

IPO Note:

Karamtara Engineering Ltd.

Industry: Power

Date: September 08, 2026

Issue Snapshot		Issue Break up		
Company Name	Karamtara Engineering Ltd.	QIB ex Anchor	20%	68,89,764
Issue Opens	September 09, 2026 to September 11, 2026	Anchor Investor	30%	1,03,34,646
Price Band	Rs. 241 – Rs. 254	HNI<Rs. 10 Lakhs	5%	17,22,441
Bid Lot	59 Equity Shares and in multiples thereof.	HNI>Rs. 10 Lakhs	10%	34,44,882
The Offer	Public issue of 3,44,48,819 Equity shares of face value Rs. 10 each, (Comprising of fresh issue of 2,65,74,803 Equity Shares* (Rs. 675.0 cr.) and Offer for Sale of 78,74,016 Equity Shares* (Rs. 200.0 cr.) by Selling Shareholder).	RII	35%	1,20,57,087
		Total Public	100%	3,44,48,819
Issue Size	Rs. 875.0 Crores	Equity Share Pre Issue (Nos. Cr.)	29.5	
IPO Process	100% Book Building	Fresh Share (Nos. Cr.)	2.7	
Face Value	Rs. 10.00	OFS Share (Nos. Cr.)	0.8	
Exchanges	NSE & BSE	Equity Share Post Issue (Nos. Cr.)	32.2	
BRLM	JM Financial Ltd., ICICI Securities Ltd., IIFL Capital Services Ltd.	Market Cap (Rs. Cr.)	8,174.3	
Registrar	MUFG Intime India Pvt. Ltd.	Equity Dilution	8.3%	
		Stake Sale by OFS	2.4%	

Objects Of The Offer

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. (up to Rs. 100 crore by Tanveer Singh and up to Rs. 100 crore by Rajiv Singh)

Fresh Issue

- Funding prepayment, repayment and/ or payment obligations to our lenders towards borrowings and Acceptances, in part or full (Rs. 600 crore); and
- General corporate purposes.

COMPANY HIGHLIGHTS

- Karamtara Engineering is a backward-integrated manufacturer of products for the renewable energy and transmission line sectors and was the largest integrated manufacturer in India of solar mounting structures and tracker components by installed capacity in FY26. Its aggregate installed capacity stood at 889,200 MTPA as of March 31, 2026, comprising 492,000 MTPA of solar products, equivalent to ~16.81 GW, and 480,000 pieces of capacity excluding galvanizing. The company offers a broad portfolio covering fixed-tilt solar mounting structures, tracker piles/piers and torque tubes, lattice transmission towers, fasteners, OHTL hardware fittings and accessories, and angular and tubular wind towers.

