KARAMTARA ENGINEERING LIMITED

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Engineering the Backbone of Power Infrastructure

Karamtara Engineering Limited, incorporated in 1996 and based in Mumbai, is a backward-integrated manufacturer of engineered steel products for renewable energy and power transmission. On a B2B model, the firm supplies solar structures, tracker piles, torque tubes, transmission towers, wind towers, and fasteners to global EPCs, OEMs, and IPPs. Its footprint spans 13 facilities—eight in Maharashtra, four in Gujarat, and one in Italy—with an installed capacity of 889,200 MTPA and 480,000 pieces as of March 31, 2026, serving customers across 50 countries.

As the largest integrated manufacturer of solar structures by installed capacity in India in Fiscal 2026, the company's operating strength is anchored by in-house rolling mills and a massive 276,800 MTPA galvanizing capacity, minimizing lead times and costs. Automated production lines utilize CNC machinery and robotic welding, supported by a dedicated design division. Sourcing is optimized through backward integration, with captive structural steel production. Marquee client relationships are highly sticky, with average revenue per solar customer expanding from INR 41.31 cr in Fiscal 2024 to INR 52.40 cr in Fiscal 2026.

Consolidated revenue from operations grew at a CAGR of 33.34% to INR 4,311.98 cr in Fiscal 2026 from INR 2,425.15 cr in Fiscal 2024. EBITDA reached INR 498.11 cr (11.55% margin) and profit after tax was INR 228.75 cr (5.30% margin) in Fiscal 2026. Sourcing is working-capital intensive, with net working capital of INR 503.06 cr (43 days) and outstanding Acceptances of INR 697.69 cr. Capital expenditure is reflected in capital work-in-progress of INR 484.59 cr, with total borrowings of INR 1,030.13 cr against a net worth of INR 1,219.40 cr.

Forward-looking plans focus on capacity expansions, including a structural steel facility in Gujarat (INR 35.00 cr), a solar stamping parts plant in Maharashtra (INR 44.18 cr), and a Saudi Arabia facility (INR 405.00 cr) by Fiscal 2028. Additionally, INR 600.00 cr of Net Proceeds will fund debt and Acceptance repayment. Stated risks include vertical and geographic concentration, with solar products and Maharashtra facilities representing 78.99% and 90.84% of Fiscal 2026 revenues respectively, and an ongoing title dispute and court receiver appointment at its OHTL Fittings unit.

Industry	Power Infrastructure

Scrip Details	
Listing	BSE & NSE
Open Date	9th Sept, 2026
Close Date	11th Sept, 2026
Price Band	INR 241 - 254
Face Value	INR 10
Market Lot	59 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	875
Issue Size sh. (in cr.)	3.44
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	29.52
Post Issue sh. (in cr.)	32.18
Post Issue Market Cap (in INR cr)	8,174.3

Shareholding (%)	Pre (%)	Post (%)
Promoter	94.79	83.64
Public	5.21	16.36
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	Adj EPS (INR)	Adj BVPS (INR)	ROE (%)	ROIC (%)	EV/EBITDA (X)	P/BV (X)	P/E (X)
FY24	2,425.2	262.9	102.7	10.8	4.2	3.2	17.2	18.5	22.4	32.9	14.8	79.6
FY25	3,158.4	346.7	139.3	11.0	4.4	4.3	30.6	14.2	20.9	25.0	8.3	58.7
FY26	4,312.0	498.1	228.7	11.6	5.3	7.1	37.9	18.7	21.2	18.2	6.7	35.7

Source: Ventura Research & Company update

Issue Structure and Offer Details:

KARAMTARA ENGINEERING LIMITED IPO is a book build issue comprising of **INR 875 crores**. The issue is a combination of **fresh issue of 2.66 crore shares** aggregating to **INR 675.00 crores** and **offer for sale of 0.79 crore shares** aggregating to **INR 200 crores.**

Issue Structure	
Investor Category	**Allocation**
QIB	**Not more than 50% of the Net Offer**
NII (HNI)	**Not less than 15% of the Net Offer**
Retail	**Not less than 35% of the Net Offer**

Number of shares based on a higher price band of INR 254

Source: Company Reports

Objects of the Issue:

1. **Offer for Sale:** Allocation of **INR 200.00 Crores** for transfer to the Promoter Selling Shareholders, from which the Company will not receive any portion of the proceeds.
2. **Debt and Acceptance Repayment:** Deployment of **INR 600.00 Crores** towards funding the prepayment, repayment, and/or payment obligations of the Company to its lenders towards outstanding borrowings and Acceptances, in part or full.
3. **General Corporate Purposes:** Deployment of the **balance Net Proceeds** towards general corporate purposes including the acquisition of fixed assets, funding of growth opportunities, and meeting expenses incurred in the ordinary course of business.

