Price Band: ₹ 601-632

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September 8, 2026

Healthy order book, rising high voltage exposure…

About the Company: Kanohar Electricals Ltd. is a Meerut-based manufacturer of power transformers and specialised electrical equipment, catering to power transmission, railways, renewable energy and distribution sectors. Its product portfolio includes power transformers, traction transformers, Scott-connected transformers, shunt reactors and high-voltage gas insulated switchgear (GIS).

- Company also undertakes EPC projects for substations and transmission lines. It operates two manufacturing facilities at Rithani and Gangol, with installed transformer manufacturing capacity of 19,200 MVA p.a. as of FY26.

Key triggers/Highlights:

- **Healthy order-book visibility:** Order book increased sharply from ₹596 crore in FY24 to ₹861 crore in FY25 and ₹1,818 crore in FY26, with transformer manufacturing accounting for 89.2% of FY26 order book, with power transformers alone contributing ₹1,237 crore (68%).
- **High-voltage transformer capability:** Kanohar is among only five companies in India with short-circuit test certification for 500 MVA, 400 kV transformers, enabling it to bid for select high-value transmission orders. The company received a ₹569 crore order from POWERGRID for 500 MVA, 400 kV power transformers in June 2025.
- **Specialised railway opportunity:** Company is one of only four Indian manufacturers certified by RDSO for 100 MVA, 132 kV Scott transformers and one of only two manufacturers certified for 100 MVA, 220 kV Scott transformers.
- **Capacity expansion:** Transformer manufacturing capacity increased from 15,000 MVA to 19,200 MVA, supporting the company's growing order pipeline. The IPO proceeds include ₹64 crore towards machinery and equipment at the Gangol facility for further capacity expansion, automation and backward integration.
- **Manufacturing increasingly drives the business:** Transformer manufacturing revenue increased from ₹143 crore in FY24 to ₹384 crore in FY25 and ₹546 crore in FY26, with its contribution to revenue rising from 51.8% to 83.4%.

Our View & Rating: The company revenues and PAT grew 54% and 170% CAGR over FY24-FY26. EBITDA margins stand at ~27.6% in FY26. Further the order book has expanded to ₹1,818 crore in FY26. **We assign Subscribe rating to Kanohar Electricals Ltd.**

Key risk & concerns

- Government-sector customers accounted for 93.6% of FY26 order book, exposing the company to tender cycles, project delays and changes in government spending.
- Top 10 customers contributed 93.2% of FY26 revenue, while POWERGRID alone accounted for ₹573 crore of order book as of March 31, 2026.

KANOHAR

IPO Details

Issue Details	
Issue opens	08th September, 2026
Issue Closes	10th September, 2026
Issue Size	Rs 1056 crore
QIB (Institutional) Share	50% of issue
Non - Institutional Share	15% of issue
Retail Share	35% of issue
Issue Type	Book Built Issue IPO
Price Band (Rs/share)	Rs 601 - 632
Market Lot	23 share
Face value (Rs/share)	Rs 2
Listing Market Cap @ Upper price band (Rs in crore)	5,005

Shareholding pattern

%	Pre-Issue	Post-Issue
Promoters	99.72	79
Public	0.28	21
Total	100	100

Objects of the issue

Objects of the issue

Net proceeds of the fresh issue (~₹300 crore) are proposed to be utilised for -

- Funding the capital expenditure requirements of Company (~₹ 64.18 crore)
- Funding the incremental working capital requirements of Company (~₹ 155 crore)
- General Corporate Purposes

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IPO Review

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)
Net Sales	277	451	654	53.7%
EBITDA	31	93	180	141%
EBITDA Margins (%)	11.23%	20.73%	27.59%	
Net Profit	17.8	65.1	129.7	170%
Reported EPS (₹)	2.39	8.75	17.43	
P/E	264.97	72.25	36.26	
RoE (%)	10.49	30.92	42.12	
ROCE (%)	16.69	47.61	70.13	

Source: RHP, ICICI Direct Research

RATING RATIONALE

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No view on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)

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