Karamtara Engineering Limited

Rating	Issue Opens on	Issue Closes on	Listing Date	Price Band	Issue Size (INR Mn)
Subscribe	September 09, 2026	September 11, 2026	September 17, 2026	241 - 254	8,750

From Billet to Buildout

- *Karamtara Engineering is India's largest integrated manufacturer of solar mounting structures and tracker components, with 889,200 MTPA capacity across 13 facilities in India, Italy and the US. It also has India's largest in-house solar-sector galvanizing capacity of 276,800 MTPA. Management claims it is the only global manufacturer offering six solar product categories under one roof, alongside transmission and wind towers, fasteners and OHTL hardware. Its INR 875 Cr IPO comprises INR 675 Cr fresh issue and INR 200 Cr OFS at INR 241–254/share, implying ~INR 8,174 Cr market cap and 35.7x FY26 P/E. Its 49% FY24–26 PAT CAGR supports a PEG of 0.73x.*

Outlook – Karamtara's long-term positioning is anchored to two structural drivers that compound over the next 5-7 years, making this a backward-integrated renewable energy infrastructure play where the company's addressable market expands simultaneously across geographies, product categories, and end-use sectors.

The first and most powerful driver is the **Saudi Arabia greenfield facility** and the geographic derisking it enables. Saudi Arabia's 130 GW renewable target and local-content mandate create a major MENA opportunity. Karamtara's INR 405 Cr integrated Saudi facility, with INR 329.70 Cr debt financing, is expected by FY28 and replicates its India model across solar structures, towers, PEB, galvanizing and rolling. It creates a second, tariff-free manufacturing corridor, reducing exposure to the US, which contributes ~40% of revenue.

The second driver is **backward-integrated vertical control** from billet to finished galvanized product. Karamtara's backward integration provides a structural cost and delivery advantage. In-house rolling mills and 276,800 MTPA galvanizing capacity reduce zinc consumption, eliminate 2–4 weeks of profile procurement and 2–3 weeks of galvanizing delays, enabling 8–10 week US delivery versus ~16 weeks domestically. Captive facilities also create operating leverage as utilization rises from 59% toward the guided 75–85%. Management estimates peak revenue potential above INR 10,000 Cr at 80% utilization versus INR 4,312 Cr in FY26.

The key watchpoints are utilization and Saudi executiosn. Karamtara must raise utilization toward the guided 75–85% range, converting its INR 6,000 Cr order book into proportional revenue and earnings growth while sustaining >23% ROCE. Timely FY28 Saudi commissioning will be critical for market re-rating toward a structurally compounding renewable infrastructure platform.

Valuation – At the upper band of INR 254, the issue is valued at 35.73x post-issue FY26 P/E and ~17.0x post-money EV/EBITDA. This places Karamtara at a premium to partially comparable listed peers.

Key Risks – (a) US Tariff Exposure: 40.52% of FY26 revenue is export-driven, predominantly to the US under Section 232 derivative tariffs at 25% plus 10% Section 301; any further escalation could impair ~INR 1,747 Cr of revenue and compress the already-thin 5.30% PAT margin. (b) Solar Segment Concentration: Solar products contribute 82.12% of revenue; while plant fungibility exists across transmission and wind, meaningful diversification is a FY28-29 event, leaving near-term earnings acutely sensitive to solar capex cycles. (c) Capital Intensity & Utilisation Risk: Capacity utilisation stands at 59.05% against 889,200 MTPA, FCF has been negative for three consecutive years (INR -251 Cr in FY26), and INR 484.59 Cr of CWIP remains non-revenue-generating; failure to ramp toward management's guided 75-85% utilisation within FY27-28 would suppress ROCE below the current 23.27%.

Offer Details

Particulars	IPO Details
No. of Shares under IPO (Mn)	~34.4
Fresh issue # Shares (Mn)	~26.5
OFS # Shares (Mn)	~7.8
Price Band	241 – 254
Post Issue M.Cap (INR Mn)	77,559 – 81,743

Issue	# Shares	INR Mn	%
QIB	1,72,24,408	4,375	Not More than 50%
NIB	51,67,322	1,313	Not Less than 15%
Retail	1,20,57,086	3,063	Not Less than 35%

Category	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoter Group	94.79	83.64
Public / Others	5.21	16.36

Lead Manager(s)
JM Financial Ltd.
ICICI Securities Ltd.
IIFL Capital Services Ltd.

