



October 20, 2026

To,

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Code: 544917

Symbol: KARAMTARA

Sub: Intimation regarding upgrade in Credit Rating under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”);

Dear Sir/Madam,

Pursuant to Regulation 30 of Listing Regulations, we would like to inform that India Ratings and Research Private Limited, has upgraded the Company’s Long-Term Credit Rating from ‘IND A+’ to ‘IND AA-’ with a stable outlook and Short-Term Credit Rating from ‘IND A1’ to ‘IND A1+’ as mentioned below:

Instrument Type	Size of Issue (INR Millions)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	24,320	IND AA-/Stable/IND A1+	Upgraded

The Rating communication dated October 19, 2026, is attached herewith.

The above intimation is also available on the website of the Company at www.karamtara.com and on the website of BSE Limited and National Stock Exchange of India Limited.

You are requested to kindly take the above information on record.

Thanking you,

For Karamtara Engineering Limited

(Formerly known as Karamtara Engineering Pvt. Ltd.)

MANOJ
KUMAR
SRIVASTAVA

Digitally signed by
MANOJ KUMAR
SRIVASTAVA
Date: 2026.10.20
16:38:39 +05'30'

Manoj Kumar Srivastava

Vice President - Legal

Company Secretary & Compliance Officer

FCS-7460

Karamtara Engineering Ltd.

(Formerly known as Karamtara Engineering Pvt. Ltd.)

Registered & Corporate Office: 902, 9th Floor, Ascent, Sudam Kalu Ahire Marg, Worli, Mumbai – 400030, India

Tel: +91-22- 40710000

Email - info@karamtara.com

CIN - L45207MH1996PLC09933

www.karamtara.com

India Ratings Upgrades Karamtara Engineering's Bank Loans to 'IND AA-/Stable/'IND A1+'

Oct 19, 2026 | Karamtara Engineering Limited (Formerly Karamtara Engineering Private Limited) | Heavy Electrical Equipment

India Ratings and Research (Ind-Ra) has upgraded Karamtara Engineering Limited's (KEL) long-term bank loan rating to 'IND AA-' from 'IND A+', with a Stable Outlook, and short-term bank loan rating to 'IND A1+' from 'IND A1' as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	24,320	IND AA-/Stable/IND A1+	Upgraded

Analytical Approach

To arrive at the ratings, Ind-Ra continues to fully consolidate KEL and its 100% subsidiaries, Karamtara USA Inc, Karamtara Renewables Saudi Limited, Karamtara Green Energy Limited, Hanwant Manbir Singh Foundation, and Karamtara Italy s.r.l., and its 100% step-down subsidiary, ISELFA Morsetteria s.r.l, due to the strong operational and strategic linkages between them.

Detailed Rationale of the Rating Action

The rating upgrade reflects a significant increase in KEL's scale of operations, led by higher sales volumes of solar structures and transmission line towers, which led to an improved sales mix with the dependence on solar structures reducing to 79% in FY26 (FY25: 81%). This dependence is likely to reduce further over FY27-FY28. The scale of operation is likely to increase over F27-FY28, backed by a strong order book for transmission line towers and solar structures, and will likely result in a reduction in revenue concentration while maintaining the EBITDA margin. The ratings are also supported by the resilient EBITDA/tonne over FY23-FY26. Moreover, KEL's credit metrics are likely to improve and remain comfortable over FY27-FY28, with the initial public offering (IPO) proceeds largely used for the repayment of working capital debt and letter of credit (LC) despite the increasing scale of operations. Thus, the net leverage (net adjusted debt/operating EBITDA) is likely to be below 3.5x over FY27-FY28. The ratings also factor in KEL's stable geographical concentration in FY26. However, the revenue from domestic markets is likely to grow going forward, supported by orders from transmission line towers, wind tubular towers, and wind angular towers.

However, the ratings are constrained by debt-led capex over FY27-FY28, time and cost overrun risks associated with delays in project execution in Saudi Arabia due to the US-Iran conflict, inherent risks associated with volatility in raw material prices and forex, and working capital-intensive operations. The 1QFY27 numbers have undergone a limited review.

