IPO Note

KANOHAR ELECTRICALS LIMITED

SEP 08th, 2026

GEPL

IPO

Sep 08th, 2026

Details of the Issue	
Price Band	₹ 601 - ₹ 632
Issue Size	₹ 1,056 Cr
Market Cap	₹ 5,004.61 Cr
Face Value	₹ 2
Bid Lot	23
Listing on	BSE,NSE
Investment Range	₹ 13,823 - ₹ 14,536

Important Indicative Dates (2026)	
Opening	08 - Sep
Closing	10 - Sep
Basis of Allotment	11 - Sep
Refund Initiation	15 - Sep
Credit to Demat	15 - Sep
Listing Date	16- Sept

Lead Manager
Nuvama Wealth Management Ltd
IIFL Capital Services Ltd

Offer Details	
Offer Size	₹ 1,056 Cr
Fresh Issue	₹ 300 Cr
OFS	₹ 756 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	528	8.35	8.79	50
NII	158	2.51	2.64	15
Retail	370	5.85	6.15	35
Employ.	-	-	-	-
Total	1,056	16.71	17.57	100

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Company Profile

Kanohar Electricals Limited is an Indian transformer manufacturer serving key sectors including power transmission, railways, renewable energy and power distribution, with operations spanning transformer manufacturing and engineering, procurement and construction (EPC). The Company is among only four manufacturers in India certified by the Research Designs and Standards Organisation (RDSO), the R&D arm of Indian Railways, to manufacture 100 MVA, 132 kV Scott transformers. It operates two manufacturing facilities in Rithani and Gangol, Meerut, Uttar Pradesh, with an aggregate transformer manufacturing capacity of 19,200 MVA as of March 31, 2026. The Company also maintains five regional offices across Delhi, Mumbai, Kolkata, Bengaluru and Chennai, supported by a workforce of over 526 employees serving customers across India.

GEPL's Insights & Investment Thesis:

- Kanohar Electricals Ltd is a domestic transformer manufacturer and is among a select group of Indian players qualified to manufacture high-value 500 MVA, 400 kV transformers.
- The company has reported healthy financial performance with Revenue/EBITDA/PAT growing at a CAGR of 33%/80%/93% between FY24-26
- Based on the FY26 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 38.6x. The company has reported healthy financial performance, fairly valued, expanding its capacity, and focusing on new products. Therefore, we recommend a "**Subscribe**" rating for issue.

Business Highlights & Services

Kanohar Electricals offers a compelling play on India's expanding power transmission, railway electrification and renewable energy infrastructure, supported by differentiated technical capabilities, an integrated business model and strong execution credentials. With over four decades of experience, the Company has established itself as a leading domestic transformer manufacturer and is among a select group of Indian players qualified to manufacture high-value 500 MVA, 400 kV transformers, enabling participation in large transmission orders. Its certifications from RDSO for 100 MVA 132 kV and 220 kV Scott transformers further strengthen its positioning in the rapidly expanding railway electrification market. The Company's exposure to multiple structural growth drivers—including rising transmission investments, renewable-energy integration, grid expansion and railway modernisation—provides a sizeable addressable market, with higher-voltage transformer segments expected to grow at healthy rates. Its integrated transformer manufacturing and EPC capabilities provide an additional competitive advantage, allowing it to participate in turnkey projects, hybrid equipment-supply contracts and larger substation and transmission opportunities, while deepening customer relationships and increasing its share of project value. The Company's backward-integrated manufacturing facilities, including in-house production of transformer tanks and radiators, support better quality control, cost efficiency, reduced vendor dependence and shorter lead times. Further, its in-house engineering, product-development and testing capabilities, including over 200 short-circuit-tested ratings, strengthen product reliability and qualification for critical orders. A proven track record with PSUs, state utilities, Indian Railways and private-sector customers, along with an order book of ₹573 Cr from POWERGRID as of March 31, 2026, provides visibility on future revenue.

Overall, Kanohar Electricals is well positioned to benefit from India's long-term power infrastructure and electrification cycle, with its technical credentials, manufacturing depth, EPC integration and diversified end-market exposure creating a strong platform for sustained growth.

