KANOHAR

Kanohar Electricals Limited

7th September, 2026

IPO Details

IPO Date	8th to 10th Sep, 2026
Face Value	₹2 per share
Price Band	₹601 to ₹632
Lot Size	23 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	1,67,04,750 shares (agg. up to ₹1,056 Cr)
Fresh Issue	47,46,835 shares (agg. up to ₹300 Cr)
Offer for Sale	1,19,57,915 shares of ₹2 (agg. up to ₹756 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	7,44,40,000 shares
Share Holding Post Issue	7,91,86,835 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max) shares	23 Shares & 299 shares
Retail (Min & Max) application amount	₹14,536 & ₹1,88,968
S-HNI (Min shares & application amount)	322 shares & ₹2,03,504
S-HNI (Max shares & application amount)	1,564 shares & ₹9,88,448
B-HNI (Min shares & application amount)	1,587 shares & ₹10,02,984
Basis of Allotment	Fri, Sep 11, 2026
Initiation of Refunds	Tue, Sep 15, 2026
Credit of Shares to Demat	Tue, Sep 15, 2026
Listing Date	Wed, Sep 16, 2026
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 10, 2026
Promoters	Dinesh Singhal, Adesh Singhal, Vivek Singhal, Abhishek Singhal, Virat Singhal, Aditya Singhal and K Sons Family Trust
Registrar	MUFG Intime India Pvt. Ltd.

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Company Profile

Incorporated in 1972 and headquartered in Meerut, Uttar Pradesh, Kanohar Electricals Limited is a transformer manufacturer operating through two business segments – Transformer Manufacturing and Engineering, Procurement and Construction (EPC) – catering to the power transmission, railways, renewable energy and power distribution sectors. The Company operates two manufacturing facilities at Rithani and Gangol in Meerut, with an aggregate transformer manufacturing capacity of 19,200 MVA as of March 31, 2026, and is one of four manufacturers in India certified by the Research Designs and Standards Organisation (RDSO) to manufacture 100 MVA 132 kV Scott transformers. The Company has five regional offices across Delhi, Mumbai, Kolkata, Bangalore and Chennai, and a team of over 526 employees. The Company is led by Promoter and Chairman & Managing Director Dinesh Singhal, along with Promoters Adesh Singhal, Vivek Singhal, Abhishek Singhal, Virat Singhal and Aditya Singhal.

Objects of the Issue

- ❑ Funding capital expenditure requirements at the Gangol Manufacturing Facility – ₹64.18 Cr
- ❑ Funding incremental working capital requirements ₹155.00 Cr.
- ❑ General Corporate Purposes- ₹80.82 Cr.
- ❑ Offer for sale - ₹756.00 Cr

Financial Details

Particulars (Amount in Crores)	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from Operations	653.84	450.61	276.69
Other income	9.02	6.68	4.43
Total Income	**662.86**	**457.30**	**281.12**
Expenses			
- Cost of materials consumed	371.38	220.00	150.63
- Purchase of stock-in-trade	75.10	36.68	81.45
- Changes in inventories	(46.86)	47.45	(35.06)
- Employee Benefits Expense	40.61	23.89	23.19
- Other Expenses	33.19	29.20	25.42
Total expenses	**473.42**	**357.22**	**245.63**
EBITDA	**180.42**	**93.39**	**31.06**
EBITDA Margin (%)	**27.59%**	**20.73%**	**11.23%**
- Finance cost	12.91	9.40	6.48
- Depreciation and amortization	2.96	2.88	3.15
- Exceptional items	-	-	-
Profit/(Loss) before tax	**173.58**	**87.79**	**25.87**
Tax expense/(credit)	43.84	22.67	8.11
Profit/(Loss) After Tax	**129.73**	**65.12**	**17.76**
PAT Margin (%)	**19.57%**	**14.24%**	**6.32%**
Basic EPS (in Rs.)	**17.43**	**8.75**	**2.39**

Key Metrics	31-Mar-26	31-Mar-25	31-Mar-24
Debt to Equity Ratio	0.10	0.13	0.24
ROCE (%)	70.13%	47.61%	16.69%
ROE (%)	42.12%	30.92%	10.49%
Net Fixed Asset Turnover Ratio	21.58	16.76	11.37
Order Book (Cr.)	1818.23	861.47	595.84

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Competitive Strengths

- **Established Player in the Transformer Manufacturing Sector Catering to High Growth Industries** – With over 40 years of experience, the Company is one of five companies in India with short circuit test certification for 500 MVA 400 kV transformers and one of four manufacturers certified by the Research Designs and Standards Organisation (RDSO) to manufacture 100 MVA 132 kV Scott transformers, catering to the power transmission, railways, renewable energy and power distribution sectors (Source: CARE Report).

- **Backward Integrated Manufacturing Facilities with High Quality Transformer Capabilities** – The Company's two manufacturing facilities at Rithani (since 1983) and Gangol (since 1997) in Meerut have an aggregate transformer manufacturing capacity of 19,200 MVA as of March 31, 2026, supported by in-house production of transformer tanks and radiators and a technical collaboration with CHEM since 2017 for gas insulated switchgear (GIS) solutions.

- **Track Record of Executing Orders for Large and Marquee Clients** – The Company received a ₹568.67 Cr order for 500 MVA 400 kV power transformers from Power Grid Corporation of India Limited (POWERGRID) in June 2025, with its order book with POWERGRID aggregating to ₹573.26 Cr as of March 31, 2026, and derived 85.37% of its Fiscal 2026 revenue from operations from tenders awarded by central and state government entities.