Indicative Timetable	
Offer Closing Date	11th September 2026
Finalization of Basis of Allotment with Stock Exchange	15th September 2026
Initiation of Refunds	16th September 2026
Credit of Equity Shares to Demat accounts	16th September 2026
Commencement of Trading of Eq. shares	17th September 2026

Source: IPO Prospectus

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Company Overview

Karamtara Engineering Limited, founded in 1996 by brothers Tanveer Singh and Rajiv Singh, is a backward-integrated steel engineering and fabrication company serving the global renewable energy and power transmission markets. Headquartered in Mumbai, it operates 13 manufacturing facilities (12 across India, primarily in Tarapur (Maharashtra) and Bhachau (Gujarat), and one in Italy) with an additional facility under construction in Saudi Arabia.

The company manufactures a diversified portfolio of solar, wind and transmission infrastructure products, including solar tracker piles and piers, module mounting structures (MMS), torque tubes, transmission towers, wind towers, fasteners and OHTL hardware fittings. Its vertically integrated manufacturing model spans steel procurement, in-house rolling of structural profiles, fabrication, machining, punching, welding and hot-dip galvanizing, enabling greater control over quality, costs and delivery. Finished products are supplied to renewable energy and transmission projects across India and international markets.

Revenue Model Breakdown

Segment	FY26 Revenue (INR Cr)	% of Revenue	FY24-26 CAGR
Solar Energy Products (tracker piles, MMS, torque tubes, stampings)	3,540.98	82.12%	33.64%
Transmission Line Towers (lattice structures)	~270-300	~6-7%	Growing post new capacity
Fasteners (bolts, nuts, washers for solar/wind/transmission)	~215-260	~5-6%	Stable
OHTL Hardware Fittings & Accessories (Italy + India)	~86-130	~2-3%	Stable
Wind Towers (angular + tubular — new FY25/26)	~130-170	~3-4%	New — commenced FY25/26
Others (scrap, job work, export incentives, service fees)	~86-130	~2-3%	Variable
Total Revenue from Operations	4,311.98	100%	33.34%

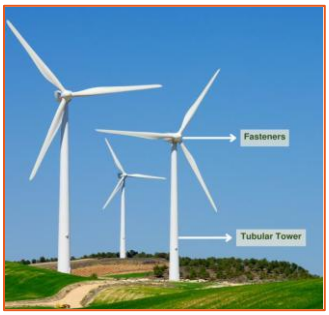
Geographic Mix (FY26): Domestic 59.48% (INR 2,564.48 Cr) vs Export 40.52% (INR 1,747.49 Cr). The domestic mix has shifted markedly from FY24 when exports were 57.56%. Domestic revenue CAGR of 57.84% (FY24-26) vastly outpaced export CAGR of 11.89%, reflecting India's accelerating solar capex cycle. The company serves 42 international customers across 50+ countries, with strong US presence (served 16 of top 24 EPC companies in FY26 per F&S Report).

Product Portfolio

Exhibit 1: Product Portfolio –

Transmission Line Tower Products

Wind Angular Tower



Wind Tubular Tower

Solar Tracker Structures

Fixed Tilt Structures

Fasteners

Insulator String Fittings

Solar Energy Products

Source: Company Website, Deven Choksey Research

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Key Competitive Moat and USP

- **Backward Integration & In-House Galvanizing:** Karamtara's large in-house galvanizing capacity provides a structural cost and quality advantage over fabricators dependent on outsourcing. Its lower zinc consumption, multiple galvanizing baths and tighter coating-thickness control improve cost efficiency, throughput and consistency. Replication requires roughly INR 100–150 Cr of capex, environmental approvals and years of process optimisation. The moat is therefore primarily defensive, protecting margins rather than enabling pricing power. While technically replicable, the capital intensity, utilisation requirements and process know-how create meaningful barriers for smaller competitors.

- **In-House Rolling Mills & Supply Chain Control**: Karamtara's in-house rolling mills convert steel billets into structural profiles used across its solar, transmission and wind businesses, reducing dependence on external suppliers. This shortens procurement lead times, improves raw-material availability and supports faster order execution, particularly for exports. Replicating the capability requires approximately INR 80–120 Cr of investment and sufficient multi-product volumes to absorb mill capacity efficiently. The key advantage is therefore not the technology itself, but Karamtara's ability to utilise the same profiles across multiple product categories, improving supply-chain resilience.

