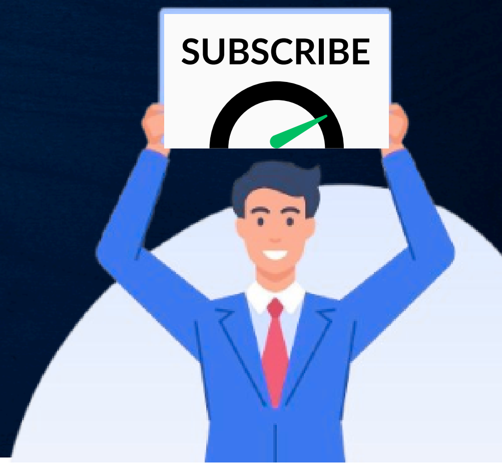
॥ सर्वे भवन्तु धनिनः ॥

swastika



KANOHAR

IPO NOTE

KANOHAR ELECTRICALS LIMITED

Rating:

SUBSCRIBE

Kanohar Electricals Limited is engaged in the manufacturing of transformers in India. The Company caters to industries such as power transmission, railways, renewable energy and power distribution.

OBJECTS OF THE ISSUE

- Funding the capital expenditure requirements of Company
- Funding the incremental working capital requirements of Company
- General Corporate Purposes

ISSUE OFFER

Issue Opens on	SEP 08, 2026
Issue Close on	SEP 10, 2026
Total IPO size (cr)	₹1,056 CR
Fresh issue (cr)	₹300 CR
Offer For Sale (cr)	₹756 CR
Price Band (INR)	₹601-632
Market Lot	23 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹5,004.61 CR.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	11.60	11.60	11.60
Net Worth	372.84	243.13	178.12
Revenue from operations	**1,232.59**	**1,012.49**	**876.56**
EBITDA Margin%	11.30%	8.67%	6.91%
Net Profit/Loss of the year	**129.73**	**65.12**	**17.76**

FINANCIAL RATIOS OF FY26

ROCE	ROE	P/E (Pre IPO)
70.13%	42.12%	36.26x

MINIMUM INVESTMENT DETAILS

Number of Shares	1,67,04,750
Minimum Investment Amount	₹14,872
Small-HNI (Min)/ 322 Shares	₹2,03,504
Big-HNI (Min)/ 1,587 Shares	₹10,02,984

INDICATIVE TIMETABLE

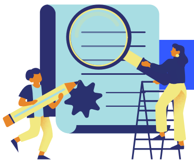
Basis of Allotment	11-09-2026
Refunds/Unblocking ASBA Fund	15-09-2026
Credit of Share to Demat A/c	15-09-2026
Listing Date	16-09-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

OUTLOOK & VALUATION

- Integrated transformer manufacturing and EPC capabilities support participation in large power projects. However, 83% of FY26 revenue comes from transformers, creating concentration risk.
- FY26 revenue grew 45% to ₹653.8 Cr, while PAT nearly doubled to ₹129.7 Cr.
- ROE 42.1%, ROCE 70.1% and low debt/equity of 0.10x indicate strong financial health.
- ₹1,818 Cr order book (2.8x FY26 revenue) provides healthy revenue visibility.
- Attractive Valuation: At ~34.5–36.3x FY26 EPS, valuation is reasonable versus peers, with IPO proceeds supporting expansion.
- Long-term investors can consider the IPO for its strong fundamentals, while it may also offer listing-gain potential, subject to market conditions.



COMPANY PROFILE

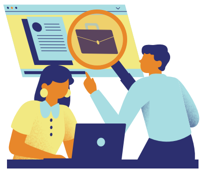
- Originally incorporated as "Kanohar Electricals Private Limited" in 1972, giving it over 40 years of operating history in transformer manufacturing.
- One of the leading domestic transformer manufacturers by revenue in FY26, serving high-growth sectors: power transmission, railways, renewable energy, and power distribution.
- Operates two business segments — Transformer Manufacturing (~83% of FY26 revenue) and EPC Business (~16% of FY26 revenue) for substations and transmission lines.
- Manufactures 5 transformer types up to 500 MVA/400kV; among only 5 certified Indian firms.
- 19,200 MVA capacity across two backward-integrated Meerut facilities.
- Led by 40+ year industry veteran Dinesh Singhal; key clients include POWERGRID and Blue Star.
- Revenue grew from ₹276.7 Cr to ₹653.8 Cr in FY24–FY26; order book stands at ₹1,818 Cr (~2.8x FY26 revenue).

COMPETITIVE STRATEGIES

- Expand capacity to benefit from growth in power, railways and renewables.
- Improve backward integration for better cost, quality and delivery.
- Focus on new products and technology, including V-connected and auto-transformers.
- Maintain strong EPC execution for substations and transmission projects.
- Strengthen working capital and supply-chain management.

