



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 30 AUGUST 2026

Lumino Industries Limited

Mainboard IPO — Research Note

ISSUE DATES	27 August 2026 – 31 August 2026
PRICE BAND	₹78 – ₹82 per equity share (face value ₹5)
LOT SIZE	182 shares · ₹14,924 at the upper band
ISSUE SIZE	₹700.00 Cr · 8,53,65,851 shares · Fresh ₹500 Cr + OFS ₹200 Cr
ANCHOR BOOK	₹206.69 Cr · 30 anchors at ₹82 · 29.57% of issue
LISTING	BSE & NSE · 3 September 2026 (tentative)
DATA CUT	Day-2 close, 28 August 2026, 17:00 IST

SECTOR Power T&D — Integrated Conductor & Cable Manufacturing + EPC	FINANCIALS FY26 Rev ₹2,041 Cr · PAT ₹160 Cr · 2Y CAGR 20% rev / 36% PAT · ROE 24.6%
VALUATIONS P/E 15.6x post-issue · P/B 2.7x · vs RHP peers Apar 69x, Bajel 109x	DEMAND 4.87x at Day-2 close · sHNI 12.70x · Anchor ₹207 Cr, 71.6% domestic MFs
GMP ₹54–₹63 over ₹82 (~66–77%) · 30 Aug 2026 · indicative only	RECOMMENDATION APPLY

I P O R E S E A R C H D E S K

2. Executive Summary

Lumino Industries makes the hardware the Indian grid is built from — aluminium conductors including HTLS, power cables and house wire out of two Howrah plants — and then puts a chunk of that output into its own EPC contracts for transmission lines, EHV substations, railway electrification and solar. Manufacturing was 69.7% of FY26 revenue and EPC the balance. FY26 revenue was ₹2,041 Cr, up 6.4%, with PAT of ₹160 Cr on a 7.66% margin. Two-year revenue CAGR is 20%, PAT CAGR 36%, ROE 24.6% and ROCE 25.8%. The order book stands at ₹3,150 Cr, 1.54x revenue.

The valuation is the setup. At ₹82 the issue prices at 15.6x FY26 post-issue earnings against the two peers the RHP itself names — Apar at 69x and Bajel at 109x — and against a broader T&D and cable set trading between 15x and 106x. Lumino carries the highest ROE in that group. The anchor book says the same thing in institutional money: ₹206.69 Cr across 30 investors, 71.6% of it to seven domestic mutual funds spread over 22 schemes, with HDFC and Kotak taking 21.7% each. Run those anchors through our seven-year base and the weighted average P/E they historically buy at is 59.2x. They are buying this one at 15.6x — roughly a quarter of their usual valuation band, and the single most useful thing the backtest has told us in months.

APPLY (listing gains). Demand confirms the read: 4.87x overall at Day-2 close with sHNI at 12.70x and bHNI at 5.91x, and one full session still to run. GMP sits at ₹54–63, indicating 66–77%. Our working expectation is a listing in the 55–60% band — deliberately below the grey market, because GMP at these levels overshoots more often than it undershoots. Bid at ₹82, the upper band, from every available PAN — the bHNI ticket is set out below. The balance sheet is the reason this is a listing trade and not a hold: borrowings went from ₹384 Cr at 31 March to ₹1,857 Cr by 31 July 2026, and that is the primary concern in this note.

Recommendation	Listing-Day View	Momentum View (T+2 - T+5)
APPLY (listing gains)	Positive. Working expectation 55–60% over ₹82	Trail the print; exit into strength by T+5. Not a hold.

Data cut: Day-2 close, 28 August 2026, 17:00 IST. The issue reopens and closes on Monday 31 August 2026; 29–30 August were non-bidding days.

