Retail Research	IPO Note
Sector: Renewable – Structural Products	Price Band (Rs): 241 – 254
08th September 2026	Recommendation: SUBSCRIBE for Long Term

Karamtara Engineering Ltd.

Company Overview:

Karamtara Engineering Ltd. (KEL) is a backward integrated manufacturer of products for renewable energy and transmission lines. KEL is the largest integrated manufacturer in terms of installed capacity in India for solar mounting structures and tracker components in FY26. It offers a diverse product portfolio which enables it to serve as a one-stop shop for solar structures (fixed-tilt and trackers). KEL has also forayed into the wind energy sector in CY25 and offers angular towers and tubular towers for wind turbines. Further, the company plans to foray into battery energy storage systems (BESS) and prefabricated engineered building (**PEB**) structures businesses to augment its existing business verticals.

Key Highlights:

1. Largest integrated manufacturer underpinned by backward integration: KEL is the largest integrated manufacturer in terms of installed capacity in India for solar mounting structures and tracker components in FY26. It offers structures and fasteners for the solar energy and transmission sectors, and overhead transmission line (OHTL) hardware fittings and accessories. KEL operates in-house galvanizing facilities with a capacity of 2,76,800 MPTA along with 2 in-house rolling mill furnaces to manufacture various grades of structural steel for a wide range of products such as angles, channels and beams used across the solar energy and transmission industries. These backward integrated abilities provide significant competitive advantages such as quality control, reduced lead time, cost benefits and time efficiency.

2. Extensive global footprint: Unpinned by an end-to-end product portfolio, KEL serves various customers across international markets such as North America, Europe, Asia, Africa, Australia and Latin America. In FY26, exports comprised ~41% of revenue from operations. KEL has built a strong customer base which includes OEMs, EPC companies and IPPs across countries. It has a dedicated on-ground sales team in the US, Europe and Saudi Arabia to caters to the customers. The company operates a manufacturing facility in Italy for hardware fittings and accessories. Further, KEL is setting up a new manufacturing facility in Saudi Arabia which will manufacture solar torque tubes, solar tracker piles and piers and lattice towers for transmission lines.

3. Strategic manufacturing facilities: As of Mar'26, KEL operates 13 manufacturing facilities (12 in India; 1 in Italy) with an installed capacity of 8,89,200 MTPA (including 4,92,000 MTPA for solar products equivalent to ~16.8 GW) and 4,80,000 pieces. The company benefits from operational synergies as most of its manufacturing facilities are located close to each other in Tarapur MIDC, Maharashtra and in Taluka Bhachau, Kutch, Gujarat which are well connected with road and rail network and is in close proximity to the sea and airport. Further, the company is in the process of setting up a new structural steel profile manufacturing facility in Taluka Bhachau, Kutch, Gujarat by FY27.

View & Valuation: KEL is India's largest integrated manufacturer of solar mounting structures and tracker components by installed capacity in FY26. It has substantial in-house capabilities, including galvanizing capacity of 276,800 MTPA and rolling mill furnaces that produce structural steel products used in the solar and transmission sectors. Historically, the company has recorded Revenue/EBITDA/PAT CAGR of 33.3%/37.6%/49.3% respectively over the FY24-FY26 period. The Solar Energy Installed Power Generation Capacity in India is expected to grow at a CAGR of 19.7% between FY26-31E (in GW). Going ahead, the company intends to utilize Rs 600 cr of the fresh proceeds to repay its borrowings, which shall further de-leverage its already thin balance sheet (D/E ratio of 0.2x post-repayment versus FY26 D/E of 0.8x). At the upper price band of Rs 254, the issue is valued at FY26 P/E multiple of 35.7x based on post-issue capital. There are there are no like-for-like listed peers available for the company. We recommend investors to SUBSCRIBE to the issue for long-term investment horizon.