- **Experienced Promoters and Management Team with Significant Industry Experience** – The Company is led by Promoter, Chairman and Managing Director Dinesh Singhal, an IIT Roorkee graduate with over 40 years of experience in the transformer manufacturing industry, along with fellow Promoters and Whole-time Directors Adesh Singhal, Vivek Singhal and Abhishek Singhal, with the Company's leadership currently overseen by its third generation of Promoters.

- **Track Record of Profitability** – The Company's revenue from operations grew at a CAGR of 53.72% and its EBITDA grew at a CAGR of 140.96% from Fiscal 2024 to Fiscal 2026, with revenue from operations rising from ₹276.69 Cr to ₹653.84 Cr and EBITDA rising from ₹31.06 Cr to ₹180.42 Cr over the same period, supported by a low leverage capital structure.

Key Risk Factors

- **Business Segment Concentration Risk** – The Company derives a significant portion of its revenue from its Transformer Manufacturing Business, which contributed 83.43%, 85.17% and 51.75% of revenue from operations in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. A reduction in demand for transformers could adversely affect the Company's business, results of operations and financial condition.

- **Customer Concentration Risk** – The Company's top 10 customers contributed 93.16%, 93.88% and 95.43% of its revenue from operations in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. The loss of, or a reduction in orders from, any of these key customers could have a material adverse effect on the Company's business, financial condition and results of operations.

- **Raw Material and Supplier Concentration Risk** – The Company's top 10 suppliers accounted for 71.49%, 70.65% and 63.03% of its cost of goods sold in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, and it does not enter into long-term supply agreements. Any disruption in supply or volatility in the prices of key raw materials could adversely affect the Company's pricing, margins and results of operations.

- **Competitive Intensity Risk** – The Company operates in a competitive power transformer manufacturing industry, facing competition from established domestic and multinational players including Bharat Heavy Electricals Limited (BHEL), Siemens Energy India Limited, CG Power and Industrial Solutions Limited, Hitachi Energy India Limited, Transformers & Rectifiers (India) Limited, Voltamp Transformers Limited and GE Vernova Inc., several of which have greater financial resources, technological capabilities and geographic reach. Any inability to compete effectively on pricing, product quality and innovation could result in loss of customers and market share, adversely affecting the Company's business and results of operations.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Kanohar Electricals Limited	NA	2	38.58*	16.38**	16.38**	34.80%	50.09
Peers:							
Hitachi Energy India Limited	35,360.00	2	159.55	221.63	221.63	19.08%	1,161.56
Bharat Heavy Electricals Limited	420.00	2	91.30	4.60	4.60	6.13%	74.99
Schneider Electric Infrastructure Limited	1,379.00	2	155.12	8.89	8.89	28.98%	30.67
CG Power and Industrial Solutions Limited	886.00	2	114.77	7.72	7.71	15.82%	48.11
Transformers & Rectifiers (India) Limited	292.00	1	32.19	9.07	9.07	17.64%	51.39
GE Vernova T&D India Limited	4,304.00	2	89.37	48.16	48.16	45.85%	42.87

*P/E calculated based on the upper band price.
**EPS calculated including fresh issue shares.

Summary

As per the CARE Report commissioned in connection with the Offer, the Indian transformer market grew from USD 3,691.4 million in CY2019 to USD 4,944.9 million in CY2025 at a CAGR of 5.0%, and is projected to grow faster to USD 6,854.2 million by CY2030 at a CAGR of 6.7%, driven by continued growth in power transmission, railway electrification and renewable energy capacity addition across India.

Incorporated in 1972 and headquartered in Meerut, Uttar Pradesh, Kanohar Electricals Limited is an established manufacturer of transformers and provider of EPC solutions for India's power infrastructure sector. The Company operates across Transformer Manufacturing and EPC segments, catering to power transmission and distribution utilities, railways, renewable energy, power generation and industrial customers. Its product portfolio includes power, traction and Scott-connected transformers, shunt reactors and Gas Insulated Switchgear (GIS), while its EPC capabilities encompass substations and transmission lines up to the 400 kV class.

The Company operates two manufacturing facilities in Meerut with an aggregate transformer manufacturing capacity of 19,200 MVA and benefits from backward integration through in-house manufacturing of critical components such as transformer tanks and radiators. It is among a select group of domestic manufacturers with short-circuit test certification for 500 MVA, 400 kV transformers and is also RDSO-certified for specialised Scott-connected transformers used in railway electrification, strengthening its ability to participate in technically complex and high-value projects.

The Company plans to utilise the Net Proceeds primarily towards capital expenditure at its Gangol Manufacturing Facility and funding incremental working capital requirements, supporting capacity expansion and the execution of its growing order pipeline.
The Company is well positioned to benefit from continued growth in India's transformer and power transmission industry, supported by its established market position, backward-integrated manufacturing capabilities, track record of executing orders for marquee customers, experienced promoter-led management and consistent profitability. The Company has demonstrated strong growth in revenue and earnings, along with healthy return ratios.

Going forward, growth is expected to be driven by capacity expansion at the Gangol Manufacturing Facility, a healthy order pipeline and increasing demand for transformers amid continued investments in power transmission and distribution infrastructure. The Company is also positioned to benefit from rising renewable energy integration, grid modernization and increasing power demand. However, the transformer industry remains highly competitive and fragmented, with competition from both established and regional players, which could exert pressure on pricing, margins and the Company's ability to secure new orders.

Therefore, it is recommended to **"Subscribe"** to the IPO considering its growth visibility and valuation.

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Prepared By:
Research Analyst : Anmol Grover
Sd/-
Date: 4th September 2026
Email ID: anmolgrover@adroitfinancial.com
Phone Number: 0120-4550300*270/388

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