KEY CONCERNS

- High dependence on transformers (~83% of FY26 revenue).
- Customer concentration increases dependency risk.
- Reliance on government tenders exposes it to policy and procurement risks.
- High working-capital needs may pressure cash flows.
- Order book execution risk due to delays, cost overruns or cancellations.

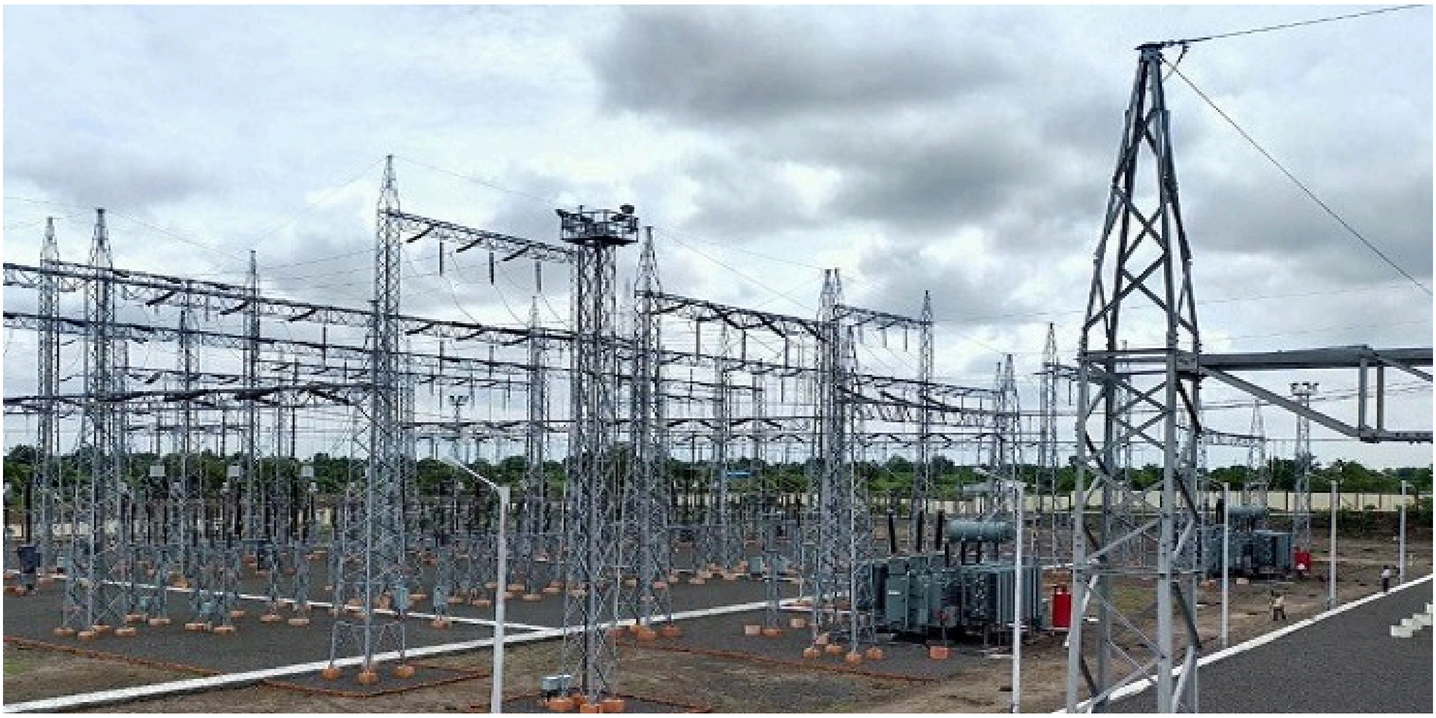


KEY STRENGTHS

- Established transformer player with 40+ years of experience.
- 500 MVA/400kV certification, held by only 5 Indian companies.
- Presence across transformers and EPC, offering integrated solutions.
- 19,200 MVA capacity with backward-integrated manufacturing.
- Experienced management with a proven profitability track record.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Kanohar Electricals Limited	**17.43**	**36.26**	**50.09**	**653.84**	**34.80**
Peer Group					
Hitachi Energy India Limited	221.63	159.55	1161.56	8,147.71	19.08
Bharat Heavy Electricals Limited	4.60	91.30	74.99	33,782.18	6.13
Schneider Electric Infrastructure Limited	8.89	115.12	30.67	2,890.63	28.98
CG Power and Industrial Solutions Limited	7.72	114.77	48.11	12,417.95	15.82
Transformers & Rectifiers (India) Limited	9.07	32.19	51.39	2,508.80	17.64
GE Vernova T&D India Limited	48.16	89.37	42.87	6,206.31	45.85



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Research Analyst Reg. No. :INH000024073
CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.