Issue Details	
Date of Opening	09th September 2026
Date of Closing	11th September 2026
Price Band (Rs)	241 – 254
Issue Size (Rs cr)	875
Offer for sale (Rs cr)	200
Fresh Issue (Rs cr)	675
Total issue size @ UB	3,44,48,817 shares
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	8,174 @upper price band
BRLMs	JM Financial Ltd., ICICI Securities Ltd., IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	59 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	**Estimated utilization from net proceeds (Rs cr)**
Funding prepayment, repayment and/or payment obligations to lenders towards borrowings	600.0
General corporate purposes*	-
Net proceeds from fresh issue*	-

**The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	**No. of Shares**	**%**
Promoter & Promoter Group	27,18,01,050	92.1
Public & Others	2,34,46,946	7.9
Total	**29,52,47,996**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	26,39,27,034	82.0
Public & Others	5,78,95,765	18.0
Total	**32,18,22,799**	**100.0**

Selling Shareholders (OFS)	Classification	Rs cr.
Tanveer Singh	Promoter	100.0
Rajiv Singh	Promoter	100.0
Total		**200.0**

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	2,425	3,158	4,312
EBITDA	263	347	498
PAT	103	139	229
EBITDA Margin (%)	10.8	11.0	11.6
PAT Margin (%)	4.2	4.4	5.3
RoE (%)	18.5	14.2	18.8
RoCE (%)	21.7	20.5	20.1
P/E (x)*	73.1	53.8	32.8
P/BV (x)*	13.6	7.6	6.1
EV/EBITDA (x)*	30.3	23.0	16.8
Total Debt / Equity (x)*	0.9	0.6	0.8

Note: Pre-issue P/E (x), P/BV (x), EV/EBITDA (x) and Total Debt/Equity (x) based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

- **Geopolitical risk:** The company derived ~40.5%/~51.3% of its revenue from export markets in FY26/FY25, respectively. Any adverse regulatory or geopolitical developments in the international markets may impact business operations and profitability.
- **Operational risk:** The company is in the process of foraying into several like business verticals such as PEB and BESS. Inability to grow the new verticals as intended may adversely impact business operations and profitability.
- **Supply chain risk:** KEL's operations are subject to volatility and pricing of raw materials and components. Further, top 5 suppliers contributed ~70.8%/~68.7% of total purchases in FY26/FY25, respectively. Inability to procure the required quantity and quality, at competitive prices may impact business operations.

Growth Strategies

- Expand existing installed capacity in India.
- Strengthen its market position in renewable energy industries and related infrastructure sectors through new product development and expansion into allied offerings like BESS and PEB.
- Increase customer base in international markets.
- Continue to improve operational efficiency and implement cost reduction measures by enhancing the capacity of existing facilities and realignment of capacities.

Geography-wise Revenue Split

Products	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Domestic	1,015	41.9%	1,521	48.2%	2,521	58.5%
Exports	1,396	57.6%	1,621	51.3%	1,747	40.5%
United States	1,168	48.2%	1,402	44.4%	1,487	34.5%
Europe	145	6.0%	100	3.2%	167	3.9%
Rest of the world	82	3.4%	120	3.8%	93	2.2%
Export incentive	14	0.6%	17	0.5%	44	1.0%
Total Revenue (TR)	**2,425**	**100.0%**	**3,158**	**100.0%**	**4,312**	**100.0%**

Source: RHP, SBICAP Securities Research

Revenue Split – Domestic vs Exports

Products	FY24		FY25		FY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Solar energy products	1,983	81.8%	2,571	81.4%	3,406	79.0%
Lattice towers for transmission line	101	4.2%	165	5.2%	274	6.3%
Angular towers for wind turbines	-	-	2	0.1%	88	2.1%
Tubular towers for wind turbines	-	-	-	-	46	1.1%
Fasteners	145	6.0%	208	6.6%	234	5.4%
Others*	196	8.1%	213	6.7%	264	6.1%
Total Revenue (TR)	**2,425**	**100.0%**	**3,158**	**100.0%**	**4,312**	**100.0%**

