Karamtara Engineering Ltd.

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IPO Note **08th Sept 2026**

Company Overview

Karamtara Engineering Limited is a backward-integrated manufacturer serving the renewable energy and transmission line sectors, with a diversified product portfolio spanning solar mounting structures, tracker components, transmission structures, fasteners, and overhead transmission line (OHTL) hardware fittings. According to the Frost & Sullivan Report, the company was the largest integrated manufacturer in India, in terms of installed capacity, for solar mounting structures and tracker components in FY26. As of March 31, 2026, the company had an aggregate installed capacity of 889,200 MTPA, including 492,000 MTPA for solar products (equivalent to approximately 16.81 GW), along with a capacity of 480,000 pieces, excluding galvanising capacity. Its extensive product portfolio enables it to operate as a one-stop solution provider for fixed-tilt and tracker-based solar structures. The company also manufactures structural steel profiles, fasteners and OHTL hardware fittings and accessories, supporting its presence across the renewable energy and transmission infrastructure value chain. Karamtara has established a strong international presence, with exports to over 50 countries across North America, Europe, Asia, Africa, Australia and Latin America. According to the Frost & Sullivan Report, it was one of the largest exporters of solar products from India to North America in FY25 and served 16 of the top 24 EPC companies in the United States as of March 31, 2026. Export revenue grew at a CAGR of 11.9% from FY24 to FY26 and contributed 40.5% of total revenue in FY26. The company has also expanded into adjacent growth segments, commencing production of angular and tubular wind turbine towers during FY25. It further intends to enter the battery energy storage systems segment through its wholly owned subsidiary and establish manufacturing facilities for prefabricated engineered building structures. Overall, Karamtara's large-scale manufacturing platform, backward integration, diversified product portfolio and established export presence position it to benefit from increasing investments in renewable energy and transmission infrastructure. Its expansion into wind energy, BESS and other adjacent segments could provide additional growth opportunities over the medium to long term.

Objects of the issue

The IPO comprises a fresh issue aggregating up to Rs.675 crores and an Offer for Sale aggregating up to Rs.200 crores. The net proceeds from the fresh issue are proposed to be utilised for the following purposes:

1. Funding the prepayment, repayment and/or payment obligations towards the company's outstanding borrowings and acceptances, in full or in part;
2. General corporate purposes.

Investment Rationale

Diversified product portfolio and integrated solutions across renewable energy and transmission sectors

Karamtara Engineering has established a diversified product portfolio across the renewable energy and power transmission sectors, enabling it to operate as a one-stop solution provider for solar structures, transmission towers, fasteners and OHTL hardware fittings and accessories. The company is the largest manufacturer in India in terms of installed capacity for major solar energy products in FY26, according to the F&S Report, with its portfolio spanning fixed-tilt structures, including solar module mounting structures, solar C piles and hat purlins, as well as tracker components such as tracker piles and piers, torque tubes, Z-posts and post couplers. The company produced 332,729 MT of solar energy products, equivalent to approximately 11.30 GW, in FY26 and further expanded its manufacturing footprint through its new Bhachau facility for solar tracker piles and piers. Beyond solar, the company manufactures lattice towers for transmission lines through an advanced and automated manufacturing facility. It has supplied over 0.50 million MT of transmission towers to customers in India and overseas. Its product portfolio also includes fasteners for the solar, wind, transmission, and automobile industries, along with OHTL hardware fittings and accessories used across transmission, substations, and power distribution infrastructure. The company has further expanded into the wind energy sector by producing angular and tubular wind turbine towers. Its entry into these segments broadens its exposure to renewable energy infrastructure and provides additional opportunities to participate in the growing wind energy value chain. The diversified portfolio also creates cross-selling opportunities across its customer base and supports stronger customer relationships and revenue potential. Further, the company has commenced undertaking composite contracts covering manufacturing, supply, erection, installation and commissioning of transmission towers, enabling it to provide integrated solutions across multiple stages of the project value chain.

Issue Details	
Offer Period	09th Sep 2026- 11th Sep 2026
Price Band	Rs. 241 to Rs. 254
Bid Lot	59
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	3.4
Issue Size (Rs. in Cr.)	875
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	IIFL Capital Service Ltd., JM Financial Ltd., ICICI Securities Ltd.
Registrar	MUFG Intime India Private Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	92.1%	82.0%
Public	7.9%	18.0%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

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Karamtara Engineering Ltd.

Extensive global footprint and established customer relationships supporting export led growth

Karamtara Engineering has established an extensive global footprint, supported by exports to over 50 countries across North America, Europe, Asia, Africa, Australia and Latin America as of March 31, 2026. According to the F&S Report, the company was one of the largest exporters of solar products from India to North America in FY25. Its export revenue increased at a CAGR of 11.9% from Rs. 13,958 million in FY24 to Rs. 17,474 million in FY26, supported by its ability to offer customised products, maintain quality standards and ensure timely deliveries. The company served 42 international customers as of March 31, 2026 and has on-ground sales personnel in the United States, Europe and Saudi Arabia, strengthening its access to key international markets. It also operates a manufacturing facility in Italy and is establishing a new facility in Saudi Arabia to manufacture solar torque tubes, tracker piles and piers and transmission line towers. The company's backwards-integrated manufacturing capabilities, including its in-house rolling mill furnace and large galvanising facilities, support faster conversion of raw materials into finished products while enhancing quality control and delivery capabilities. Its stringent quality systems have also supported global customer acceptance, with customer rejection rates remaining low at 0.05%, 0.25% and 0.14% in FY24, FY25 and FY26, respectively. The company was awarded the Four Star Export House certificate in 2024, recognising its contribution to India's foreign trade. Overall, the combination of an extensive international presence, integrated manufacturing capabilities, strong quality standards and established customer relationships supports Karamtara's export-led growth strategy. Its diversified product portfolio also creates opportunities for cross-selling, while expansion across international markets could further strengthen its customer base and support long-term revenue growth.