BHNI Bid — Quantity & Price

Bid Price	Minimum bHNI Quantity	Application Value / PAN	Deployment
₹82 — upper band (cut-off)	68 lots = 12,376 shares	₹10,14,832	All available PANs

Bid at the ₹82 cap on every application. A bid at the ₹78 floor does not participate in allotment once the price is discovered at the upper band. ₹10,14,832 is the minimum ticket that qualifies for the bHNI (NII > ₹10 L) category.

3. Company Overview & Business Model

Lumino is a Kolkata company with thirty years in power transmission and distribution, and the structure worth understanding is that it sits on both sides of its own supply chain. It manufactures the conductors and cables, and it bids for the EPC contracts that install them. Roughly 23% of FY26 EPC project inputs came from its own factories. That vertical integration is the whole pitch — it captures the manufacturing margin on material a pure EPC contractor would buy in, and it gives the manufacturing line a captive offtake when the merchant market is soft.

Two reportable segments, not three. Manufacturing was ₹1,423 Cr of FY26 revenue, 69.7%, split across aluminium conductors at ₹735 Cr, power cables at ₹634 Cr and electrical wires at ₹44 Cr under the Lumicon retail brand launched in FY23. EPC was ₹618 Cr, 30.3%. Solar EPC is a vertical inside the EPC segment rather than a separate business, alongside T&D lines, EHV substations, railway electrification, water management and HTLS re-conductoring — worth stating plainly because the solar framing gets oversold in the coverage.

The mix has moved in the right direction. Manufacturing was 65.6% of revenue in FY24 and is 69.7% now, and EPC revenue actually fell 8.1% in FY26. On margins that is the trade you want — manufacturing carries the better return profile and the shorter cash cycle. On the order book it runs the other way: of the ₹3,150 Cr book at FY26 close, ₹1,992 Cr is EPC and ₹1,158 Cr manufacturing, so the next two years re-weight back toward the longer-cycle, tender-dependent side. That tension is the most interesting thing in the business and we come back to it in the risk section.

Capacity is 40,000 MT a year measured on aluminium consumption, across two facilities in Howrah totalling 264,208 sq ft. FY26 production was 31,571 MT, 78.93% utilisation, down from 82.40% the prior year. A third plant is going up on roughly 650,000 sq ft at Ranihati, Howrah — 250,000 sq ft targeted for LV and HV power cables, instrumentation, solar and railway signalling cable, with commercial production guided to the second half of FY27. That is where the next leg of growth has to come from, and it is not yet commissioned.

Promoters are Purushottam Dass Goel, Devendra Goel and Jay Goel — a family business, 890 permanent employees, ISO 9001, 14001 and 45001 certified with UL certification for export markets. Promoter and promoter group holding goes from 100% pre-issue to about 72% post-issue. What breaks the model: aluminium, which is 83% of raw material cost and raw material is over 80% of total expenses, moving against fixed-price EPC contracts; or the working capital cycle, already out to 86 days, stretching further on the EPC re-weighting.

4. Market Position & Client Base

Lumino is a mid-tier player in a sector with a genuine tailwind. India's transmission capex cycle is running hard, and the names that supply conductor and cable into it — Apar, KEI, Universal Cables, Skipper, Transrail — have all been repriced upward over the last two years. Lumino's revenue base of ₹2,041 Cr is roughly a tenth of Apar's, so this is a small participant in a large build-out rather than a category leader, and the report should not pretend otherwise.

The customer concentration story is the strongest operational fact in this file, and it runs opposite to what these reports usually show. Top-ten customers were 90.78% of revenue in FY24, 80.33% in FY25 and 46.52% in FY26. Government and PSU exposure fell over the same period from 85.58% to 79.89% to 53.12%. In two years this went from a business dependent on a handful of state utilities to something materially more diversified. Named customers include Power Grid, NTPC, RDSO, L&T, Tata Projects, KEC International and Kalpataru — a credible list, though the RHP does not publish individual customer revenue shares and we could not source them.