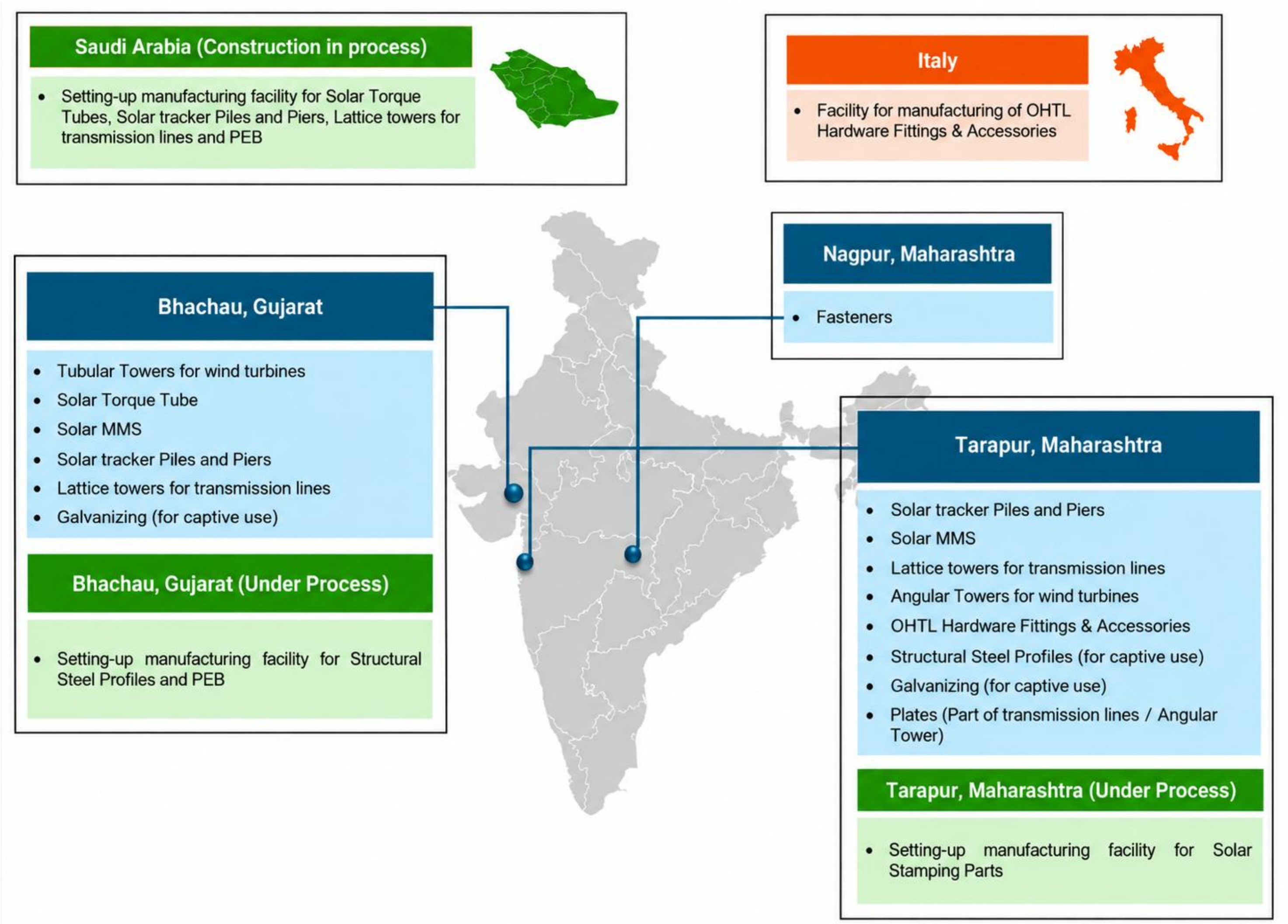
Note: *Others include revenue from OHTL hardware fittings and accessories, engineering and service fees, job work services, sale of raw materials, sale of scrap, structural steel profiles and export incentives.
Source: RHP, SBICAP Securities Research