- Karamtara Engineering has expanded beyond its core solar and transmission products into wind towers, with angular tower production commencing in March 2025 and tubular tower production in June 2025. It also plans to enter battery energy storage systems (BESS) through wholly owned subsidiary Karamtara Green Energy Ltd., incorporated in May 2025, while a pre-engineered building (PEB) manufacturing facility is planned at Bhachau. The company also manufactures specialized hybrid lattice towers for wind applications and offers composite transmission contracts covering manufacturing, supply, erection, installation and commissioning.
- Its broad product portfolio positions Karamtara Engineering as a one-stop supplier across multiple renewable and transmission applications, enabling cross-selling across its existing customer base. The strategy is being extended through a solar stamping-parts facility at Tarapur, entry into BESS through KGEL and a planned PEB facility at Bhachau by FY28, which would address additional steel-based applications including data centres and transmission converter stations. The company also intends to offer bundled solutions for hybrid renewable parks.
- Its international footprint spans over 50 countries across North America, Europe, Asia, Africa, Australia and Latin America, with 42 international customers as of March 31, 2026. Karamtara Engineering served 16 of the top 24 EPC companies in the US, representing approximately 233 GW of installed capacity. It was also among the largest exporters of solar products from India to North America in FY25, with export revenue increasing at an 11.89% CAGR from Rs. 13,958.32 million in FY24 to Rs. 17,474.92 million in FY26.
- The manufacturing network comprised 13 facilities as of March 31, 2026, including eight in Maharashtra, four in Gujarat and one in Italy. Its backward-integrated operations include in-house galvanizing facilities with 276,800 MTPA of installed capacity, the largest in India's solar energy sector, along with two rolling mill furnaces. Manufacturing operations are supported by automation, robotics, IoT-enabled systems and an in-house team of 160 engineers and inspectors.
- Karamtara Engineering has built scale across its product portfolio, producing 332,729 MT of solar products (~11.30 GW) in FY26. It had supplied more than 0.50 million MT of lattice towers as of March 31, 2026, while FY26 production included 19,805 MT of fasteners, 416,018 pieces of OHTL hardware fittings, 25,893 MT of tubular wind towers and 11,990 MT of angular wind towers.
- The company has a sales and marketing team in India and have engaged on-the-ground sales personnel comprising eight individuals outside India that market its products to customers as of March 31, 2026. It also benefit from strong continuing relationships with its customers in the renewable energy and transmission lines sectors. The company's customer base includes OEMs, EPCs and IPPs, with 65 solar customers in FY26 compared with 48 in FY24. Average revenue per solar customer increased from Rs. 413.05 million in FY24 to Rs. 524.02 million in FY26, while the top 10 solar customers as of March 31, 2026 had an average relationship of approximately three years. Karamtara Engineering also holds a Four Star Export House status and has certifications including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 27001:2022.

VIEW

- Karamtara Engineering's backward integration across structural steel and galvanizing provides greater control over manufacturing, quality and delivery timelines, while reducing dependence on external suppliers. In-house raw materials accounted for 23.73% of total consumption in FY26, while its 276,800 MTPA galvanizing capacity further supports internalization of the manufacturing process. The company also intends to improve procurement and supply-chain efficiency through supplier diversification, increased galvanization and real-time digital inventory and supply-chain tools.
- India is transitioning from coal-based power to renewable energy, with a projected total power generation capacity of 868 GW by Fiscal 2031 (estimated) and surpassing renewable energy target of 500 GW by 2030 (estimated), including 282 GW from solar power. Further, India possesses immense solar energy potential, with approximately 5,000 trillion kWh of solar energy received annually, translating to 4 to 7 kWh per square meter per day. This abundant resource positions the country as a key player in harnessing solar energy for sustainable development.
- An established international customer base provides a platform for further export-led expansion. Karamtara Engineering plans to leverage its expanded manufacturing capacity, in-house galvanizing capabilities and planned Saudi facility to increase its international customer base. Its strategy includes developing export-specific product variants, obtaining relevant certifications and strengthening its dedicated international sales and marketing presence. Export revenue grew at an 11.89% CAGR during FY24-FY26, providing an established base for this expansion.
- Customer relationships and repeat business provide scope to increase wallet share from existing accounts. Karamtara Engineering generated 45.49% of FY26 revenue from customers associated with the company for at least two years, while average revenue per solar customer increased to Rs. 524.02 million in FY26 from Rs. 413.05 million in FY24. Its strategy of upselling, cross-selling, product customization and bundled offerings should support deeper engagement with existing OEMs, EPCs and IPPs.
- Capacity expansion remains a key part of the growth strategy, with a new structural steel profile facility planned at Bhachau by FY27 in addition to captive capacity at Palghar, alongside the solar stamping facility at Tarapur and PEB facility at Bhachau. These investments are intended to address capacity constraints, broaden the customer base, achieve economies of scale and improve manufacturing efficiency.
- Karamtara Engineering's manufacturing footprint and operating capabilities provide flexibility to serve both domestic and export markets. Several facilities are located close to one another in Tarapur MIDC, Maharashtra and Bhachau, Gujarat, with access to road, rail, ports and airports; Bhachau is also located near the Khavada and Rapar renewable-energy hubs. The company is further strengthening its international manufacturing footprint through a planned Saudi facility and has entered into a 25-year green-power agreement, with solar electricity commencing in April 2026.
- In terms of the valuations, on the higher price band, Karamtara Engineering demands P/E multiple of 35.7x on FY26 post issue diluted EPS.