Be precise about why concentration fell, because the mechanism matters. Part of it is genuine diversification into private-sector and merchant sales as the Lumicon brand and the cable line scaled. Part of it is arithmetic: the EPC segment, which is where the government tender work sits, shrank 8.1% in FY26 while manufacturing grew. A concentration ratio that improves because the concentrated segment contracted is a weaker signal than one that improves because the base broadened. Both are happening here. We read it as a real improvement, discounted somewhat.

On the supply side the picture inverts: top-ten suppliers account for 87.5% of procurement, and the RHP carries an explicit risk factor on reliance on a limited number of raw material parties. For an aluminium-intensive manufacturer that is a live exposure, not a formality.

The moat is the integration itself. A pure EPC contractor bids with bought-in material and a thinner margin; a pure manufacturer sells into a merchant market it does not control. Doing both lets Lumino win EPC work on price while keeping the product margin, and the FY26 bid-to-win ratio of 14.42% suggests it is being selective rather than buying revenue. That advantage is real, but it is replicable — Apar and KEI operate the same logic at ten times the scale.

5. Geographic Distribution & Revenue Model

This is a domestic business. Roughly 98.2% of FY26 revenue came from India, across 26 states and four union territories. Exports were ₹36.90 Cr, about 1.8%, into 17 countries with the USA, Nepal, Bangladesh, Kenya, Ghana, Rwanda and Ethiopia named. Currency exposure at that scale is not a material line item, and there is no hedging story to tell. The RHP does not publish a state-wise or country-wise revenue table and we could not source one.

Manufacturing revenue is recognised on despatch and carries a conventional trade cycle. EPC revenue runs on percentage-of-completion against certified milestones over 24 to 30-month project lives, and it drags two balance-sheet items with it: retention money of ₹308.73 Cr at FY26 close, and the receivable book at ₹894.86 Cr. The blended working capital cycle went from 11 days in FY24 to 54 in FY25 to 86 in FY26 — that deterioration is almost entirely the EPC side, and it is the cost of the order-book growth.

The concentration that does deserve flagging is physical. Both manufacturing facilities and all four warehouses sit in the Howrah region of West Bengal, and the Ranihati expansion is going up in the same district. One hundred percent of production capacity is exposed to a single location — labour, power, political or weather disruption in Howrah stops the manufacturing segment outright. For a company whose customers span 26 states, that is a real single point of failure.

Segment Revenue (₹ Cr)	FY2024	FY2025	FY2026	FY26 Share
Manufacturing	923.15	1,246.00	1,423.45	69.7%
EPC	484.16	671.97	617.63	30.3%
Revenue from Operations	1,407.32	1,917.97	2,041.07	100.0%

Manufacturing FY26 splits into aluminium conductors ₹735.07 Cr, power cables ₹634.03 Cr and electrical wires ₹43.86 Cr. Solar EPC sits within the EPC segment and is not separately reported.

6. IPO Structure & Use of Proceeds

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	500.00	71.4%
Offer for Sale (OFS)	200.00	28.6%
Total Issue Size	700.00	100.0%

8,53,65,851 shares at the ₹82 upper band. OFS is Devendra Goel ₹150 Cr and Jay Goel ₹50 Cr. The company receives no proceeds from the OFS portion. The issue was downsized from the ₹1,000 Cr sought in the January 2025 DRHP.

OFS at 28.6% sits well below the 50% line at which we treat a structure as an exit signal. Two promoters are taking ₹200 Cr off the table on an issue that raises ₹500 Cr of primary money, and promoter group holding stays near 72% post-issue. That is partial monetisation by founders who remain overwhelmingly invested, not a cash-out. Worth noting the downsizing from ₹1,000 Cr to ₹700 Cr between DRHP and RHP — the OFS came down from ₹400 Cr to ₹200 Cr in the process, which reads as the book-runners right-sizing the secondary component to get the issue away cleanly. On the evidence, that judgement looks correct.