- **Plant Fungibility & Demand Optionality:** Karamtara's manufacturing infrastructure can be flexibly deployed across solar, transmission and wind products, reducing dependence on any single end-market. This capability has been demonstrated historically, with the company shifting from transmission toward solar when the former cycle weakened. Shared fabrication processes and engineering expertise allow capacity to be redeployed as market opportunities change. Unlike a dedicated solar or transmission facility, Karamtara can respond to changing demand without rebuilding its manufacturing base. This institutional manufacturing flexibility, developed over decades, represents one of its strongest moat layers.

- **Speed of Delivery & Time-to-Site Advantage:** Karamtara's integrated manufacturing model enables delivery of finished solar structures to US customers in approximately 8–10 weeks versus around 16 weeks for domestic US manufacturers. In utility-scale solar, faster delivery can protect project commissioning timelines and avoid potentially significant delay-related costs. The advantage stems from in-house rolling, galvanizing, raw-material availability and dedicated logistics capabilities. While competitors can theoretically replicate the infrastructure, matching the complete supply chain requires capital, working capital, logistics relationships and customer qualifications. Consistent execution further strengthens procurement stickiness over time.

- **Customer Qualification & Relationship Stickiness:** Karamtara's relationships with leading global EPCs and its presence across 50+ countries create an institutional trust advantage. Supplier qualification can take 12–24 months and involves factory audits, product testing, certifications, quality assessments and prototype approvals. Once qualified, customers face operational friction in switching suppliers due to established specifications, inspection processes, packaging protocols and project timelines. The company also benefits from cross-selling multiple products to existing customers, increasing wallet share. Over time, successful project execution and broader product adoption deepen customer relationships and strengthen retention.

- **Product Breadth & One-Stop-Shop Positioning:** Karamtara's broad product portfolio spans six solar product categories alongside transmission towers, wind towers, fasteners and OHTL fittings, enabling it to function as a one-stop structural supplier. For EPCs, consolidating procurement reduces vendor qualification, contracting, inspection, logistics and coordination requirements. Product breadth also enables cross-selling and supports a transition toward bundled solutions for renewable projects. Replicating the entire ecosystem would require substantial capital, multiple manufacturing capabilities, customer qualification and years of execution. Consequently, breadth compounds the company's customer relationships and increases switching friction.