Manufacturing Capacity

Products	FY24	FY25	FY26
Capacity (in MTPA)	4,91,100	5,79,500	8,89,200
Capacity utilization (%)	67.9	70.4	59.1

Source: RHP, SBICAP Securities Research

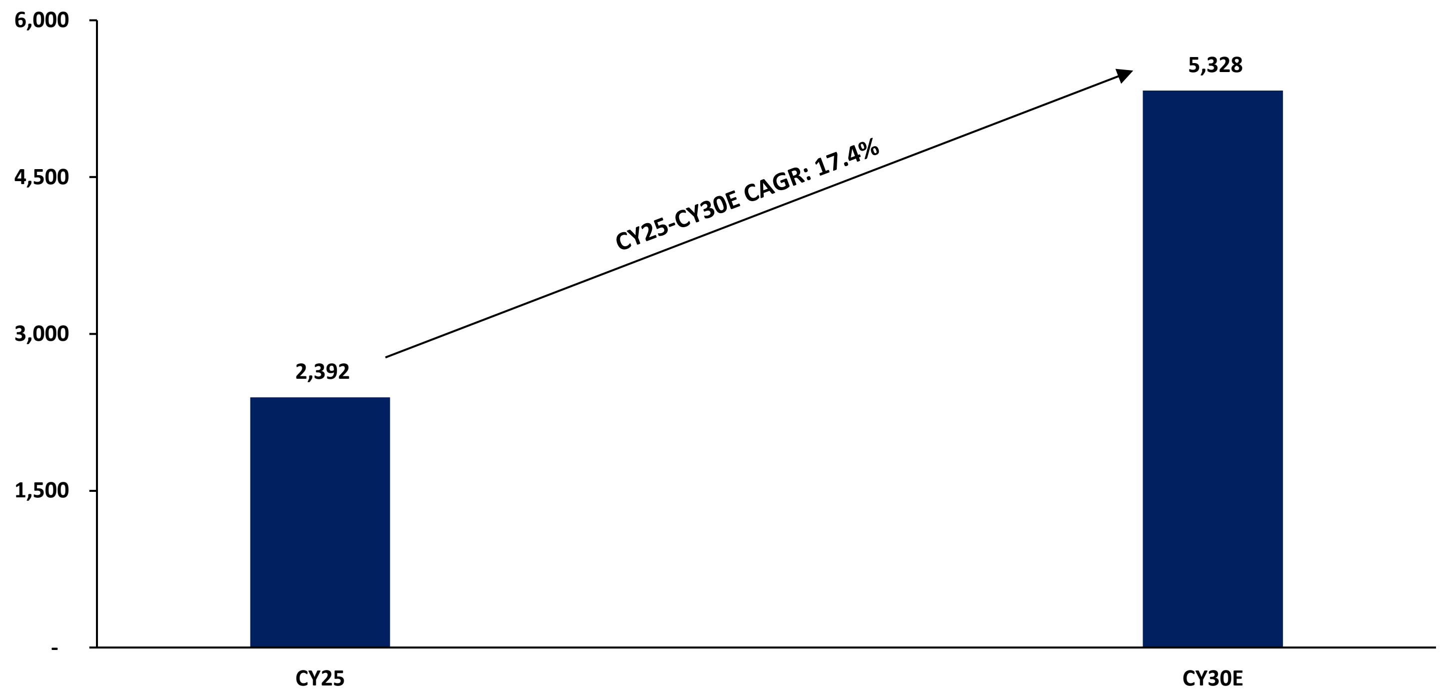
