IPO REVIEW

Carver Roboweld IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 26 October 2026

- The company is engaged in the manufacturing of welding consumables.
- It is operating in a highly competitive and fragmented segment.
- The company posted growth in its top and bottom lines for reported periods.
- Based on its recent average financial data, the issue appears fully priced.
- Investors may park moderate funds for long term.

About the Company

Carver Roboweld Ltd. (CRL) is engaged in the manufacturing of welding consumables, including Metal Cored Wires, Welding Rods and Gauging electrodes, catering to diverse industrial applications. Over the years, it has expanded capabilities beyond manufacturing to offer a broad portfolio of value-added engineering services, as a solution provider to the forging industry. In addition to consumable manufacturing, the Company also supplies welding spare parts and accessories used for welding operations and maintenance of welding equipment.

Further the Company provides services such as forging die regeneration and welding robot rental services. Its primary manufacturing facility is located at Survey No. 98P, Near GIDC, Bamanbore Estate Phase-1, Taluka Chotila, Bamanbore, Rajkot 363520, Gujarat, India., strategically positioned to support efficient production, logistics, and access to key industrial markets. To ensure proximity to customers and timely service delivery, the Company operates additional service units in Pune, Hosur, and Ludhiana, allowing it to serve major industrial companies across the country. The Company focuses on delivering engineered, solutions designed to meet the increasing requirements of modern industry.

Its strength lies in a team of skilled engineers and technical professionals who bring expertise, innovation, and a customer centric approach to every project. On September 26, 2025, the Company completed the acquisition of its subsidiary, Carver Engineering Private Limited, following a Share Sale and Transfer Agreement. This acquisition is expected to bring operational and strategic benefits, including market expansion by reaching new customer segments and regions, while improving the company’s competitive position. The integration of operations is also expected to create efficiencies, reduce costs, and provide economies of scale. Its subsidiary, Carver Engineering Private Limited, is engaged in the re-conditioning and refurbishment of plant and machinery serving a wide range of industrial sectors, including forging and casting units, cement and steel plants, sugar mills, power plants, petroleum facilities, automobile manufacturing units, and fabrication industries.

Carver Engineering private limited offers comprehensive on-site and off-site engineering services, covering the re-conditioning and repair of hammers and associated components, heavy platform and structural fabrication, general and heavy-duty machining, and the execution of turnkey engineering projects. The subsidiary also undertakes assignments at offshore and remote locations, serving customers across diverse regions. Supported by technical expertise and engineering capabilities, the company also provides customized solutions tailored to specific customer needs. Its services are designed to be cost-effective, operationally efficient, and commercially viable, enabling customers to extend equipment life, enhance productivity, and reduce capital expenditure while ensuring timely and profitable project outcomes.

CRL is ISO 9001:2015 certified for sales of welding consumables, including welding electrodes and metal cored wires, as well as for the manufacturing and supply of welding electrodes. These certifications show its commitment to using quality management systems to maintain consistency, reliability, and customer satisfaction in all its processes. Additionally, it is a Sustaining Corporate Member of the American Welding Society (AWS). This membership highlights its commitment to following international welding standards, keeping up with technological advancements, and improving its technical skills. As of June 30, 2026, it had 68 employees on its payroll, and additional 75 contract workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3536000 equity shares of Rs. 10 each to mobilize Rs. 28.29 cr. at the upper cap. The company has announced a price band of Rs. 76 – Rs. 80 per share. The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on October 28, 2026 and will close on or before October 30, 2026. The shares will be listed on BSE SME. The IPO constitute 26.99% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 11.99 cr. for capex on purchase of welding robots, Rs. 8.60 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Smart Horizon Capital Advisors Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Shreni group’s Shreni Shares Ltd., is a market maker, and also a syndicate member.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 60.00 – Rs. 1100.00, per share between September 2025, and November 2025. It has also issued bonus shares in the ratio of 8 for 1 in October 2025. The average cost of the acquisition of shares by the promoters is Rs. 0.28, Rs. 3.06, and Rs. 7.71 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 9.57 cr. (9566805 equity shares) will stand enhanced to Rs. 13.10 cr. (13102805 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 104.82 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a standalone basis) posted total income/ net profit, of Rs. 21.67 cr. / Rs. 1.01 cr. (FY24), Rs. 24.97 cr. / Rs. 1.45 cr. (FY25), Rs. 27.12 cr. / Rs. 3.48 cr. (FY26). For Q1 of FY27 ended on June 30, 2026, it earned a net profit of Rs. 1.49 cr. on a total income of Rs. 7.71 cr. Its trade receivables stood at Rs. 6.16 cr. as of June 30, 2026. The company posted growth in its top and bottom lines for the reported periods. The boosted profits from FY26 onwards (Pre-IPO periods) appears a window dressing to fetch fancy valuation for IPO. Rising trade receivables year-on-year, raise alarms. It stood at Rs. 36.54 cr. as of March 31, 2026.

On a consolidated basis, the company posted a total income/net profit of Rs. 32.82 cr. / Rs. 5.34 cr. (FY26). For Q1 of FY27, it earned a net profit of Rs. 1.21 cr. on a total income of Rs. 8.16 cr. Its total trade receivable stood at Rs. 7.00 cr. as of June 30, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 2.65 and an average RoNW of 26.81%. The issue is priced at a P/BV of 3.99 based on its NAV of Rs. 20.06 per share as of June 30, 2026 , (on a consolidated basis), but its post-IPO basis NAV data is missing from the offer documents.

If we attribute FY27 annualized (consolidated) super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 21.74, and based on FY26 earnings, the P/E stands at 19.66. The issue appears fully priced based on its recent average earnings.

The company has (on a standalone basis) posted PAT Margins of 4.67% (FY24), 5.84% (FY25), 12.87% (FY26), 19.37% (Q`-FY27), and RoCE margins of 17.05%, 13.95%, 21.64%, 8.27%, respectively for referred periods.

On a consolidated basis, it posted PAT margins of 16.32% (FY26), 14.87% (Q1-FY27), and RoCE margins of 24.50%, 5.89%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in August 2026, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Royal Arc, Diffusion Engg., Classic Electrodes, as its listed peers. They are currently trading at a P/E of 16.4, 26.7, and 6.32 (as of October 23, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the 32nd mandate from Smart Horizon Capital Advisors in the last three fiscals. Out of the last 10 listings, 2 opened at discount, 2 at par, and the rest with premium ranging from 1.69% to 12.99% on the listing date.

Conclusion / Investment Strategy

CRL is engaged in the manufacturing of welding consumables. It is operating in a highly competitive and fragmented segment. The company posted growth in its top and bottom lines for reported periods. Based on its recent average financial data, the issue appears fully priced. The merchant banker has average performance. Investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

Disclaimer: The information provided herein is solely for educational and informational purposes and does not constitute an offer, solicitation, or recommendation to buy or sell any securities. Readers are advised to consult a qualified financial advisor before making any investment decisions. Investments in the securities market are subject to market risks. The author does not intend to invest in the securities discussed.