Use of Proceeds (Fresh Issue ₹500 Cr)

Objective	Amount (₹ Cr)	% of Fresh Issue
Prepayment / repayment of borrowings	337.00	67.4%
Capital expenditure — equipment, machinery, civil works	15.01	3.0%
General corporate purposes	Balance*	up to ~29.6%
Total	500.00	100.0%

*The RHP carries a placeholder for general corporate purposes, capped at 25% of gross proceeds. Figures fixed in the final Prospectus.

Two-thirds of the fresh issue repays debt and three percent funds growth capex. Call this what it is: a deleveraging issue, not an expansion issue. That is not a criticism — given where the borrowings went between March and July, deleveraging is exactly the right use of the money. But it does mean the equity story from here rests on the Ranihati plant and the existing order book, not on anything this raise builds.

Offer Allocation

Category	Shares	% of Issue	Value at ₹82 (₹ Cr)
Anchor Investors (of QIB)	2,52,43,901	29.6%	206.69

Category	Shares	% of Issue	Value at ₹82 (₹ Cr)
QIB — net of anchor	1,68,29,268	19.7%	137.80
NII — bHNI (> ₹10 L)	84,14,634	9.9%	69.00
NII — sHNI (₹2–10 L)	42,07,317	4.9%	34.50
Retail (RII)	2,94,51,219	34.5%	241.50
Employee Reservation	12,19,512	1.4%	10.00
Total	8,53,65,851	100.0%	700.00

A conventional Regulation 6(1) structure: QIB not more than 50%, NII not less than 15%, retail not less than 35%, with an employee reservation of ₹10 Cr carved out. The anchor portion at 29.57% of the total issue is at the upper end of what the rules permit, which tells you the book-runners had the demand to fill it and chose to lock as much of it in as they could. Anchor lock-in is 50% for thirty days and 50% for ninety.

Book-running lead managers are Motilal Oswal Investment Advisors, JM Financial and Monarch Network Capital. Registrar is Bigshare Services. Track records for all three are in Section 9.5.

7. Financial Performance Analysis

Profit & Loss (₹ Cr)	FY2024	FY2025	FY2026	2Y CAGR
Revenue from Operations	1,407.32	1,917.97	2,041.07	20.4%
EBITDA	145.09	222.94	238.95	28.4%
EBITDA Margin (%)	10.31%	11.62%	11.71%	+140 bps
Profit After Tax	86.61	124.59	160.00	35.9%
PAT Margin (%)	6.08%	6.40%	7.66%	+158 bps
EPS — Basic (₹)	3.56	5.11	6.57	—

Balance Sheet & Cash Flow (₹ Cr)	FY2024	FY2025	FY2026	Direction
Net Worth	445.86	570.29	729.58	Rising
Total Borrowings	40.91	418.83	384.16	See note below
Debt / Equity	0.09	0.73	0.53	Improving on paper
Cash Flow from Operations	100.91	(238.59)	156.08	Recovered in FY26
Trade Receivables	n/a	n/a	894.86	44% of revenue
Working Capital Cycle (days)	11	54	86	Deteriorating
ROE / RoNW (%)	21.52%	24.52%	24.62%	Strong
ROCE (%)	32.27%	31.89%	25.75%	Compressing
NAV per share (₹)	18.30	23.41	29.95	Rising

Cash and equivalents ₹91.83 Cr, inventory ₹364.07 Cr, retention money ₹308.73 Cr and net working capital ₹716.72 Cr as at FY26 close. Explicit receivable days are not disclosed; only the working capital cycle.

The operating story is good and it holds up to inspection. Revenue compounded 20% over two years, EBITDA 28% and PAT 36% — so margins expanded on the way up rather than being bought with volume. EBITDA margin moved 140 basis points to 11.71%, PAT margin 158 basis points to 7.66%, and the driver is identifiable: the mix shifted toward manufacturing, which now carries 69.7% of revenue against 65.6% two years ago, and manufacturing earns better than tender-won EPC. ROE of 24.62% is the highest in the comparable set — above Apar at 20.3%, KEI at 14.8% and Kalpataru at 13.7%. That is not a screening artefact; it is a genuinely well-returning business.