Valuation

Karamtara Engineering Limited is a backward-integrated manufacturer catering to the renewable energy and power transmission sectors. The company offers a diversified product portfolio comprising solar structures, transmission line towers, fasteners and OHTL hardware fittings and accessories. It is well positioned to benefit from increasing investments in renewable energy, solar capacity and power transmission infrastructure. Its backward integration capabilities, diversified product portfolio, global presence and established manufacturing infrastructure provide a strong foundation for future growth. The company has a significant international presence, with exports to over 50 countries and 13 manufacturing facilities across India and internationally as of March 31, 2026. The renewable energy business remains a key growth driver, supported by increasing global demand for solar infrastructure and transmission solutions. On the financial front, the company reported strong growth, with Revenue/EBITDA/PAT increasing to Rs. 4,312 crores/Rs. 498 crores/Rs. 229 crores in FY26, reflecting revenue growth of 36.5% YoY and PAT growth of around 64% YoY. EBITDA margin stood at 11.6%, while ROE and ROCE were healthy at 20.8% and 23.3%, respectively. At the upper price band of Rs.254, the issue is valued at approximately 32.4x FY26 diluted EPS of Rs.7.83. **Considering the company's strong financial growth, healthy return ratios, diversified product portfolio, backward integration and favourable renewable energy and power transmission opportunities, we recommend a "SUBSCRIBE" rating.**

Key Risks:

⇒ The company derives a significant portion of its revenue from exports and overseas markets, exposing it to foreign exchange fluctuations, changes in trade policies, tariffs, customs duties and regulatory requirements. Adverse developments in key international markets, particularly changes in tariffs or import regulations, could affect export volumes, competitiveness, profitability and cash flows.

⇒ The company remains exposed to international trade barriers and tariff-related risks, particularly in key export markets. Changes in import duties, product classifications, trade policies or geopolitical conditions could increase costs, disrupt exports and reduce the competitiveness of its products in overseas markets.

⇒ The company is exposed to customer concentration risk, and any reduction in business from key customers or loss of major customers could adversely affect revenue and profitability. Its dependence on large renewable energy projects and customers may also expose the business to fluctuations in order flows and project execution cycles.

Karamtara Engineering Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Revenue:			
Revenue from operations	2,425	3,158	4,312
Total revenue	**2,425**	**3,158**	**4,312**
Expenses:			
Cost of material consumed	1,744	2,130	2,574
Changes in inventories of finished goods and work-in-progress	-21	1	-54
Employee benefits expense	114	150	204
Other expenses	326	531	1,090
Total expenses	**2,162**	**2,812**	**3,814**
EBITDA	**263**	**347**	**498**
Depreciation & amortization	35	38	51
EBIT	**228**	**309**	**447**
Finance costs	93	128	141
Other Income	2	7	4
Profit before exceotional item	**137**	**188**	**311**
Share of Profit/(Loss) of Associates	0	0	0
PBT	**137**	**188**	**311**
Current Tax	35	47	76
Deferred tax	-1	2	6
Total tax	**35**	**49**	**82**
Net profit	**103**	**139**	**229**
Diluted EPS	**3.6**	**4.9**	**7.8**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	40	103	675
Cash flow from investing activities	-124	-276	-959
Cash flow from financing activities	88	195	328
Net increase/(decrease) in cash and cash equivalents	**4**	**21**	**44**
Cash and cash equivalents at the beginning of the period	**6**	**10**	**31**
Cash and cash equivalents at the end of the period	**10**	**31**	**75**

Source: RHP, BP Equities Research

Karamtara Engineering Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant and equipment	569	642	1,164
Capital work-in-progress	17	194	485
Right-of-use assets	1	2	66
Goodwill	3	3	3
Other intangible assets	1	1	4
Investment in Properties under Development	47	0	0
Intangible assets under development	0	2	0
Financial Assets	0	0	0
(i) Non-Current Investments	0	4	9
(ii) Other non current assets	6	8	10
Deferred Tax Assets (Net)	0	0	1
Other Non Current Assets	25	79	149
Total Non Current assets	**669**	**935**	**1,892**
Current Assets			
Inventories	529	692	572
Financials Assets	0	0	0
(i) Current Investments	0	0	0
(ii) Trade Receivables	569	935	1,316
(iii) Cash and Cash Equivalents	10	31	75
(iv) Bank Balance other than (iii) above	33	32	68
(v) Loan	1	8	8
(vi) Other Current Financial Assets	13	12	26
Other current assets	22	118	185
Total Current Assets	**1,176**	**1,827**	**2,250**
Total Assets	**1,845**	**2,763**	**4,142**
Equity and Liabilities			
Equity Share Capital	6	292	292
Other equity	548	691	928
Total Equity	**553**	**983**	**1,220**
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowing	147	218	567
(ii) Lease Liabilities	0	1	63
Provisions	7	8	11
Deferred Tax Liabilities (net)	29	31	38
Other Non Current Liabilities	57	0	177
Total Non-Current Liabilities	**239**	**258**	**855**
Current Liabilities			
Financial Liabilities			
(i) Borrowing	362	338	463
(ii) Lease Liabilities	0	1	12
(iii) Trade Payables	610	1,035	1,325
(iv) Other financial liabiliies	11	23	51
Other Current Liabilities	41	99	197
Provisions	5	2	3
Current Tax Liabilities (Net)	23	22	16
Total Current Liabilities	**1,052**	**1,521**	**2,067**
Total Liabilities	**1,291**	**1,779**	**2,922**
Total Equity and Liabilities	**1,845**	**2,763**	**4,142**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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