Manufacturing Facilities



Source: RHP, SBICAP Securities Research

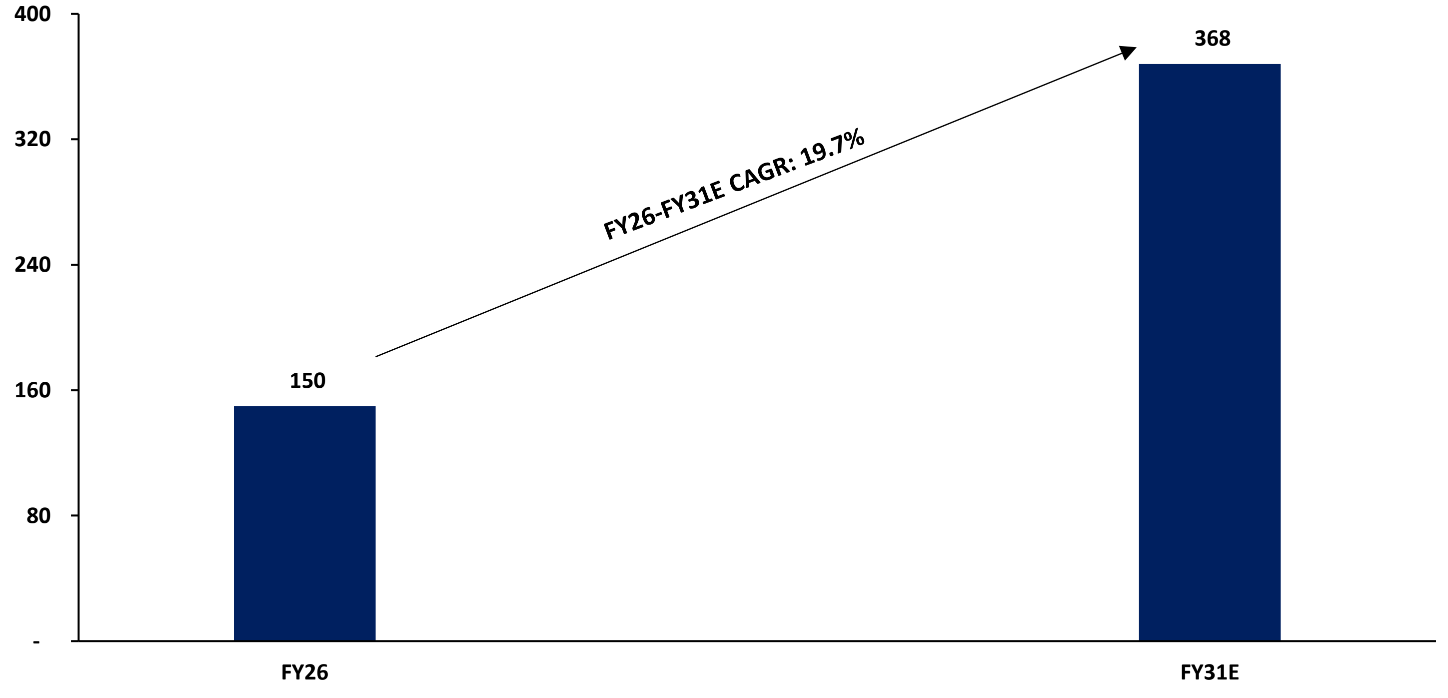
Industry Overview

Global Solar Installed Capacity, CY25-30E (in GW)



