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KANOHAR ELECTRICALS LIMITED

Manufacturing | Mainboard

Rs. 601 - 632

8 Sep 2026 - 10 Sep 2026

Issue size	Where the money goes	Earnings per share
Rs. 1,056 cr	**28% fresh** Rs. 300 cr to the company, Rs. 756 cr to selling holders - computed from the share count at the band cap - p.1	**Rs. 12.03** issuer disclosed

WHAT STANDS OUT

Profit not converting to cash - Operating cash flow is 20% of profit after tax. Less than half of reported profit arrived as cash — usually receivables or inventory build.

Strong revenue growth - Revenue compounded 54% a year over 2 years. Revenue compounding above 20% a year.

WHAT THE COMPANY DOES

Kanohar Electricals Limited is a manufacturer of power transformers, traction transformers, Scott connected transformers, shunt reactors, and high voltage gas insulated switchgear. The company operates in two segments: the Transformer Manufacturing Business and the EPC Business, which undertakes engineering, procurement, and construction projects in the power transmission and distribution sector.

We operate our business in two segments: (i) Transformer Manufacturing Business, where we manufacture five different types of transformers; and (ii) EPC Business, where we undertake turnkey installation of air and gas insulated substations, bay augmentation, and transmission lines.

WHERE THE MONEY GOES

Fresh issue goes to the company. Offer for sale goes to shareholders selling out.

Fresh issue Rs. 300 cr 28% Offer for sale Rs. 756 cr 72%

How the fresh proceeds are to be spent, as stated in Objects of the Offer.

Funding the capital expenditure r... 29% Funding the incremental working c... 71%

PROMOTER HOLDING

99.7% before > **—** after

AGAINST LISTED PEERS

Company	P/E	Revenue	Source
Hitachi Energy India Limited	159.6x	Rs. 8,148 cr	p.157
Bharat Heavy Electricals Limited	91.3x	Rs. 33,782 cr	p.157
Schneider Electric Infrastructure Limited	155.1x	Rs. 2,891 cr	p.157
CG Power and Industrial Solutions Limited	114.8x	Rs. 12,418 cr	p.157
Transformers & Rectifiers (India) Limited	32.2x	Rs. 2,509 cr	p.157
GE Vernova T&D India Limited	89.4x	Rs. 6,206 cr	p.157
Industry average	107.0x	—	issuer

Figures as printed in the offer document. This page does not say whether that is expensive or cheap. That judgement is yours.

FINANCIALS, RS. CRORE

	Fiscal 2024	Fiscal 2025	Fiscal 2026	2Y CAGR
Revenue	277	451	654	+53.7%
EBITDA	31	93	180	—
Profit after tax	18	65	130	+170.3%
Net worth	178	243	373	—
Total debt	42	32	39	—

READING THESE NUMBERS AS MANUFACTURING

What actually diagnoses this business: Capacity utilisation - Order book - Working capital days - Customer concentration.

DOES THE PROFIT TURN INTO CASH

	Fiscal 2024	Fiscal 2025	Fiscal 2026
Operating cash flow	-16	79	26
Capital expenditure	2	8	3
Financing	12	-18	-4

Operating cash flow is 20% of profit after tax. The rest is sitting in receivables or inventory.

WHEN LOCKED SHARES CAN BE SOLD

Each date releases shares that could not previously be traded.

+1 months	+3 months	+6 months	+6 months	+18 months
Anchor, first half	**Anchor, remainder**	**Promoter**	**Other**	**Promoter**
50.0%	50.0%	—	—	20.0%

THE DOCUMENT’S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. Established player in the transformer manufacturing sector catering to high growth industries. (p.253)
2. Successful short circuit testing of transformers up to 500 MVA 400 kV which enables us to compete for large, high-value contracts across sectors. (p.254)
3. Comprehensive presence across our Transformer Manufacturing Business and EPC Business enables us to serve a large total addressable market. (p.255)
4. Integrated manufacturing facilities equipped to deliver high-quality products. (p.256)
5. Track record of executing orders for large and marquee clients. (p.256)

RISKS IT DISCLOSES

1. We derive a significant portion of our revenue from the Transformer Manufacturing Business, and any reduction in demand could adversely affect us. (p.22)
2. A significant portion of our revenue is attributable to high growth sectors like power transmission, railways, and renewable energy, exposing us to cyclicality. (p.23)
3. Under-utilization of our manufacturing capacities could have an adverse effect on our business and financial performance. (p.24)
4. We depend on certain customers for a significant portion of our revenue from operations, exposing us to customer concentration risks. (p.25)
5. If we are unable to raise additional working capital or obtain financing on favorable terms, our growth could be adversely affected.

Both columns are the offer document’s own words, not this page’s assessment.

THE INDUSTRY, AS THE DOCUMENT DESCRIBES IT

a 6.7% CAGR.

Drivers it names: GDP and energy intensity driving latent power demand.; Rapid urbanization leading to faster infrastructure development.; Demand for Round-The-Clock power blending wind-solar hybrid sources..

Constraints it names: Grid Connectivity delays in transmission build-out.; Poor Health of DISCOMs causing delays in payments to power producers.; Regulatory uncertainties from shifting policies, tariff, and subsidy changes..

> These industry figures come from a CARE Analytics and Advisory Private Limited report commissioned and paid for by the issuer. It is not neutral research.

THE WIDER GROUP

Kanohar International Private Limited (promoter-group)	holds 2.7%
Ganpati Softech Private Limited (promoter-group)	—
Northstar Fixtures and Furniture Private Limited (promoter-group)	—

Extracted from the RHP at https://www.iiflcapital.com/institutional-equities/upload/investmentbanking/prospects/kanohar_electricals_limited_-_rhp.pdf by gemini-3.5-flash on 2026-09-03. Figure verification was skipped. The source text was not available to check against.

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