ROCE is the number moving the wrong way — 32.27% to 31.89% to 25.75%. Profit is rising and returns on capital are falling, which means the capital base is growing faster than the earnings on it. That is the working capital cycle showing up in the return metric, and it is the first place the balance-sheet problem becomes visible in the P&L's own language.

Cash conversion needs care. FY25 saw operating cash flow of negative ₹238.59 Cr, and the RHP carries an explicit risk factor on negative operating cash flows recurring. FY26 recovered to positive ₹156.08 Cr, which is the right direction and roughly matches that year's PAT. But sum the three years: cumulative CFO of positive ₹18.4 Cr against cumulative PAT of ₹371.2 Cr. Over the disclosed history this business has converted about five percent of its accounting profit into operating cash. The FY26 recovery is real; one good year does not settle a three-year pattern.

The receivable and retention build is where the cash went. Trade receivables of ₹894.86 Cr are 44% of FY26 revenue, retention money adds ₹308.73 Cr, inventory ₹364.07 Cr, and net working capital of ₹716.72 Cr equals 35% of revenue. The cycle stretched from 11 days to 86 days in two years. Some of that is the natural cost of growing an EPC book against state utilities; some of it is the price of scaling a manufacturing line into a merchant market. Either way it consumed the cash the P&L was generating.



[PRIMARY CONCERN] Post-balance-sheet debt: the number that changes the picture.

Total borrowings were ₹384.16 Cr at 31 March 2026. At 31 July 2026 they were ₹1,856.78 Cr — a 4.8x increase in four months, disclosed in the offer document and sitting outside every published ratio. After the ₹337 Cr of IPO proceeds earmarked for repayment, residual debt would be roughly ₹1,520 Cr, or about 6.4x FY26 EBITDA.

Every D/E of 0.53x and Debt/EBITDA of 1.61x quoted in the coverage is computed on the March figure and is four months stale. We have found no disclosure explaining the build — working capital drawdown ahead of the Ranihati commissioning is the plausible reading, but it is our inference, not a disclosed fact. This is the primary concern in this note and the reason our call is a listing call rather than a view on the equity.

8. Valuation

Company	P/E	P/B	ROE %	ROCE %	Mkt Cap (₹ Cr)
Lumino Industries (at ₹82)	15.6x	2.7x	24.6%	25.8%	2,497
Apar Industries ★	61.8x	13.3x	20.3%	31.8%	74,545
Bajel Projects ★	82.7x	3.0x	4.1%	11.0%	2,231
KEI Industries	53.4x	8.0x	14.8%	20.1%	53,250
Kalpataru Projects Intl	21.3x	3.0x	13.7%	18.3%	23,674
KEC International	18.9x	1.8x	11.4%	16.5%	11,335
Transrail Lighting	14.6x	2.7x	20.0%	29.2%	6,078
Skipper Ltd	26.6x	4.1x	16.6%	23.6%	6,169
Universal Cables	29.4x	3.1x	8.9%	11.7%	5,875

★ named in the RHP 'Basis for Issue Price' peer table. Lumino P/E on FY26 post-issue diluted EPS of ₹5.25; pre-issue P/E is 12.5x on EPS of ₹6.57. Peer quotes as of late August 2026.

At ₹82 the issue asks 15.6x FY26 post-issue earnings. The two peers the RHP itself puts in the table trade at 61.8x and 82.7x. Widen the set to the T&D and cable complex and the range is 14.6x to 82.7x, with a composite nearer 30x. Lumino comes to market cheaper than every name in that group except Transrail, and it does so carrying the highest ROE of the lot at 24.62%. On the two things a screen actually looks at — what you pay and what the capital earns — this issue is the best-positioned name on the page.