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Manufacturing Landscape

Location	Unit / Facility	Products Manufactured	Installed Capacity	FY26 Production	Status	Institutional Notes
TARAPUR, PALGHAR, MAHARASHTRA — Headquarters Complex (7 units + 1 upcoming)						
Tarapur	**Unit Solar Piles & TLT**	Solar tracker piles & piers; Lattice towers for transmission lines	Part of 271,000 MTPA (piles) + 72,000 (TLT)	—	**OPERATIONAL**	Original unit — 26+ year history. Highest volume US export line. Fungible: solar piles & lattice TLT share up to 60,600 MTPA.
Tarapur	**Unit Solar Piles (dedicated)**	Solar tracker piles & piers (additional dedicated line)	Part of 271,000 MTPA aggregate	—	**OPERATIONAL**	Dedicated piles-only capacity added to supplement the original fungible line as solar demand scaled.
Tarapur	**Unit Solar MMS**	Solar module mounting structures (fixed-tilt); C-piles; Hat purlins	Part of 113,000 MTPA aggregate	—	**OPERATIONAL**	Fixed-tilt structures for domestic and export solar projects. Dual-site with Bhachau MMS unit.
Tarapur	**TLT & Wind Angular Tower**	Lattice towers for transmission lines (up to 1,200 kV); Angular towers for wind turbines	72,000 MTPA (fungible TLT + angular)	11,990 MT (angular, FY26)	**ANGULAR: MAR 2025**	Angular wind commenced Mar 2025. One of India's most advanced TLT facilities per F&S. 500,000+ MT TLT supplied cumulatively. CNC-automated.
Tarapur	**Unit OHTL Fittings**	Overhead transmission line hardware fittings — jumper tubes, clamps, vibration dampers	—	—	**OPERATIONAL**	Complements Italy (Iselfa) OHTL capability. Originally set up for different product, then repurposed — demonstrates plant flexibility.
Tarapur	**Unit Profiles (Rolling Mill)**	Structural steel angles & profiles — CAPTIVE consumption for all product lines	168,000 MTPA (aggregate profiles)	—	**CAPTIVE B/W INTEG.**	Backward integration — eliminates 2-4 week external procurement lead time. Key enabler of 8-10 week US delivery. Second mill in Nagpur.
Tarapur	**Galvanizing (Tarapur)**	Hot-dip galvanizing — 3 independent baths; zinc consumption at 3.5% vs ~5% outsourced	~210,000 MTPA (est. Tarapur share of 276,800)	~21,000 MT/month	**CAPTIVE B/W INTEG.**	Largest galvanizing capacity in India's solar sector (F&S Report). 3 independent baths enable parallel processing. 1.5% zinc saving = ~INR 18-19 Cr/year cost advantage at scale.
Kumbhavali (nr. Tarapur)	**Unit Kumbhavali**	Plate manufacturing for transmission line towers and angular wind towers	—	—	**OPERATIONAL**	Supports the TLT and angular tower lines with captive plate supply.
Tarapur	**Solar Stamping Parts (upcoming)**	Solar stamping parts — new product line	TBD	—	**SETUP — FY27**	Mgmt: "starting in two months." Expands solar product breadth to 6 categories — completes one-stop-shop claim. New revenue stream.
BHACHAU, KUTCH, GUJARAT — Growth Campus (~170 acres, 4 units + 3 upcoming)						
Bhachau	**Wind Tubular Tower**	Tubular towers for wind turbines — single sections up to 45m length, 6m diameter	126,000 MTPA	25,893 MT (FY26)	**NEW — JUN 2025**	World-class specs — 45m section length, 6m dia. Initial customers: Rox Energy, Adani. FY26 utilization ~20.6% — ramp-up year.
Bhachau	**Unit Solar Torque Tube**	Solar torque tubes for tracker systems	108,000 MTPA	—	**RELOCATED JUL 2025**	Relocated from Tarapur to Bhachau in Jul 2025 — ~3 months production loss in FY26, contributed to lower aggregate utilization.
Bhachau	**Unit Solar MMS, Bhachau**	Solar module mounting structures (fixed-tilt)	Part of 113,000 MTPA aggregate	—	**OPERATIONAL**	Dual-site with Tarapur MMS. Proximity to Gujarat's solar parks (Kutch is India's largest solar corridor).
Bhachau	**Solar Piles & TLT, Bhachau**	Solar tracker piles & piers + lattice towers for transmission lines (fungible)	Part of 271,000 (piles) + 72,000 (TLT)	—	**NEW — Q4 FY26**	Fungible facility — can switch between solar piles and lattice towers up to 60,600 MTPA. Commissioned Q4 FY26 — minimal FY26 production contribution.
Bhachau	**Galvanizing (Bhachau)**	Hot-dip galvanizing — captive for all Bhachau product lines	~67,000 MTPA (est. Bhachau share)	—	**CAPTIVE B/W INTEG.**	Part of 276,800 MTPA total galvanizing. Ensures the Bhachau growth campus is fully self-sufficient for galvanizing.
Bhachau	**Structural Steel Profiles (upcoming)**	Rolling mill for captive structural profiles — mirrors Tarapur capability	TBD	—	**SETUP — FY27**	Third rolling mill. Completes backward integration at Bhachau — currently profiles are shipped from Tarapur/Nagpur.