List of Key Rating Drivers

Strengths

- Significant increase in scale of operations and resilient EBITDA
- Improved credit risk profile
- Likely increase in product mix and geographical diversification
- Healthy order book position

Weaknesses

- Inherent industry risks on raw material price and forex volatility
- Working capital-intensive operations

Detailed Description of Key Rating Drivers

Significant Increase in Scale of Operations and Resilient EBITDA: KEL's consolidated revenue increased to INR43,120 million in FY26 (FY25: INR31,584 million; FY24: INR24,252 million), led by the sales volume rising to 3.90 million MTPA in FY26 (FY25: 2.92 million MTPA), which is likely to improve further over FY27-FY28 basis the strong order book. The consolidated EBITDA margin improved to 11.6% in FY26 (FY25: 11.0%; FY24: 10.8%), while the EBITDA/tonne increased to INR12,844 (INR11,890). The company maintained healthy gross margins in FY26 by efficiently managing raw material price volatility and benefitting from operating leverage due to an increased scale of operations. Ind-Ra expects the revenue and EBITDA margin to improve over FY27-FY28—both for domestic and export sales—given the robust global demand for renewables and transmission lines, with a healthy order book supporting a ramp-up in the operations of existing and new capacities.

KEL added 0.3 million MTPA capacity in FY26, and is likely to add 0.3 million MTPA in FY27, including capacity addition at the Saudi Arabia unit. The Saudi Arabia project is set to add 0.22 million MTPA, and is likely to operationalise in FY28. With increasing capacity utilisation, the revenue and EBITDA are likely to improve further over FY27-FY28.

Improved Credit Risk Profile: KEL maintained a comfortable credit risk profile in FY26, led by an increase in the EBITDA despite a higher net debt. The interest coverage (operating EBITDA/gross interest expense) ratio improved to 3.53x in FY26 (FY25: 2.69x), while the net leverage increased to 3.50x (3.02x) due to the term debt taken for capex. Furthermore, with an increase in the scale of operations and IPO proceeds, the net leverage is likely to sustain below 3.5x over FY27-FY28. The company had paid working capital debt of around INR4,000 million until September 2026, and will likely utilise around INR2,000 million for working capital debt payment over the next one to two months.

KEL has undertaken capex in Saudi Arabia, with an estimated total project cost of INR4,050 million, for which a debt of around INR3,300 million is sanctioned out of which around INR2,000 million has been disbursed to date. This project is likely to be completed in a phased manner and start generating revenue from FY28. The company raised equity through an IPO in September 2026 for INR6,750 million, out of which INR6,000 million is to be used for the repayment of working capital debt (to date around INR4,000 million used for repayment). As a result, the net leverage is likely to be below 3.5x and the interest coverage above 4x over the medium term, supported by healthy EBITDA generation.

Likely Increase in Product Mix and Geographical Diversification: The company has a diversified product portfolio, with decreasing dependence on any single segment. While the contribution of solar structures increased significantly to 81% of its revenue in FY25 from around 6% in FY20, it moderated to around 79% in FY26 with the commencement of revenue generation from wind towers and a significant increase in the sales of transmission line towers. With an increase in the revenue from transmission line towers and wind towers, the sales mix is likely to be more diversified over FY27-FY28. The current order book indicates that nearly 25% of the outstanding orders pertain to transmission line towers, providing greater revenue diversification and mitigating concentration risk. The geographic concentration remained more or less stable with domestic sales at 43.3% in FY26 (FY25: 46%).

Healthy Order Book Position: The company has a healthy order book position of INR60,000 million to be executed over the next 12 to 18 months, which provides revenue visibility for the next one to two years. Most of the solar project orders are from customers in the US, where KEL has repeat orders. However, given the geopolitical uncertainties and improving domestic demand, KEL's domestic order book has also grown in FY27 compared to the last year, with a diverse customer base and strong counterparties. The order book is likely to be robust over FY27-FY28 with repeat overseas and domestic customers, and the order inflow is likely to increase as the new transmission line, wind angular tower, wind tubular tower, and solar product capacities ramp up.

Inherent Industry Risks on Raw Material Price and Forex Volatility: The raw materials formed around 60% of KEL's total costs in FY26, which are likely to remain around these levels in FY27. The major raw materials are steel and zinc that KEL sources from its longstanding suppliers. Most orders are at a fixed price with volumes tied up for a long period, but prices decided for small quantities to be supplied over three to six months, exposing the company to moderate price

volatility risk. KEL hedges its raw material prices by having back-to-back stock for steel and hedging on the London Metal Exchange for zinc at the time of order booking, leading to stability in its margins. In addition, backward integration with the rolling mill has effectively reduced the conversion time and reduced the volatility in the prices to some extent.