Source: RHP, SBICAP Securities Research

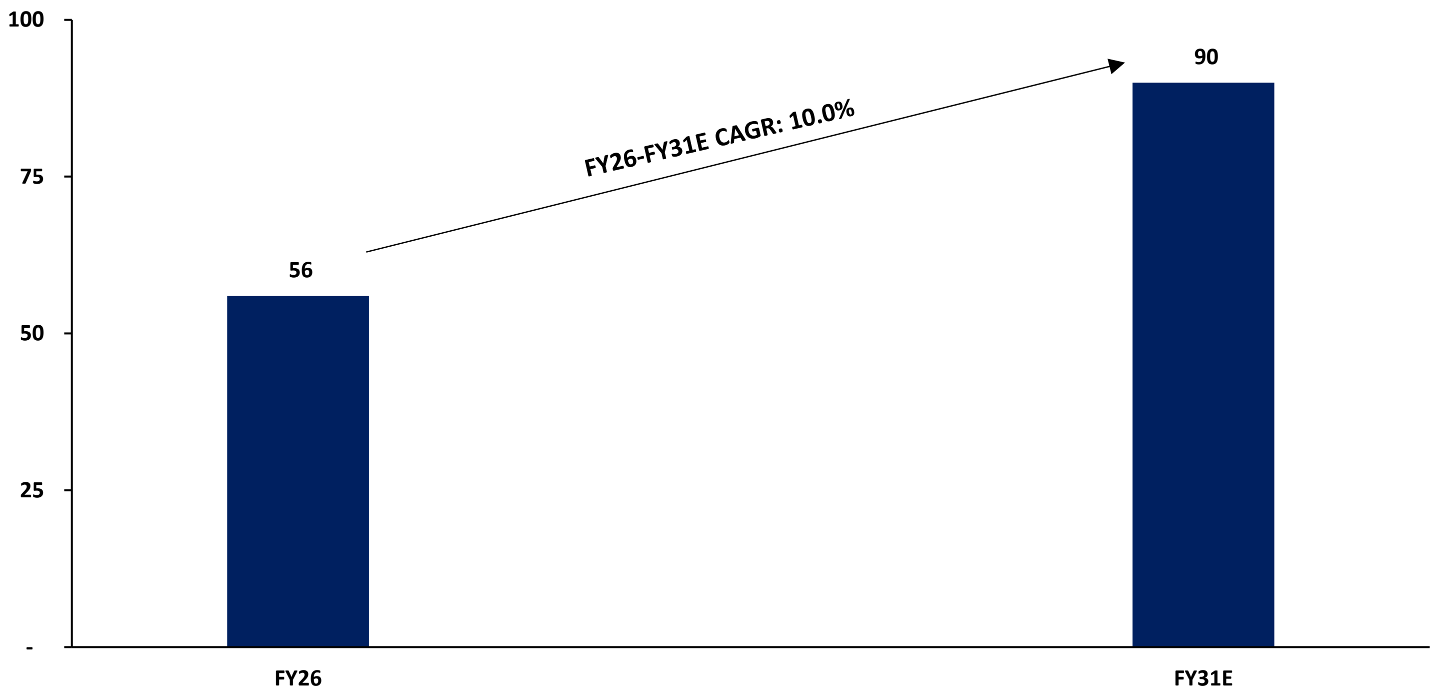
Solar Energy Installed Power Generation Capacity in India, FY26-31E (in GW)



Source: RHP, SBICAP Securities Research

Industry Overview

Wind Energy Installed Power Generation Capacity in India, FY26-31E (in GW)



Peer Comparison – FY26

Karamtara Engineering Ltd. operates in the manufacturing of solar mounting structures and tracker components, whereas the cited peer companies are primarily engaged in solar module manufacturing. Therefore, these companies are not directly comparable, and there are no like-for-like listed peers available for Karamtara Engineering Ltd.

Particulars (Rs cr)	Karamtara Engineering	Inox Wind	Waaree Energies	Suzlon Energy	Premier Energies	Vikram Solar	Saatvik Green Energy	Emmvee Photovoltaic Power
CMP (Rs)	254	75	2,596	46	990	166	419	325
Mkt Cap.	8,174	13,040	74,674	62,068	44,919	6,019	5,328	22,501
Enterprise Value	8,386	13,979	70,437	61,086	46,447	5,127	6,127	22,324
Revenue	4,312	4,397	26,537	16,732	7,824	4,803	4,548	5,050
EBITDA	498	891	5,909	3,025	2,377	916	542	1,734
EBITDA Margin (%)	11.6	20.3	22.3	18.1	30.4	19.1	11.9	34.3
PAT	229	405	3,926	3,088	1,510	473	360	1,082
PAT Margin (%)	5.3	9.2	14.8	18.5	19.3	9.8	7.9	21.4
RoE (%)	18.8	6.3	27.2	32.6	35.1	14.9	26.5	29.3
RoCE (%)	20.1	10.8	33.2	28.9	26.9	24.8	23.1	38.5
P/E (x)	35.7	32.2	19.0	20.1	29.7	12.7	14.8	20.8
EV/EBITDA (x)	16.8	15.7	11.9	20.2	19.5	5.6	11.3	12.9
EV/Sales (x)	1.9	3.2	2.7	3.7	5.9	1.1	1.3	4.4

