn out fixed-tilt Solar MMS, tracker piles and piers, torque tubes, 1,200 kV-capable lattice towers, wind tubular towers (up to 45 m sections and 6 m diameter), hybrid angular towers up to 140 m, plus bolts, nuts and OHTL fittings. FY26 output included 3.33 lakh MT of solar products (~11.3 GW), 19,805 MT of fasteners, 25,893 MT of tubular wind towers and 11,990 MT of angular wind towers. Because customers can source generation structures and evacuation towers from one vendor, the company cross-sells: several named accounts that started on Solar MMS later added fasteners or torque tubes, with revenue CAGRs above 120% at those accounts.

Global delivery footprint and a Four-Star Export House tag: Goods have gone to more than 50 countries across North America, Europe, Asia, Africa, Australia and Latin America. Karamtara was one of the largest Indian exporters of solar products to North America in FY25 (F&S). Export revenue rose from Rs. 1,396 crore in FY24 to Rs. 1,747 crore in FY26 (12% CAGR), still 41% of sales even as domestic demand grew faster. Rejection rates were

0.05%, 0.25% and 0.14% over the three years. On-ground sales staff sit in the US, Europe and Saudi Arabia; a fittings plant already runs in Italy.

Sticky global customers and rising wallet share: Customers are mainly global OEMs, EPCs and IPPs. F&S notes the company supplies 16 of the top 24 US EPCs (combined ~233 GW). Solar-product customers numbered 48 / 73 / 65 in FY24 / FY25 / FY26, while average revenue per solar customer rose from Rs. 41.3 crore to Rs. 52.4 crore. Top-10 concentration has actually fallen, from 63.5% of sales in FY24 to 48.6% in FY26. About 45.5% of FY26 revenue came from customers of two years or more. Repeat names disclosed with consent include Gamechange Solar, Waaree Renewable Technologies, Soltec, Elecnor and Al Babtain.

Clustered plants with automation, design tools and captive steel: The 13 units sit mainly in two clusters — Tarapur MIDC in Palghar and Bhachau in Kutch — close to ports, rail and the upcoming Vadhavan deep-draft port, and next to Gujarat's solar and wind parks. Shops use CNC, robotics and IoT sensors; design teams run PLS Tower, BOCAD, SolidWorks and AutoCAD. A 160-person in-house quality team and certifications (ISO 9001/14001/45001, EN 1090, EN 14399, ISO 27001) support export audits. CBAM reporting is already in place for European buyers, and a 25-year captive green-power contract started supplying electricity from April 2026.

Promoters and a deep operating bench: Brothers Tanveer Singh (Chairman and MD) and Rajiv Singh (Joint MD) each have about 30 years in manufacturing. CEO and whole-time director Sunil Kumar Rustagi has 34 years, including 15 at Karamtara; whole-time director Shreyans Shah has 27 years and runs international sales. Senior management averages about 24 years' experience. India Ratings upgraded the long-term rating to IND A+/Stable in July 2025.

Consistent growth and a usable balance sheet: From FY24 to FY26, revenue CAGR was 33%, EBITDA CAGR 38% and PAT CAGR 49%. RoE was 20.8% and RoCE 23.3% in FY26. Working-capital days improved from 67 to 43. Net debt / EBITDA was 1.77x. F&S notes that in FY26 the company's revenue, EBITDA, PAT and RoCE were among the highest in the Indian solar-energy peer set it tracked — even though Karamtara is a steel converter, not a module maker.

Strategy

Expand installed capacity in India: The board has approved a new structural-steel profile mill at Bhachau, Kutch, targeted for FY27, on top of the existing 1.68 lakh MTPA captive mill at Palghar. Management's aim is more scale, more customers at once, and less reliance on any single account. The RHP is clear that plants can slip: execution, approvals and demand all have to line up. FY26 capacity utilisation already dropped to 59% from 70% the year before because new lines were commissioned faster than orders filled them.

New products and adjacent infrastructure: A solar-stamping plant at Tarapur is planned for FY27. Battery energy storage (BESS) will be pursued through the wholly owned subsidiary Karamtara Green Energy, incorporated in May 2025. A prefabricated-engineered-building (PEB) shop at Bhachau is slated for FY28, aimed at data centres and transmission converter stations that use the same fabrication skills. The idea is bundled kits for hybrid renewable parks rather than stand-alone structures.