Revenue from Operations

	FY24		FY25		FY26	
	Revenue (Rs. Cr.)	% of Revenue	Revenue (Rs. Cr.)	% of Revenue	Revenue (Rs. Cr.)	% of Revenue
Product Portfolio						
Solar energy products	1982.6	81.8%	2570.9	81.4%	3406.1	79.0%
Lattice towers for transmission line	101.2	4.2%	164.9	5.2%	273.7	6.4%
Angular towers for wind turbines	–	–	1.8	0.1%	88.4	2.1%
Tubular towers for wind turbines	–	–	–	–	46.4	1.1%
Fasteners	144.9	6.0%	208.0	6.6%	233.6	5.4%
Others	196.4	8.1%	212.7	6.7%	263.7	6.1%
Total	2425.2	100.0%	3158.4	100.0%	4312.0	100.0%
Customer-wise						
Largest customer	459.0	18.9%	194.2	6.2%	344.0	8.0%
Top five customers	1209.6	49.9%	793.6	25.1%	1352.3	31.4%
Top ten customers (A)	1539.3	63.5%	1276.1	40.4%	2096.7	48.6%
Other customers (B)	871.6	35.9%	1865.5	59.1%	2171.5	50.4%
Export incentive (C)	14.3	0.6%	16.9	0.5%	43.7	1.0%
Total (D=A+B+C)	2425.2	100.0%	3158.4	100.0%	4312.0	100.0%
Geography-wise						
Domestic	1015.0	41.9%	1520.8	48.2%	2520.8	58.5%
Exports						
United States	1168.3	48.2%	1401.5	44.4%	1486.9	34.5%
Europe	145.1	6.0%	99.7	3.2%	167.1	3.9%
Rest of the world	82.4	3.4%	119.5	3.8%	93.5	2.2%
Total Exports	1395.8	57.6%	1620.7	51.3%	1747.5	40.5%
Export incentive	14.3	0.6%	16.9	0.5%	43.7	1.0%
Grand total	2425.2	100.0%	3158.4	100.0%	4312.0	100.0%

Key Financial and Operational Parameters

	FY24	FY25	FY26	CAGR
Revenue from operations ¹ (Rs. Cr.)	2425.2	3158.4	4312.0	33.3%
Year-on-year growth (%)	51.5%	30.2%	36.5%	-
a. Domestic revenue from operations (Rs. Cr.)	1029.3	1537.7	2564.5	57.8%
Domestic (%)	42.4%	48.7%	59.5%	-
b. Export revenue (Rs. Cr.)	1395.8	1620.7	1747.5	11.9%
Exports (%)	57.6%	51.3%	40.5%	-
Revenue from sale of Renewable Products (Rs. Cr.)	1982.6	2572.8	3541.0	33.6%
Renewable (%)	81.8%	81.5%	82.1%	-
EBITDA (Rs. Cr.)	262.9	346.8	498.1	37.6%
EBITDA margin (%)	10.8%	11.0%	11.6%	-
Adjusted EBITDA Margin (%)	11.7%	12.3%	14.6%	-
Restated profit after tax (Rs. Cr.)	102.7	139.3	228.8	49.3%
Restated profit after tax margin (%)	4.2%	4.4%	5.3%	-
Cash Profit (Rs. Cr.)	137.3	177.0	279.5	42.7%
Total Equity (Rs. Cr.)	553.4	983.2	1219.9	-
Debt	508.5	556.3	1030.1	-
Net Debt	463.1	488.9	881.3	-
Acceptances (Rs. Cr.)	465.8	558.8	697.7	-
Debt to Equity	0.92	0.57	0.84	-
Net Debt to Equity	0.84	0.50	0.72	-
Net Debt to EBITDA	1.76	1.41	1.77	-
Return on equity (%)	20.5%	18.1%	20.8%	-
Return on capital employed (%)	24.2%	23.3%	23.3%	-
Fixed asset turnover ratio	4.26	4.92	3.7	-
Net Working Capital (Rs. Cr.)	442.9	581.4	503.1	-
Net Working Capital Days	67	67	43	-
Capacity (in MTPA)	4,91,100.00	5,79,500.00	8,89,200	-
Capacity utilization (%)	67.9%	70.4%	59.1%	-

