

Lumino Industries Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
27 August 2026	31 August 2026	₹78-82	Subscribe

Investment Summary

Lumino Industries Limited is an integrated electrical products manufacturing and turnkey EPC company operating across conductors, power cables, electrical wires, and power transmission infrastructure. It caters to a diversified customer base comprising state electricity boards, government power utilities, private EPC players, and retail consumers under its 'Lumicon' brand, alongside an expanding export presence. The business combines synergistic in-house manufacturing capabilities with EPC project execution, supported by backward integration through its furnace and rolling mill facilities. Revenue from operations increased from ₹1,407.32 Cr in FY24 to **₹2,041.07 Cr in FY26**, while Operating EBITDA and PAT reached **₹238.95 Cr and ₹160.00 Cr**, respectively. The company has demonstrated consistent operational growth, though high working-capital intensity, stretched receivable cycles, and raw-material price volatility remain key monitorables for future cash conversion and margin sustainability. The IPO comprises a **Fresh Issue of 6,09,75,610 shares** aggregating to **₹500.00 Cr** and an **OFS of 2,43,90,244 shares** aggregating to **₹200.00 Cr** at the upper price band. Fresh proceeds will primarily fund **₹337.00 Cr of debt repayment and ₹15.01 Cr of manufacturing capex**. Considering its integrated business model, robust order book of **₹3,149.88 Cr**, and strong industry tailwinds from grid modernization and RDSS schemes, we recommend a Subscribe stance for a medium- to long-term investment horizon, while monitoring working-capital efficiency, order execution, and cash-flow conversion.

Company Overview

Lumino Industries Limited was incorporated in 2005 and is an integrated engineering, procurement, and construction (EPC) company engaged in manufacturing conductors, power cables, and electrical wires for the power transmission and distribution sectors. The company manufactures a wide range of products including aluminium conductors, power cables, and electrical wires, while its EPC division executes projects across power transmission and distribution, EHV substations, railway electrification, solar power, and water management. Operating through two manufacturing facilities in Howrah, West Bengal with a combined capacity of 40,000 MT, its products are used in critical power infrastructure applications. Lumino caters to domestic and international markets, supported by a diversified customer base comprising state electricity boards, public sector utilities, and EPC contractors. The company has built a strong financial presence, reporting a Revenue from Operations of ₹2,041.07 Crores, an Operating EBITDA of ₹238.95 Crores, and a Profit After Tax of ₹160.00 Crores for FY 2026, alongside a robust order book of ₹3,149.88 Crores. Promoted by Purushottam Dass Goel, Devendra Goel, and Jay Goel, Lumino aims to utilise its ₹500.00 Crores fresh issue proceeds towards debt repayment, capital expenditure, and general corporate purposes.

Business Model

Lumino Industries Limited operates an integrated business model combining electrical products manufacturing with turnkey engineering, procurement, and construction (EPC) solutions for the power infrastructure sector. The company designs, manufactures, and supplies conductors, power cables, and electrical wires, while its EPC division executes transmission and distribution networks, EHV substations, HTLS re-conductoring, solar power, and water management projects. In FY 2026, the Manufacturing segment contributed ₹1,423.45 Crores (69.74%) and the EPC segment contributed ₹617.63 Crores (30.26%) to total Revenue from Operations. Lumino leverages operational synergies and backward integration—utilising in-house furnace and rolling mill facilities—to supply captive components to its EPC projects, optimizing cost efficiency and supply reliability. Revenue is generated through competitive bidding for government utilities and state electricity boards (accounting for 53.12% of FY 2026 revenue), alongside supplies to private EPC contractors and B2C retail sales under its 'Lumicon' brand. The business model is backed by a robust order book of ₹3,149.88 Crores as of March 31, 2026, positioning the company to capitalize on grid modernization, RDSS schemes, and renewable energy integration.

Investment Rationale

Integrated Business Model with Synergistic In-House Manufacturing: Lumino operates an integrated model combining electrical products manufacturing (69.74% of FY 2026 revenue) and turnkey EPC solutions (30.26% of FY 2026 revenue). Backward integration through in-house furnace and rolling mill facilities enables captive supply of critical components for EPC projects, enhancing operational flexibility, quality control, and cost efficiencies.

Robust and Diversified Order Book Providing Strong Revenue Visibility: As of March 31, 2026, the company held a substantial order book of ₹3,149.88 Crores, comprising ₹1,991.98 Crores from the EPC segment and ₹1,157.90 Crores from the manufacturing segment. This multi-year order pipeline across central and state utilities and private EPC players provides robust medium-term revenue visibility.

Key Beneficiary of Power Sector Modernization, RDSS, and Renewable Evacuation: Substantial government and utility investments in grid strengthening, transmission network expansion, distribution loss reduction under the RDSS scheme, and renewable energy integration provide long-term demand tailwinds. Lumino is well-positioned to capitalize on this through its specialized HTLS re-conductoring, EHV substations, and solar EPC capabilities.