Grow the international book, led by Saudi Arabia: The company is building a plant in Saudi Arabia through Karamtara Renewables Saudi Limited (incorporated July 2024). The site is a 20-year MODON lease of 2.01 lakh sq. m at a concessional SAR 3 per sq. m. Scope: torque tubes, tracker piles and piers, lattice towers, plus captive galvanizing and a rolling mill; a PEB line is also planned. Estimated cost is SAR 17.6 crore (~Rs. 405 crore); about Rs. 330 crore of funding is already tied up. Operations are targeted for FY28. Saudi incentives (cheap land and power, local-content rules, import of semi-finished steel) are the draw, along with existing customers who are themselves expanding in the Kingdom.

Raise operating efficiency and cut cost: Plans include more galvanizing (to buy less outside), a wider supplier map so no single country dominates feedstock, real-time inventory tools, and a formal customer-feedback loop. In-house steel already gives some buffer; the company still imports billets, coils and zinc, so procurement discipline matters as volumes rise.

Key Risk Factors

- Most plants sit in Maharashtra and those units generated 90.8% of FY26 revenue, so a local shutdown, flood or policy change would hit the whole company.
- Solar products still contribute 79% of sales, so any slowdown in solar installations, module prices or tracker demand flows straight into Karamtara's order book.
- The top 10 customers still account for 48.6% of revenue (63.5% two years earlier), and most work is on short purchase orders rather than long contracts.
- Exports are 41% of sales and exposed to tariffs, dollar swings and shipping lanes — the RHP specifically flags US trade measures.
- The company is mid-expansion (wind towers, Gujarat, Saudi, PEB, BESS) while utilisation has already fallen to 59% and net debt has risen to Rs. 881 crore, so delayed plants or weak orders would stretch cash.

Peer Comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Suzlon Energy	17381.14	3144.29	2.31	19.65	6.55	6.93	2	45.38	61877.38
Waaree Energies	30042.73	3816.33	140.24	18.80	5.25	501.90	10	2636.00	75824.89
Inox Wind	4384.97	344.40	1.99	37.53	2.02	36.93	10	74.69	12908.21
Vikram Solar	5231.77	356.84	9.95	16.93	1.92	87.56	10	168.45	6103.86
Emmvee Photovol.	5577.58	1274.17	18.40	17.67	6.09	53.37	2	325.10	22508.14
Premier Energies	8466.22	1665.05	36.68	27.21	10.52	94.90	1	998.00	45304.36
Saatvik Green	4143.72	246.28	19.56	21.60	3.95	107.08	2	422.55	5370.82
Karamtara Engineering Limited	4311.98	228.76	7.11	35.73	4.31	58.88	10	254.00	8174.30

*Peer companies financials are TTM based

*** Karamtara Engineering Limited financials are based on FY26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs. 254, the stock is priced at a pre-issue P/E of 32.77x on FY2026 EPS of Rs. 7.75. Post issue, the stock is priced at a P/E of 35.73x on its EPS of Rs. 7.11. Looking at the P/B ratio at Rs. 254, pre-issue book value of Rs. 41.32 gives a P/BV of 6.15x. Post issue, book value of Rs. 58.88 of a P/BV of 4.31x.

Considering the P/E valuation, on the lower end of the price band of Rs. 241, the stock is priced at a pre-issue P/E of 31.10x on FY2026 EPS of Rs. 7.75. Post issue, the stock is priced at a P/E of 33.90x on its EPS of Rs. 7.11. Looking at the P/B ratio at Rs. 241, pre-issue book value of Rs. 41.32 gives a P/BV of 5.83x. Post issue, book value of Rs. 58.88 of a P/BV of 4.09x

Industry Overview

The world is still adding renewables at speed. Global installed renewable capacity rose from 2,811 GW in 2020 to 5,149 GW in 2025 and is projected at 9,125 GW by 2030; solar PV alone went from 726 GW to 2,392 GW and is estimated at 5,328 GW by 2030 (Frost & Sullivan). India is one of the fastest-growing large economies (real GDP about 7.6% in FY26, ~6.5% thereafter) and has already crossed 53% non-fossil capacity, ahead of its FY30 goal. Installed solar reached 157 GW by 1 April 2026 — only about 21% of estimated resource — with a 2030 solar target of 282 GW inside a 500 GW renewable goal and 868 GW of total power by FY31. Demand is being pulled by falling technology costs, PLI schemes, solar parks, PM Surya Ghar, RPOs, 100% FDI and green open-access rules. The same build-out needs mounting structures, trackers, piles and transmission towers. Challenges sit on the other side of that boom: steel and zinc prices, logistics, US and EU trade barriers (including CBAM), project delays in the rainy season, and crowding as more Indian fabricators chase the same EPC wallets.