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Location	Unit / Facility	Products Manufactured	Installed Capacity	FY26 Production	Status	Institutional Notes
Bhachau	**PEB Structures (upcoming)**	Prefabricated engineered buildings — data centres, substations	TBD	—	**SETUP — FY28**	New product vertical. Targets India's hyperscale data centre buildout (capacity doubling). Logical extension of structural steel fabrication capability.
NAGPUR, MAHARASHTRA						
Nagpur	**Unit Fasteners**	Bolts, nuts, anti-theft bolts, studs, U-bolts, plain & spring washers — solar, wind, transmission, industrial	30,000 MTPA	19,805 MT (FY26)	**OPERATIONAL — 66%**	Highest utilization among product lines (66%). Cross-sells into all verticals. Nagpur also houses one of the two rolling mills (originally for external supply to KEC, Kalpataru, Tata, L&T).
INTERNATIONAL — ITALY, USA, SAUDI ARABIA						
Milan, Italy	**Unit Iselfa (Iselfa Morsetteria SRL)**	OHTL hardware fittings & accessories — insulator string fittings, vibration dampers, suspension clamps, substation fittings	1,200 MTPA + 480,000 pieces	416,018 pcs (FY26, ~87% util.)	**OPERATIONAL**	Acquired 2011 via Karamtara Italy SRL. Qualified in 80+ countries globally. Runs in 'auto mode' per mgmt. Small revenue but provides European qualification credentials across product lines.
USA	**Karamtara USA Inc.**	Sales, logistics, and customer interface entity — NO manufacturing	N/A	N/A	**SALES ENTITY**	100% subsidiary. Handles US market coordination. Products manufactured in India, shipped to US doorstep in 8-10 weeks (vs 16 weeks for US domestic mfrs).
Saudi Arabia (KSA)	**Karamtara Renewables Saudi Ltd**	Solar torque tubes, solar tracker piles & piers, lattice towers, PEB structures, galvanizing, rolling mill	TBD — full integrated facility	—	**UNDER CONSTR. — FY28**	Project cost: SAR 176 Mn (~INR 405 Cr). Part debt-financed at INR 329.70 Cr. Saudi mandates local content — cannot import finished structural products. Targets 130 GW Saudi Vision 2030 renewables. Make-or-break strategic bet.

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Karamtara Engineering Limited

DEVEN CHOKSEY RESEARCH

Strengths

- In-house galvanizing and rolling mills reduce supply-chain dependence, save ~INR 18–19 Cr annually, shorten lead times, and provide tighter quality control across production.
- Six solar product categories under one roof enable cross-selling, increase customer wallet share, and provide a broader offering than listed Indian peers across solar structures.
- Flexible manufacturing capacity across solar, transmission and wind allows Karamtara to quickly shift production toward stronger demand segments, reducing dependence on any single sector.
- Karamtara delivers to US customer sites within 8–10 weeks versus ~16 weeks for domestic manufacturers, creating a meaningful competitive advantage amid project COD pressures.

Challenges

- Capacity utilization stands at only 59%, creating asset-absorption risk; FY27–28 ramp-up is critical for improving fixed-cost absorption, ROCE and profitability.
- Entirely project-based revenue and a modest 1.4x book-to-bill provide limited earnings visibility, with prolonged order weakness potentially flowing into financials within two quarters.
- Receivables increased faster than revenue, with debtor days reaching ~111; although payables offset working capital, customer concentration and collections require continued monitoring.
- Cost-plus economics and steel pass-through limit pricing power, while 11.55% EBITDA and 5.30% PAT margins leave limited cushion against commodity-cost shocks.

SCOT ANALYSIS

Threats

- Steel represents ~60% of revenue, and procurement-to-realization timing creates temporary margin risk if sharp price increases occur before pass-through mechanisms take effect.
- The INR 405 Cr Saudi facility faces construction, regulatory, recruitment and demand risks; delays beyond FY28 could leave a significant international asset underutilized.
- ~40% export exposure creates FX sensitivity, while operations across India, Italy, USA and Saudi Arabia increase tax, transfer-pricing, compliance and cross-border regulatory complexity.

Opportunities

- India's renewable target requires ~72 GW annual additions, creating a structural demand floor for solar structures and potentially supporting significant capacity utilization growth.
- Existing 889,200 MTPA capacity is only 59% utilized; ramping toward 75–80% could materially improve fixed-cost absorption and generate non-linear EBITDA and PAT growth.
- Saudi's 130 GW renewable target and local-content requirements create a large greenfield opportunity, with the FY28 facility providing tariff-free MENA access and potential regional replication.
- Wind towers provide an entirely incremental revenue stream, with 37,883 MT already produced in FY26 and India's offshore-wind ambitions supporting substantial future manufacturing demand.

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Industry Overview

India's Renewable Energy Buildout

India targets 500 GW of renewable energy capacity by 2030 (currently at ~210 GW), implying ~290 GW of addition over 4 years or ~72 GW per annum. Solar alone targets ~300 GW by 2030, with current installed capacity at ~100 GW. This means India needs to install 50+ GW of solar annually. Every GW of ground-mount solar requires approximately 12,000-15,000 MT of steel structures (piles, MMS, torque tubes), translating to an annual demand of 600,000-750,000 MT of solar steel structures from India's domestic market alone.