Working Capital-intensive Operations: KEL's business is working-capital intensive, and its net working capital cycle (including payables covered by LC acceptances) improved yet was elongated at 143 days in FY26 (FY25: 165 days; FY24: 173 days), which is likely to remain at a similar level over FY27-FY28. The inventory days were 83 in FY26 (FY25: 118; FY24: 112), receivable days were 111 (108; 86), and creditor days (excluding LC acceptances) were 51 (61; 25). Due to high sales in the last two months of a financial year, the year-end receivables are typically elevated. Ind-Ra expects the inventory days to be flat in FY27, with the raw material stocks likely to insulate it from price fluctuations for its fixed-price orders. However, the inventory days may improve marginally and receivables days may remain high over FY27-FY28 due to a change in the mix of fixed and variable contracts.

Liquidity

Adequate: KEL had consolidated cash and bank balances of INR748 million at FYE26 (FYE25: INR308 million; FYE24: INR99 million). The average utilisation of fund-based limits was around 74% and non-fund-based limits around 69% over the past 12 months ended September 2026 (combined 71%), indicating sufficient liquidity cushion. The free cash flow was negative INR4,379 million in FY26 (FY25: negative INR4,038 million), due to incremental capex and working capital requirements. The free cash flow is likely to remain negative in FY27 with ongoing capex, and is likely to turn positive in FY28 due to an improved scale of operations. The company's financial flexibility increased with a recent equity infusion of INR7,500 million (IPO and pre-IPO). The IPO proceeds were largely utilised for repayment of working capital debt. KEL has term loan repayment obligations of INR1,114.7 and INR1,662.6 million in FY27 and FY28, respectively, which would be met through cash accruals. The company has tied up debt for the ongoing capex and is in active discussion with lenders for incremental working capital debt.

Rating Sensitivities

Positive: Timely completion and ramp-up of the ongoing capacity addition, resulting in product mix and geographical diversification and supporting sustained growth in the scale of operations and EBITDA per tonne, with an improvement in the working capital cycle, all on a sustained basis, could lead to a positive rating action.

Negative: Any delay in the completion of the ongoing capex or lower-than-Ind-Ra expected profitability and EBITDA per tonne and/or a significant increase in the working capital cycle, leading to the net leverage above 3.5x, all on a sustained basis, could result in a negative rating action.

Any Other Information

The standalone revenue for KEL grew to INR42,173 million in FY26 (FY25: INR31,087 million), led by an improvement in the sales volumes, particularly in the solar segment. It reported an improved EBITDA of INR4,396 million in FY26 (FY25: INR3,395 million), due to an improved product mix with steady realisations and shorter turnaround times for solar products.

The net leverage increased to 4.1x in FY26 (FY25: 3.2x) due to debt-funded capex. The interest coverage improved to 3.11x in FY26 (FY25: 2.66x). The net leverage and interest coverage are likely to improve over FY27-FY28 due to increased equity (IPO) and improving scale of operations.

About the Company

Incorporated in 1996, KEL manufactures solar tracker piles/piers, solar torque tubes, solar structures, transmission line towers, wind tubular towers, wind angular towers, high-quality mild-steel fasteners, nuts and bolts, washers, antitheft nuts, hot-rolled (high tensile and mild) structural steel, hardware and fittings, and structures for holding power transmission conductors. Domestically, it has manufacturing facilities in Tarapur and Nagpur, Maharashtra, and in Bhachau, Gujarat. Overseas, KEL has one manufacturing facility near Milan in Italy, and the company is setting up a manufacturing facility in Saudi Arabia.

Key Financial Indicators

Particulars (INR million) – Consolidated	1QFY27 (Limited Review)	FY26	FY25
Revenue	15,809	43,120	31,584
EBITDA	1,738	5,016	3,483
EBITDA margin (%)	10.99%	11.6%	11.0%
Interest coverage (x)	4.21	3.53	2.69
Net leverage (x)	NA	3.50	3.02
Source: KEL, Ind-Ra NA - not available			

