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IPO Note
7th September, 2026

Kanohar Electricals Ltd

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Rating: Subscribe

Issue Offer

Total issue size:
OFS – INR 7,557 Mn (11.96 Mn shares)
Fresh – INR 3,000 Mn (4.75 Mn Shares)

Issue Summary`	
Price Band (INR)	601-632
Face Value (INR)	2
Implied Market Cap (INR Mn)	50,046.07
Market Lot	23
Issue Opens on	8th September 2026
Issue Close on	10th September 2026
No. of share pre-issue	7,44,40,000
No. of share post issue	7,91,86,835
Listing	NSE, BSE

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

Book Running Lead Managers
Nuvama Wealth Management Limited
IIFL Capital Services Limited

Registrar
MUFG Intime India Private Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	99.72%	78.64%
Public & Others	0.28%	21.36%

Objects of the Issue	
Funding the capital expenditure requirements of our Company	641.83 Mn
Funding the incremental working capital requirements of our Company	1550 Mn
General corporate purposes	-

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Kanohar Electricals Ltd. is a transformer manufacturing and EPC company with over five decades of operating experience. The company manufactures power, traction, Scott, distribution transformers and shunt reactors, while its EPC business undertakes turnkey substation and transmission-line projects up to 400 kV. Its manufacturing facilities have an aggregate transformer capacity of 19,200 MVA as of March 2026.

Investment Rationale:

Strong positioning in the power T&D opportunity: Kanohar is well placed to benefit from rising investments in transmission & distribution, grid modernisation, renewable-energy integration and railway electrification. The company has specialised certifications, including for high-capacity 500 MVA, 400 kV transformers, providing technical credibility in higher-value projects.

Robust order-book visibility: Order book stood at INR 18,183 Mn as of FY26, more than doubling from INR 8,615 Mn in FY25. Government-sector contracts accounted for 93.6% of the FY26 order book, providing strong near-term revenue visibility, although this also indicates significant customer concentration.

Strong financial performance: Revenue from operations increased from INR 2,767 Mn in FY24 to INR 4,506 Mn in FY25 and INR 6,538 Mn in FY26. EBITDA increased from INR 311 Mn to INR 934 Mn and INR 1,804 Mn, while PAT rose sharply from INR 178 Mn to INR 651 Mn and INR 1,297 Mn, respectively. EBITDA margin expanded from 11.23% in FY24 to 27.59% in FY26, reflecting significant operating leverage.

Healthy return ratios and low leverage: FY26 ROCE stood at 70.13%, while debt-to-equity was only 0.10x, supported by net worth of INR 3,728 Mn and total debt of INR 390 Mn. The strong return profile and low leverage provide balance-sheet flexibility for future expansion.

Capacity expansion to support growth: IPO proceeds are proposed to fund capital expenditure at the Gangol and Rithani facilities, incremental working-capital requirements and general corporate purposes. The capex is expected to support capacity expansion and enable the company to participate in larger transformer and EPC opportunities

Valuation & Outlook: At the upper price band of INR 632/share, the issue is valued at approximately 38.58x FY26 earnings, depending on the share-count methodology used. The premium valuation is supported by strong earnings growth, improving margins, high ROCE and a sizeable order book. However, investors should monitor customer concentration, government/PSU dependence, execution risk, commodity-price volatility and the sustainability of the recent margin expansion. **We recommend SUBSCRIBE for investors with a medium-to-long-term horizon**,

Particulars (INR Mn)	**FY24**	**FY25**	**FY26**
Revenue	2766.9	4506.12	6538.39
Growth (% YoY)		*62.86%*	*45.10%*
EBITDA	310.98	933.92	1804.16
Margins	*11.24%*	*20.73%*	*27.59%*
PAT	177.55	651.18	1297.33
Margins	*6.42%*	*14.45%*	*19.84%*

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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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