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement			
Revenue	2,425.2	3,158.4	4,312.0
YoY Growth (%)	*51.5*	*30.2*	*36.5*
Raw Material Cost	1,704.9	2,105.8	2,494.1
RM Cost to Sales (%)	*70.3*	*66.7*	*57.8*
Employee Cost	104.2	134.6	188.1
Employee Cost to Sales (%)	*4.3*	*4.3*	*4.4*
Other Expenses	353.1	571.3	1,131.7
Other Exp to Sales (%)	*14.6*	*18.1*	*26.2*
EBITDA	262.9	346.7	498.1
Margin (%)	*10.8*	*11.0*	*11.6*
YoY Growth (%)	*71.2*	*31.9*	*43.7*
Depreciation & Amortization	34.6	37.7	50.8
EBIT	228.3	309.0	447.3
Margin (%)	*9.4*	*9.8*	*10.4*
YoY Growth (%)	*87.6*	*35.3*	*44.8*
Other Income	4.3	9.0	7.9
Finance Cost	95.1	129.8	144.0
Fin Charges Coverage (X)	2.4	2.4	3.1
Exceptional Item	0.0	0.0	0.0
PBT	137.4	188.2	311.2
Margin (%)	*5.7*	*6.0*	*7.2*
YoY Growth (%)	*195.0*	*36.9*	*65.4*
Tax Expense	34.8	48.9	82.5
Tax Rate (%)	*25.3*	*26.0*	*26.5*
PAT	102.7	139.3	228.7
Margin (%)	*4.2*	*4.4*	*5.3*
YoY Growth (%)	*142.3*	*35.7*	*64.2*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	102.7	139.3	228.7
Margin (%)	*4.2*	*4.4*	*5.3*
YoY Growth (%)	*142.3*	*35.7*	*64.2*
Balance Sheet			
Share Capital	5.5	292.3	292.3
Total Reserves	547.9	690.9	927.6
Shareholders Fund	553.4	983.2	1,219.9
Long Term Borrowings	146.9	218.2	566.7
Deferred Tax Assets / Liabilities	28.6	31.0	38.0
Other Long Term Liabilities	57.1	1.3	239.9
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	6.8	7.6	10.6
Total Current Liabilities	1,051.7	1,521.3	2,067.2
Total Liabilities	1,844.6	2,762.6	4,142.3
Net Block	573.2	648.0	1,238.3
Capital Work in Progress	16.9	194.2	484.6
Intangible assets under development	0.0	1.7	0.1
Non Current Investments	0.5	4.3	9.3
Long Term Loans & Advances	28.1	67.6	124.1
Other Non Current Assets	2.7	19.3	35.8
Net Current Assets	1,223.1	1,827.4	2,250.0
Total Assets	1,844.6	2,762.6	4,142.3

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	3.2	4.3	7.1
Adjusted Cash EPS (INR)	4.3	5.5	8.7
Adjusted BVPS (INR)	17.2	30.6	37.9
Adjusted CFO per share (INR)	1.2	3.2	21.0
CFO Yield (%)	0.5	1.3	8.3
Adjusted FCF per share (INR)	(2.3)	(6.9)	(7.7)
FCF Yield (%)	(0.9)	(2.7)	(3.0)
Solvency Ratio (X)			
Total Debt to Equity	0.9	0.6	0.8
Net Debt to Equity	0.8	0.5	0.7
Net Debt to EBITDA	1.8	1.4	1.8
Return Ratios (%)			
Return on Equity	18.5	14.2	18.7
Return on Capital Employed	16.1	14.9	14.6
Return on Invested Capital	22.4	20.9	21.2
Working Capital Ratios			
Payable Days (Nos)	131	179	194
Inventory Days (Nos)	113	120	84
Receivable Days (Nos)	86	108	111
Net Working Capital Days (Nos)	68	49	1
Net Working Capital to Sales (%)	20.1	18.7	13.1
Valuation (X)			
P/E	79.6	58.7	35.7
P/BV	14.8	8.3	6.7
EV/EBITDA	32.9	25.0	18.2
EV/Sales	3.6	2.7	2.1
Cash Flow Statement			
PBT	137.4	188.2	311.2
Adjustments	27.5	67.6	418.6
Change in Working Capital	(90.1)	(104.4)	27.8
Less: Tax Paid	(34.8)	(48.9)	(82.5)
Cash Flow from Operations	40.0	102.5	675.1
Net Capital Expenditure	(113.6)	(323.3)	(922.6)
Change in Investments	(10.2)	46.9	(36.9)
Cash Flow from Investing	(123.8)	(276.4)	(959.5)
Change in Borrowings	183.2	33.8	472.4
Less: Finance Cost	(95.1)	(129.8)	(144.0)
Proceeds from Equity	0.0	314.3	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	(23.4)	0.0
Cash flow from Financing	88.1	194.9	328.3
Net Cash Flow	4.3	21.0	43.9
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	5.6	9.9	30.9
Closing Balance of Cash	9.9	30.9	74.8

Source: Ventura Research

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