Particulars (INR million) – Standalone	1QFY27 (Limited Review)	FY26	FY25
Revenue	15,219	42,173	31,087
EBITDA	1,478	4,396	3,395
EBITDA margin (%)	9.71%	10.4%	10.9%
Interest coverage (x)	3.63	3.12	2.66
Net leverage (x)	NA	4.12	3.20
Source: KEL, Ind-Ra NA - not available			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (INR million)	Current Rating	21 July 2025	22 April 2024	23 October 2023	20 October 2023
Bank loan facilities	Long-term/Short-term	24,320	IND AA-/Stable/IND A1+	IND A+/Stable/IND A1	IND A/Stable/IND A1	IND A-/Negative (ISSUER NOT COOPERATING)/IND A2+ (ISSUER NOT COOPERATING)	-
Issuer rating	Long-term	-	-	-	-	-	WD

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (19 Oct 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Axis Bank Limited	Fund Based Working Capital Limit	650	IND AA-/Stable
2	Bank of Baroda	Fund Based Working Capital Limit	950	IND AA-/Stable
3	HDFC Bank Limited	Fund Based Working Capital Limit	490	IND AA-/Stable
4	ICICI Bank	Fund Based Working Capital Limit	165	IND AA-/Stable
5	IDBI Bank	Fund Based Working Capital Limit	200	IND AA-/Stable
6	Punjab & Sind Bank	Fund Based Working Capital Limit	235	IND AA-/Stable
7	Punjab National Bank	Fund Based Working Capital Limit	360	IND AA-/Stable
8	State Bank of India	Fund Based Working Capital Limit	200	IND AA-/Stable
9	Union Bank of India	Fund Based Working Capital Limit	500	IND AA-/Stable
10	Yes Bank Ltd	Fund Based Working Capital Limit	750	IND AA-/Stable
11	Axis Bank Limited	Non-Fund Based Working Capital Limit	950	IND A1+
12	Bank of Baroda	Non-Fund Based Working Capital Limit	2020	IND A1+
13	HDFC Bank Limited	Non-Fund Based Working Capital Limit	1510	IND A1+
14	ICICI Bank	Non-Fund Based Working Capital Limit	500	IND A1+
15	IDBI Bank	Non-Fund Based Working Capital Limit	800	IND A1+
16	Punjab & Sind Bank	Non-Fund Based Working Capital Limit	1015	IND A1+
17	Punjab National Bank	Non-Fund Based Working Capital Limit	1990	IND A1+
18	State Bank of India	Non-Fund Based Working Capital Limit	1300	IND A1+
19	Union Bank of India	Non-Fund Based Working Capital Limit	2865	IND A1+
20	Yes Bank Ltd	Non-Fund Based Working Capital Limit	1750	IND A1+

21	DBS Bank India Limited	Term loan	1000	IND AA-/Stable
22	DCB Bank	Term Loan	25.4	IND AA-/Stable
23	HDFC Bank Limited	Term Loan	20.43	IND AA-/Stable
24	HDFC Bank Limited	Term loan	1000	IND AA-/Stable
25	HDFC Bank Limited	Term Loan	500	IND AA-/Stable
26	IndusInd Bank Limited	Term Loan	7.82	IND AA-/Stable
27	RBL Bank	Term Loan	52.14	IND AA-/Stable
28	Tata Capital Limited	Term Loan	25.69	IND AA-/Stable
29	Union Bank of India	Term Loan	13.48	IND AA-/Stable
30	Yes Bank Ltd	Term Loan	1520	IND AA-/Stable
31	Tata Capital Limited	Term Loan-equipment loan	550.48	IND AA-/Stable
32	HDFC Bank Limited	Term Loan-equipment loan-	400	IND AA-/Stable
33	NA	Bank loan- unallocated	4.56	IND AA-/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

DISCLAIMER

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securities to realise value for the debt securities prior to redemption of the debt securities. If the debt securities are unlisted, then the ability of the Investors to resell or trade them may be limited, leading to liquidity and price risk on the debt securities. The returns from a particular asset class may underperform returns from other asset classes. The changes in government policy in general and changes in taxation may impact the returns to investors. There can be external risks arising out of geopolitical situations which can lead to volatility in/impact the performance of the individual securities. Issuers/Users/readers are advised to note that SEBI's investor protection mechanisms and SEBI's grievance or dispute redressal mechanisms are not applicable to ratings assigned by India Ratings that fall under the purview of other FSRs. Should you have any grievance with instruments under the purview of other FSRs, please write to infogrp@indiaratings.co.in. For any grievance with instruments under the purview of SEBI, please write to investor.grievances@indiaratings.co.in.

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