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IPO Note
07th Sep, 2026

Karamtara Engineering Ltd

Subscribe

Rating: Subscribe

Issue Offer

Total issue size:
Fresh - INR 6,750 Mn (26.57 Mn shares)
OFS – INR 2,000 Mn (7.87 Mn shares)

Issue Summary	
Price Band (INR)	241-254
Face Value (INR)	59
Implied Market Cap(INR mn)	81742.9
Market Lot	59
Issue Opens on	09th Sep, 2026
Issue Close on	11th Sep, 2026
No. of share pre-issue	29,52,47,996
No. of share post issue	32,18,22,799
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
JM Financial Limited
ICICI Securities Limited
IIFL Capital Services Limited

Registrar
MUFG Intime India Private Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	92.06%	82.01%
Public & Others	7.94%	17.99%

Objects of the Issue	
Funding prepayment, repayment and/ or payment obligations to our lenders towards borrowings and Acceptances, in part or full	6,000
General corporate purposes	-

Karamtara Engineering Limited is an integrated manufacturer of critical components for the renewable energy and power transmission sectors, with a portfolio spanning solar module mounting structures, tracker components, transmission towers, fasteners, overhead transmission line hardware and wind towers. The Company has built an integrated manufacturing platform with in-house fabrication and galvanising capabilities, enabling it to cater to customised requirements across the renewable and power infrastructure value chain. Solar products remain the core business, contributing nearly 79% of FY26 revenue, while exports to 50+ countries contribute around 41% of revenue, providing exposure to both domestic and global renewable-energy markets. With aggregate installed capacity of around 889,200 MTPA, including 492,000 MTPA of solar capacity, Karamtara has significant scale to participate in the increasing demand for solar installations, transmission infrastructure and wind capacity additions. The Company is also expanding into BESS and prefabricated engineered building structures, providing additional avenues for diversification.

Investment Rationale:

Strong Growth and Deleveraging: Karamtara has demonstrated strong earnings momentum, with revenue growing at ~33% CAGR and PAT at ~49% CAGR over FY24–FY26. The Company's 23.27% RoCE and 20.78% RoNW indicate healthy capital efficiency. The proposed repayment of INR 6,000 Mn of borrowings should further strengthen the balance sheet and provide scope for finance-cost savings.

Structural Renewable Energy Opportunity: The Company is positioned across solar mounting structures, tracker components, transmission products and wind towers, providing exposure to multiple segments of India's energy-transition capex. Its backward-integrated manufacturing model and export presence across 50+ countries provide additional competitive advantages.

Capacity Expansion Provides Further Upside: The ongoing expansion into wind towers and additional solar manufacturing capacity provides a potential second leg of growth beyond the existing solar business. This is particularly attractive given the Company's strong current growth trajectory.

Valuation is the Key Watchpoint: At the upper band of INR 254, the issue is valued at **35.73x post-issue FY26 earnings**, making the valuation premium to several listed renewable-energy peers. However, the premium can potentially be justified if Karamtara sustains its high earnings growth, improves asset utilisation and benefits from lower finance costs following the IPO.

Valuation & Outlook:

Karamtara Engineering is positioned to benefit from India's structural renewable-energy and power-transmission capex, supported by its integrated manufacturing capabilities, strong position in solar mounting structures and expanding presence across wind and transmission products. Revenue compounded at approximately 33% over FY24–FY26, while EBITDA and PAT grew faster at 37.6% and 49.3%, respectively, with RoCE improving to 23.27% in FY26. The proposed INR 6,000 Mn debt repayment should strengthen the balance sheet and provide scope for lower finance costs, while ongoing solar and wind capacity expansion offers additional growth visibility. Set against this, the business remains highly exposed to the solar segment, while working-capital intensity and customer concentration remain key monitorables. At the upper band of INR 254, the issue is valued at a P/E ratio of 35.73x, based on post-issue FY26 EPS INR 7.11. Considering the strong earnings growth, healthy return ratios, deleveraging and favourable renewable-energy outlook, **we recommend a "Subscribe" rating for the issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	24,251.50	31,584.45	43,119.76
Growth (% YoY)		*30.24%*	*36.52%*
EBITDA	2,629.28	3,468.32	4,981.17
Margins	*10.84%*	*10.98%*	*11.55%*
PAT	1,026.50	1,393.32	2,287.54
Margins	*4.23%*	*4.41%*	*5.31%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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