Financial Statement

(In Rs. Cr)	FY24	FY25	FY26
Share Capital	5.5	292.3	292.3
Net Worth	553.4	983.2	1219.9
Long Term Borrowings	146.9	218.2	566.7
Other Long Term Liabilities	92.5	39.9	288.5
Short-term borrowings	361.6	338.1	463.5
Other Current Liabilities	690.1	1183.2	1603.7
Fixed Assets	637.6	843.9	1723.0
Non Current Assets	620.9	91.2	169.3
Current Assets	1175.7	1827.4	2250.0
Total Assets	1844.6	2762.6	4142.2
Revenue from Operations	2425.2	3158.4	4312.0
Revenue Growth (%)		30.2	36.5
EBITDA	262.9	346.8	498.1
EBITDA Margin (%)	10.8	11.0	11.6
Net Profit	102.7	139.3	228.8
Net Profit Margin (%)	4.2	4.4	5.3
Earnings Per Share (Rs.)	3.6	4.9	7.8
Return on Networth (%)	20.5	18.2	20.8
Net Asset Value per Share (Rs.)	19.6	33.6	41.7

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY24	FY25	FY26
Cash flow from Operations Activities	40.0	102.5	675.1
Cash flow from Investing Activities	(123.8)	(276.4)	(959.5)
Cash flow from Financing Activities	88.1	194.9	328.3
Net increase/(decrease) in cash and cash equivalents	4.3	21.0	44.0
Cash and cash equivalents at the beginning of the year	5.6	9.9	30.8
Cash and cash equivalents at the end of the year	9.9	30.8	74.9

Source: RHP

Comparison with Listed Industry Peers

	Net Sales (Rs. Cr.)	OPM (%)	D/E (x)	ROCE (%)	RONW (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	MCap/Sales (x)	Market Cap (Rs. Cr.)
Karamtara Engineering Ltd.	4312.0	11.6	0.2	23.2	12.1	35.7	4.3	17.1	1.9	8174.3
Waaree Energies Ltd.	20990.5	29.4	0.2	39.7	33.6	19.4	4.8	9.9	2.5	74214.0
Suzlon Energy Ltd.	16731.8	18.7	0.0	35.8	41.3	20.1	6.6	19.9	3.6	63229.9
Premier Energies Ltd.	7824.4	33.0	0.8	33.7	42.6	27.3	9.6	17.2	5.4	45485.9
Emmvee Photovoltaic Power Ltd.	2335.6	32.0	3.6	28.8	104.6	17.7	5.5	11.3	4.0	22580.8
Inox Wind Ltd.	3557.1	25.3	0.3	12.3	13.2	37.1	2.0	13.0	2.9	12780.3
Vikram Solar Ltd.	4802.3	20.3	0.0	34.1	21.5	17.4	2.0	5.8	1.2	6208.9
Saatvik Green Energy Ltd.	2158.4	16.5	1.4	55.2	93.9	21.6	3.9	13.8	1.3	5354.3
KP Green Engineering Ltd.	694.6	16.8	0.3	30.6	24.9	10.9	4.6	6.2	1.2	1476.5

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