Kanohar Electricals is strategically positioned to capitalize on the accelerating growth in India's transformer and power infrastructure market, with a clear focus on capacity expansion, high-voltage products, railway electrification and operational integration. The Indian transformer market is expected to grow at a healthy 6.7% CAGR during CY25–CY30, reaching USD 6.85 billion, while the higher-value extra-high-voltage and ultra-high-voltage segments are expected to grow at approximately 9.3% and 9.0% CAGR, respectively. The Company is well placed to benefit from this structural opportunity through its existing 19,200 MVA manufacturing capacity, with plans to add another 18,000 MVA of annual capacity, primarily targeting 500 MVA 400 kV transformers, traction transformers and Scott transformers. Importantly, the relatively limited number of Indian manufacturers operating in transformers above 400 kV creates a favorable competitive environment, while Kanohar's established capabilities and certifications provide entry barriers in these specialized segments. Its ability to manufacture up to 500 MVA, 400 kV transformers and capability to produce 765 kV transformers also creates an opportunity to participate in the next phase of high-voltage grid expansion. The Company is simultaneously strengthening its position in railway electrification through customized traction and Scott transformers, with new product development focused on high-speed rail applications such as V-connected and auto-transformers. Further, investments in automation, testing infrastructure, field-service capabilities and backward integration are expected to improve capacity utilization, manufacturing efficiency, quality control, lead times and cost competitiveness. The expansion of in-house radiator manufacturing should further reduce vendor dependence and strengthen supply-chain resilience amid rising industry demand. On the EPC side, the Company's focus on execution excellence, strategic vendor partnerships and proactive project management should support its ability to execute projects across substations and transmission lines up to 400 kV. Overall, the strategy combines capacity-led growth with higher-value product development, backward integration and EPC capabilities, positioning Kanohar Electricals to capture a larger share of India's long-term transmission, distribution, renewable-energy integration and railway electrification opportunity while improving operational efficiency and competitive differentiation.

Segment wise revenue breakup

Particular	FY26		FY25		FY24	
	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue
Transfomer Manufacturing Business	546	83.43%	384	85.17%	143	51.75%
EPC Business	108	16.44%	66	14.66%	133	48.06%
Other Operating Revenue	1	0.13%	1	0.17%	1	0.19%
Total Revenue (TR)	654	100%	451	100%	277	100.00%

Product wise revenue split

Particular	FY26		FY25		FY24	
	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue
>400kv	341	62.53%	141	36.76%	28	19.90%
> 220 and < 400kv	72	13.17%	113	29.41%	52	36.46%
> 132 and < 220kv	116	21.29%	116	30.35%	33	23.27%
< 132kv	16	3.01%	13	3.48%	29	20.38%
Total Revenue (TR)	546	100%	384	100%	143	100.00%

Private vs Government revenue split

Particular	FY26		FY25		FY24	
	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue
PSU/Govt	558	85.37%	289	64.09%	249	90.10%
Private	96	14.63%	162	35.91%	27	9.90%
Total Revenue (TR)	654	100%	451	100%	277	100.00%

Industry Overview

3.2 Projected installed capacity

Chart 21: India's Projected RE capacity target to grow ~2x by 2032

Source: National Generation Adequacy Plan 2026-27 to 2035-36, CareEdge Research

Chart 25: Transmission Line Network (220 kV & above)

Source: Central Electricity Authority, NEP, CareEdge Research

Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	ROE(%)
Kanohar Electricals Ltd	**2**	**654**	**17.43**	**50.09**	**NA**	**34.80%**
Peers Group						
Hitachi Energy India Ltd	2	8,148	221	1,162	160	19.08%
Bharat Heavy Electricals Ltd	2	33,782	5	75	91.3	6.13%
Schneider Electric Infrastructure Ltd	2	2,891	9	31	155.12	28.98%
CG Power and Industrial solution ltd	2	12,418	8	48	114.72	15.82%

Company's Competitive Strength

- Established player in the transformer manufacturing sector catering to high growth industries.
- Successful short circuit testing of transformers up to 500 MVA 400 kV which enables us to compete for large, high-value contracts across sectors.
- Comprehensive presence across the Transformer Manufacturing Business and EPC Business enables us to serve a large total addressable market.
- Integrated manufacturing facilities equipped to deliver high-quality products.
- Track record of executing orders for large and marquee clients.
- Experienced promoters and management team with significant industry experience.
- Track record of profitability.

Key Strategies Implemented by Company

- Debottleneck and expand the Capitalize on industry tailwinds by strengthening the manufacturing capabilities and enhancing operational efficiencies at the Manufacturing Facilities.
- Strengthening the backward integration capabilities.
- Strategic focus on new product development and technology advancements.
- Commitment to robust execution standards for operational excellence.
- Ensure supply chain security through adequate working capital liquidity.

Particular (INR in Cr)	FY26	FY25	FY24
Equity Capital	15	4	4
Reserves and Surplus	358	239	174
Net Worth	373	243	178
Revenue	654	451	277
Growth (%)	45%	63%	
EBITDA	180	93	31
EBITDAM (%)	27.59%	20.73%	11.23%
PAT	130	65	18
PATM (%)	19.8%	14.5%	6.4%
ROE (%)	42.1%	30.9%	10.5%

Notes

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