Consistent Financial Performance with Expanding Profitability and Prudent Leverage: The company has demonstrated sustained growth, with Revenue from Operations reaching ₹2,041.07 Crores and Profit After Tax rising to ₹160.00 Crores in FY 2026. Operating EBITDA margins expanded to 11.71% in FY 2026, while maintaining a healthy balance sheet profile with a Total Debt-to-Equity ratio of 0.53.

Diversified Client Base with Strategic Expansion into B2C Retail: Lumino caters to a broad customer base comprising state electricity boards, public sector power utilities, EPC contractors, and international clients across Africa, Asia, and the USA. Additionally, the company's expansion into consumer electricals with house wires and flexible cables under the 'Lumicon' brand diversifies revenue streams and strengthens high-margin retail market penetration.

Key Risk Factors

High Dependence on Government Entities and SEBs: Around 53.12% of FY26 revenue from operations was generated from government entities and state electricity boards (SEBs), compared to 79.89% in FY25 and 85.58% in FY24. Additionally, the top 10 customers accounted for 46.52% of FY26 revenue. Any policy changes, reduction in government budgetary allocations, tender delays, or loss of key public utilities could adversely affect business volume and revenue visibility.

High Working Capital Intensity and Stretched Receivable Cycles: The company operates a working capital-intensive business, with net working capital standing at ₹716.72 Crores in FY26 (35.11% of revenue). Trade receivables stood at ₹894.86 Crores, with debtor days increasing to 145 days in FY26 from 112 days in FY25 and 92 days in FY24, alongside an increase in inventory days to 56 days. Staggered EPC payment terms and procedural delays in government collections exert liquidity pressure and increase reliance on working capital facilities.

Raw Material Price Volatility and Supplier Concentration: Cost of materials consumed formed 83.73% of total expenses in FY26, with primary exposure to aluminium, copper, steel, and polymer compounds. The largest supplier accounted for 30.89% of raw material procurement in FY26, while the top 10 suppliers constituted 87.50%. Inability to fully pass on commodity price spikes on fixed-price contracts or supply disruptions could compress operating margins.

EPC Project Execution, Cost Overruns, and Performance Guarantees: EPC contracts carry long gestation periods of 24 to 30 months, exposing the company to time and cost overruns, site-access delays, and liquidated damages, any invocation of performance guarantees due to execution delays could materially impact cash flows.

Historical Operating Cash Flow Volatility and High Indebtedness: The company reported negative operating cash flows of in FY25 primarily due to an increase in trade receivables, EPC retention money, and inventories. Total borrowings stood at ₹1,856.78 Crores as of July 31, 2026, supported by promoter personal guarantees. Sustained negative operating cash flows or credit rating downgrades could constrain future financing and operational flexibility.

Financial Snapshot

Metric	In Cr		
	FY24	FY25	FY26
Revenue from Operations	1,407.32	1,917.97	2,041.07
EBITDA	145.09	222.94	238.95
EBITDA Margin	10.31%	11.62%	11.71%
Profit After Tax (PAT)	86.61	124.59	160.00
PAT Margin	6.15%	6.50%	7.84%
Basic EPS (₹)	3.56	5.11	6.57

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Lumino Industries Limited
IPO Issue Size	8,53,65,854 shares (agg. up to 700 Cr) Fresh Issue 6,09,75,610 shares (agg. up to ₹500 Cr) Offer for Sale 2,43,90,244 shares (agg. up to ₹200 Cr)
Price Band	₹78 – ₹82 per share
Face Value	₹5 per share
IPO Opening Date	27 August 2026
IPO Closing Date	31 August 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 100% → Post-IPO: ~71.97%
Book Running Lead Managers	Motilal Oswal Investment Advisors Limited, JM Financial Limited, Monarch Network Capital Limited
Use of Proceeds	• 337.00 Cr towards prepayment or re-payment, in full or in part, of certain outstanding borrowings availed by Company, • ₹15.01 Cr towards Capital expenditure by Company for purchase of equipment and machinery, civil works and interior development of an existing manufacturing facility

Valuation and Outlook

At the upper price band of **₹82.00**, Lumino Industries is valued at a FY26 P/E of **15.61x**, based on a post-issue market capitalization of **~₹2,497.34 Cr**. The RHP-listed peers Apar Industries Limited, Kalpataru Projects International Limited, and KEC International Limited trade at FY26 P/E multiples of 68.98x, 22.13x, and 19.81x, respectively, with an average peer P/E multiple of 48.55x. The valuation appears reasonable considering the company's presence in the power transmission and electrical infrastructure ecosystem, strong industry tailwinds from grid expansion and renewable energy integration, improving profitability, and diversified customer base. However, the business remains exposed to working-capital intensity, raw-material price volatility, project execution risks, and competitive pressure. The proposed **₹337.00 Cr** debt repayment should strengthen the balance sheet and reduce finance costs. We recommend a **Subscribe stance** for a medium- to long-term investment horizon, while monitoring order inflows, working-capital cycle, margin sustainability, raw-material cost pass-through and capacity utilisation.

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