India's solar panel mounting structure market is projected to grow from approximately USD 1.8-2.2 billion in 2026 to USD 4.5-5.5 billion by 2035. Tracker adoption is accelerating with single-axis trackers are expected to reach 30-35% of new utility-scale installations by 2030 (up from ~20% currently), driven by higher energy yield with bifacial modules. This shift directly benefits Karamtara's tracker components portfolio.

Transmission Infrastructure Lag

India's transmission infrastructure has historically lagged behind generation capacity addition. The Union Budget 2026-27 allocated INR 2,80,000 Cr to the National Electricity Mission for transmission investment. This creates a decade-long order pipeline for transmission tower manufacturers. An additional INR 10,000 Cr was earmarked specifically for RE evacuation infrastructure. Karamtara's recent capacity addition in transmission lattice towers at Bhachau (operational Q4 FY26) positions it to capture this demand. Historically, the company supplied over 500,000 MT of transmission towers globally.

Wind Energy Opportunity

India's wind energy market is experiencing a revival, with offshore wind targets of 30 GW by 2030. Karamtara commenced angular wind tower production in March 2025 (11,990 MT produced in FY26) and tubular wind tower production in June 2025 (25,893 MT produced in FY26). The tubular tower facility at Bhachau can produce single sections up to 45 meters long and 6 meters in diameter. Initial customers include Rox Energy and Adani.

Saudi Arabia & MENA Expansion

Saudi Arabia's Vision 2030 targets 130 GW of renewables, and the Kingdom mandates local manufacturing for solar components. Karamtara's Saudi facility (SAR 176 million / ~INR 405 Cr project cost, partly financed with INR 329.70 Cr in debt) is designed to manufacture solar torque tubes, tracker piles, lattice towers, and PEB structures. Management expects commissioning by Q3-Q4 FY28. If successful, this provides: (a) tariff-free access to the Saudi/MENA market, (b) local content compliance, and (c) proximity advantage for the Expo 2030 and FIFA World Cup construction boom.

Data Centre & PEB Opportunity

The company is entering prefabricated engineered buildings (PEB) for data centres and substations, a rapidly growing segment as India's hyperscale data centre capacity doubles. This is a logical extension of the structural steel fabrication capability and provides higher value addition per MT. PEB facilities are planned at Bhachau (Gujarat) and Saudi Arabia, both expected FY28.

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Peer Analysis

Table 1: Financial Performance Comparison (FY26 Actuals)