Outlook

Karamtara's growth outlook remains positive, supported by India's expanding solar and transmission requirements, while exports, Saudi operations and the newer wind-tower business provide additional growth levers. However, investors need to balance this opportunity against moderate margins, 59% capacity utilisation and rising debt following heavy capex. At Rs. 241–254, the stock trades at 31–32x FY26 earnings and ~6x book, implying that much of the growth potential is already priced in. Execution and faster capacity utilisation will therefore be critical to justify the premium valuation.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Sep 9, 2026
IPO Close Date	Fri, Sep 11, 2026
Tentative Allotment	Tue, Sep 15, 2026
Initiation of Refunds	Wed, Sep 16, 2026
Credit of Shares to Demat	Wed, Sep 16, 2026
Tentative Listing Date	Thu, Sep 17, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	4,311.98	3,158.45	2,425.15
Total expenditure	3,813.86	2,811.61	2,162.22
Operating Profit	**498.12**	**346.83**	**262.93**
OPM%	11.55	10.98	10.84
Other Income	4.38	6.91	1.97
Total Net Income	**502.50**	**353.74**	**264.89**
Interest	140.52	127.77	92.85
PBDT	**361.98**	**225.97**	**172.04**
Depreciation	50.76	37.70	34.61
PBT	**311.22**	**188.27**	**137.44**
Tax	82.46	48.94	34.79
Profit & Loss	**228.76**	**139.33**	**102.65**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	1,164.27	641.82	569.36
Right-of-use assets	66.39	2.49	0.52
Capital work in progress	484.59	194.25	16.95
Goodwill	3.41	2.88	2.81
Other intangible assets	4.19	0.78	0.55
Investment in properties under development	0	0	47.41
Intangible assets under development	0.14	1.70	0.04
Non-current investments	9.34	4.26	0.45
Other non-current financial assets	9.88	7.93	5.93
Deferred tax assets	1.39	0.39	0
Other non-current assets	148.67	78.67	24.89
Total non-current assets	**1892.27**	**935.15**	**668.90**
Current assets			
Financial Assets			
Inventories	571.82	691.57	528.59
Current investments	0.06	0.04	0.20
Trade receivables	1,316.10	934.62	568.51
Cash and cash equivalents	74.85	30.83	9.88
Bank balances other than cash	68.32	31.92	32.55
Loans	7.97	8.15	0.74
Other current financial assets	26.19	12.43	13.23
Other current assets	184.67	117.89	21.97
Total current assets	**2249.97**	**1827.44**	**1175.66**
Total Assets	**4142.24**	**2762.59**	**1844.56**
LIABILITIES			
Non-current liabilities			
Borrowings (non-current)	566.65	218.20	146.91
Lease liability (non-current)	62.76	1.35	0
Provisions (non-current)	10.61	7.60	6.79
Deferred tax liabilities (net)	38.01	30.96	28.61
Other non-current liabilities	177.14	0	57.10
Total non-current liabilities	**855.16**	**258.11**	**239.41**
Current liabilities			
Financial liabilities			
Borrowings (current)	463.48	338.08	361.61
Lease liability (current)	11.95	1.26	0.01
Trade payables — MSME	25.06	13.17	19.14
Trade payables — others	1,299.64	1,022.00	591.31
Other current financial liabilities	51.14	23.21	10.67
Other current liabilities	196.75	98.94	40.88
Provisions (current)	2.88	2.32	5.33
Current tax liabilities (net)	16.26	22.31	22.78
Total Current liabilities	**2067.16**	**1521.29**	**1051.72**
Total liabilities	**2922.32**	**1779.40**	**1291.12**
Net worth represented by:			
Equity share capital	292.30	292.30	5.53
Other equity	927.62	690.89	547.91
Total Equity	**1219.92**	**983.19**	**553.44**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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