For Karamtara Engineering Limited, the Market Cap, P/E(x), EV/EBITDA (x), and EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is closing price as of 07th September, 2026

Source: RHP, Exchange Filings, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**2,425**	**3,158**	**4,312**
YoY growth (%)	-	***30.2%***	***36.5%***
COGS (incl Stock Adj)	**1,723**	**2,130**	**2,520**
Gross Profit	**702**	**1,028**	**1,792**
Gross margins (%)	***29.0%***	***32.5%***	***41.6%***
Employee Cost	114	150	204
Other Operating Expenses	326	531	1,090
EBITDA	**263**	**347**	**498**
EBITDA margins (%)	***10.8%***	***11.0%***	***11.6%***
Other Income	2	7	4
Interest Exp.	93	128	141
Depreciation	35	38	51
PBT	**137**	**188**	**311**
Exceptional item	-	-	-
Tax	35	49	82
PAT	**103**	**139**	**229**
PAT margin (%)	***4.2%***	***4.4%***	***5.3%***
EPS (Rs)	**3.5**	**4.7**	**7.7**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	569	642	1,164
Capital WIP	17	194	485
Intangible Assets	1	1	4
Intangible Assets under development	0	2	0
Goodwill	3	3	3
Right of use assets	1	2	66
Other Non-current Assets	79	91	169
Current Assets			
Current Investment	0	0	0
Inventories	529	692	572
Trade receivables	569	935	1,316
Cash and Bank Balances	42	63	143
Short-term loans and advances	1	8	8
Other Current Assets	35	130	211
Total Current Assets	**1,176**	**1,827**	**2,250**
Current Liabilities & Provisions			
Trade payables	610	1,035	1,325
Other current liabilities	74	144	264
Short-term provisions	5	2	3
Total Current Liabilities	**690**	**1,182**	**1,592**
Net Current Assets	**486**	**645**	**658**
Assets Classified as held for sale	-	-	-
Total Assets	**1,154**	**1,581**	**2,551**
Liabilities			
Share Capital	6	292	292
Reserves and Surplus	548	691	928
Total Shareholders' Funds	**553**	**983**	**1,220**
Total Debt	509	556	1,030
Long Term Provisions	7	8	11
Lease Liabilities	0	3	75
Other Long-Term Liabilities	57	-	177
Net Deferred Tax Liability	29	31	38
Total Liabilities	**1,154**	**1,581**	**2,551**

Cash Flow Statement (Rs cr)	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
Free Cash Flow	(77)	(235)	(251)

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	5.6%	5.0%	5.5%
Return on Capital Employed	21.7%	20.5%	20.1%
Return on Equity	18.5%	14.2%	18.8%
Margin Analysis			
Gross Margin	29.0%	32.5%	41.6%
EBITDA Margin	10.8%	11.0%	11.6%
Net Profit Margin	4.2%	4.4%	5.3%
Short-Term Liquidity			
Current Ratio (x)	1.1	1.2	1.1
Quick Ratio (x)	0.6	0.7	0.8
Avg. Days Sales Outstanding	86	108	111
Avg. Days Inventory Outstanding	112	118	83
Avg. Days Payables	103	134	127
Fixed asset turnover (x)	4.3	4.9	3.7
Debt-service coverage (x)	0.4	0.5	0.4
Long-Term Solvency			
Total Debt / Equity (x)	0.9	0.6	0.8
Interest Coverage Ratio (x)	2.5	2.5	3.2
Valuation Ratios*			
EV/EBITDA (x)	30.3	23.0	16.8
P/E (x)	73.1	53.8	32.8
P/B (x)	13.6	7.6	6.1
EV/Sales (x)	3.3	2.5	1.9
P/Sales (x)	3.1	2.4	1.7

Valuation ratios are based on pre-issue capital at the upper price band
Source: RHP, SBICAP Securities Research

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