Metric	KARAMTARA (IPO @ INR 254)	KEC International	Skipper Ltd	Kalpataru Projects Intl	Pennar Industries	Goodluck India
SCALE & SIZE						
Market Cap (INR Cr)	~8,174	~10,876	~6,676	~24,215	~2,287	~4,704
FY26 Revenue (INR Cr)	4,312	23,506	5,553	~22,000	3,620	4,121
FY26 EBITDA (INR Cr)	498	1,659	572	~1,800	~340	418
FY26 PAT (INR Cr)	229	606	207	~750	139	183
PROFITABILITY						
EBITDA Margin (%)	11.55%	7.06%	10.30%	~8.2%	~9.4%	10.16%
PAT Margin (%)	5.30%	2.58%	3.73%	~3.4%	3.84%	4.43%
ROE (%)	20.77%	~12%	~14%	~14.6%	~12%	~13%
ROCE (%)	23.27%	~15-17%	~18%	~15%	~15%	~16%
GROWTH (FY24-26 CAGR)						
Revenue CAGR (FY24-26)	33.34%	~8%	~20%	~15%	~12%	~4%
PAT CAGR (FY24-26)	49.28%	~18%	~42%	~25%	~16%	~10%
BALANCE SHEET & WORKING CAPITAL						
Debt/Equity Ratio	0.84x	~1.3x	~0.7x	~0.8x	~0.5x	~0.7x
D/E Post-IPO (est.)	~0.41x	—	—	—	—	—
Net Working Capital Days	43	137	~90	~100	~75	~80
Order Book (INR Cr)	~6,000	36,267	8,502	~40,000+	~2,000	~2,500
Book-to-Bill (x)	~1.4x	~1.5x	~1.5x	~1.8x	~0.6x	~0.6x
VALUATION MULTIPLES						
FY26 P/E (x)	32.4x	~27.7x	~32.2x	~23.4x	~16.5x	~23.8x
FY26 EV/EBITDA (x)	~16.9x	~10.6x	~11.7x	~12x	~6.7x	~13.1x
P/Sales (x)	1.9x	0.5x	1.2x	1.1x	0.6x	1.1x
P/BV (x)	6.1x	~3.5x	~4.5x	~3.1x	~2.0x	~3.0x
PEG Ratio (x)	0.66x	~1.5x	~0.77x	~0.94x	~1.0x	~2.4x
FY26 EPS (INR)	7.83	~22.8	~19.2	~60	~10.2	~56.1
Dividend Yield	N/A	~1.3%	~0.5%	~0.5%	~1.0%	~0.5%
OPERATIONAL PROFILE						
Primary Business	Solar structures + TLT + Wind + Fasteners + OHTL	T&D EPC (global) + Solar EPC + Civil	TLT mfg + EPC + Polymer	T&D EPC + O&G + Civil + Railway	Steel products + PEB + Solar MMS	Steel structures + Pipes + Forgings
Solar Product Categories	6 (tracker piles, MMS, torque tubes, stamping, fasteners, C-piles)	Solar EPC (not mfg)	None	Solar EPC (not mfg)	Partial MMS	Partial structures
In-house Galvanizing	✓ 276,800 MTPA (largest in solar, F&S)	✗	✓ (TLT focused)	✗	✗	✓ (in-house)
In-house Rolling Mill	✓ 2 mills (168,000 MTPA)	✗	✗	✗	✗	✗
Wind Tower Capability	✓ Angular + Tubular (45m, 6m dia)	✗	✗	✗	✗	✗
International Manufacturing	Italy + Saudi (WIP) + USA (sales)	Brazil (SAE Towers) + global EPC	Exports only	75 countries (EPC)	PEB exports to US	Exports to 50+ countries
Total Installed Capacity (MTPA)	889,200	N/A (EPC)	~450,000	N/A (EPC)	~300,000 (est.)	~600,000 (est.)
FY26 Capacity Utilization	59.05% (depressed — new capacity Q3-Q4)	N/A	~75-80% (est.)	N/A	~65% (est.)	~70% (est.)

Source: Deven Choksey Research

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About the Management

Mr. Tanveer Singh
(Chairman & Managing Director)

- 30 years experience in manufacturing sector
- Holds a master's degree in business administration from the University of Manchester, United Kingdom

Mr. Rajiv Singh
(Joint Managing Director)

- 30 years experience in manufacturing sector
- Holds a bachelor's degree in commerce from the University of Bombay & master's degree in business administration from the European University, Switzerland

Mr. Sunil Kumar Rustagi
(Whole-Time Director & CEO)

- Associated with the company since 2011
- 34 years of industry experience
- Fellow member of the Institute of Chartered Accountants of India, an associate member of the Institute of Cost Accountants of India, an associate member of the Institute of Company Secretaries of India, and a certified public accountant from the State Board of Accountancy of the state of Delaware, United States of America

Key Risks

1. **US Tariff Escalation on Steel Derivatives –** Karamtara derives 40.52% of FY26 revenue from exports, with the US its largest market. Current tariffs include 25% Section 232 and 10% Section 301 surcharge. Further escalation could impair US competitiveness; every 10ppt increase risks ~INR 175 Cr revenue and ~INR 20 Cr PAT. Management's tariff resilience mitigates, but prohibitive tariffs remain critical.

2. **Steel & Zinc Commodity Price Volatility –** Steel contributes ~60% of revenue, while zinc is the key galvanizing input. Although cost-plus pricing provides pass-through, the 2–4 week procurement-to-billing lag creates temporary margin exposure. A sharp steel price increase could compress EBITDA margins by 100–200bps for 1–2 quarters. Management hedges upon order confirmation, but spot orders remain vulnerable.

3. **Capacity Utilisation Ramp-Up Risk –** Installed capacity of 889,200 MTPA operated at only 59.05% utilization in FY26, partly due to recently commissioned capacity and torque-tube relocation. Failure to reach the guided 75–85% range during FY27–28 could weaken fixed-cost absorption and ROCE. Each 10ppt utilization shortfall could reduce EBITDA by ~INR 80–100 Cr, despite INR 6,000 Cr order-book coverage.

4. **Saudi Arabia Execution Risk** – The Saudi facility, costing ~INR 405 Cr with INR 329.70 Cr debt financing, is Karamtara's first greenfield overseas plant. Construction, regulatory, labour, supply-chain and demand risks could delay FY28 commissioning. A 12–18 month delay would leave project debt servicing without corresponding revenue, with ~INR 33 Cr annual interest potentially reducing consolidated PAT materially.

5. **Capital Intensity & Persistent Negative Free Cash Flow** – Free cash flow has remained negative for three consecutive years, reaching INR -251 Cr in FY26 amid INR 926 Cr capex. Despite IPO-led deleveraging, the Saudi plant, PEB facility, Bhachau mill and stamping expansion require further funding. Continued capex could re-leverage the balance sheet, making sustained cash generation and capital efficiency critical to valuation.

6. **Solar Segment Concentration – 82% Revenue Dependence** – Solar products contributed 82.12% of FY26 revenue, leaving Karamtara highly exposed to solar-sector investment cycles. Policy delays, grid constraints, supply disruptions or global recession could materially impact demand. While transmission and wind provide diversification, these remain nascent businesses. Meaningful revenue diversification is therefore more likely from FY28–29 rather than the immediate FY27 period.

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Profit & Loss (INR Mn)	FY24	FY25	FY26
Net Sales	24,251	31,584	43,120
Cost of Materials Consumed	17,438	21,298	25,736
Changes in Inventories	-209	6	-536
Employee Cost	1,138	1,497	2,039
Other Expenses	3,255	5,314	10,898
Total Expenses	**21,622**	**28,116**	**38,139**
EBITDA	**2,629**	**3,468**	**4,981**
EBITDA Margin (%)	**10.84%**	**10.98%**	**11.55%**
Depreciation & Amortization	346	377	508
EBIT	**2283**	**3091**	**4474**
EBIT Margin (%)	**9.41%**	**9.79%**	**10.37%**
Other Income	20	69	44
Finance Costs	929	1,278	1,405
PBT	**1374**	**1883**	**3112**
Tax	348	489	825
Reported PAT	**1,027**	**1,393**	**2,288**
PAT Margin (%)	**4.23%**	**4.41%**	**5.31%**
Basic EPS (₹)	**3.64**	**4.9**	**7.83**

Source: IPO Prospectus, Deven Choksey Research

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Balance Sheet (INR Mn)	FY24	FY25	FY26
Equity Share Capital	55	2923	2923
Other Equity	5479	6909	9276
Net Worth	**5534**	**9832**	**12199**
Non-Current Borrowings	1469	2182	5667
Lease Liabilities (Non-Current)	-	13	628
Other Non-Current Liabilities	857	310	2151
Total Non-Current Liabilities	**2394**	**2581**	**8552**
Current Borrowings	3616	3381	4635
Trade Payables	6104	10352	13247
Other Current Liabilities	797	1480	2790
Total Current Liabilities	**10517**	**15213**	**20672**
Total Equity & Liabilities	**18446**	**27626**	**41422**
Net PPE	5,694	6,418	11,643
CWIP	169	1,942	4,846
Right-of-Use Assets	5	25	664
Goodwill	28	29	34
Other Non-Current Assets	793	937	1,736
Total Non-Current Assets	**6,689**	**9,351**	**18,923**
Inventories	5,286	6,916	5,718
Trade Receivables	5,685	9,346	13,161
Cash & Bank	424	627	1,432
Other Current Assets	361	1,385	2,189
Total Current Assets	**11,757**	**18,274**	**22,500**
Total Assets	**18,446**	**27,626**	**41,422**

Source: IPO Prospectus, Deven Choksey Research

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Cash Flow Statement (INR Mn)	FY24	FY25	FY26
Operating Cash Flow	400.23	1,025.15	6,751.48
Investing Cash Flow	(1,237.93)	(2,764.21)	(9,594.62)
Financing Cash Flow	880.54	1,948.58	3,283.35
Net Change in Cash	**42.84**	**209.52**	**440.21**

Source: IPO Prospectus, Deven Choksey Research

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