The obvious question is what the discount is for, and we think there are three answers, all legitimate and none of them fatal to a listing trade. Scale: at ₹2,041 Cr of revenue Lumino is a tenth of Apar and a fifth of KEI, and small caps price at a discount to established compounders in the same trade. Balance sheet: the July debt position is a real deduction and the market is right to demand something for it. Cash conversion: five percent of cumulative PAT reaching operating cash over three years is not a profile that earns a premium multiple.

Our position is that the discount is too wide for the first two reasons and about right for the third. A business growing PAT at 36% with a 24.6% ROE, in a sector with a funded multi-year capex cycle behind it, does not belong at 15.6x when the sector median is roughly double that — even after marking down for leverage. The gap is wide enough that the listing does not need multiple expansion to work; it only needs the market to close half of it.

The valuation argument does not rest on our judgement. Thirty institutions ran these numbers on 25 August and committed ₹206.69 Cr at ₹82 — houses our base says habitually buy at 59.2x, taking this one at 15.6x. When money that usually pays sixty times earnings turns up for a fifteen-times issue, the discount is not a subtlety we spotted.

9. Demand, Application-Wise Breakup, Anchor Quality & BRLM Track Record

9.1 Subscription Trajectory

Category	Day 1 (27 Aug)	Day 2 (28 Aug)	Day 3 (31 Aug)	Reserved
QIB (net of anchor)	0.04x	0.06x	Pending	19.7%
NII — bHNI (> ₹10 L)	1.39x	5.91x	Pending	9.9%
NII — sHNI (₹2–10 L)	3.82x	12.70x	Pending	4.9%
NII — total	2.20x	8.18x	Pending	14.8%
Retail (RII)	2.08x	6.87x	Pending	34.5%
Employee	0.75x	1.84x	Pending	1.4%
Overall	1.42x	4.87x	Pending	100%

Exchange figures at 17:00 IST. Day 2: 30,76,48,978 shares bid against 6,32,05,127 offered. The issue closes Monday 31 August 2026.

Two sessions, 4.87x, and the shape is the right one. sHNI at 12.70x and retail at 6.87x on Day 2 — both roughly tripling off Day 1 — is a book building on genuine momentum rather than one loading up at the close. bHNI at 5.91x with a full day left is strong. The Day-3 print will be considerably higher; final subscription in the high teens to twenties would be consistent with this trajectory, though we are not going to put a number on it before it happens.

Net QIB at 0.06x looks alarming and is not. Institutions bid in the closing hours as a matter of routine, and more to the point, the institutional demand in this issue has already been expressed — ₹206.69 Cr of it, on 25 August, at ₹82, with a lock-in. The anchor portion is 29.57% of the entire offer and it is carved out of the QIB bucket. Reading a thin net-QIB number on Day 2 as institutional indifference misreads how the anchor mechanism works. We would flag it only if the final QIB print came in under 1x, which on this book would be surprising.

9.2 Application-Wise Breakup (Approximate)

Category	Shares Offered	Approx. Applications	Day-2 Subscription (x)
Retail (RII)	2,94,51,219	~8.0 – 11.1 lakh	6.87x
NII — sHNI (₹2–10 L)	42,07,317	~20,970	12.70x
NII — bHNI (> ₹10 L)	84,14,634	~4,010	5.91x
Employee	12,19,512	~12,330	1.84x
QIB (net of anchor)	1,68,29,268	Not disclosed	0.06x

Derived from Day-2 bidding data against minimum ticket sizes (retail 182 shares; sHNI 2,548 shares; bHNI 12,376 shares). Indicative and approximate only; exact counts are confirmed at the basis of allotment, and Day-3 bidding will raise all figures.

9.3 Grey Market Premium

GMP sits at ₹54 to ₹63 over the ₹82 band as of 30 August, indicating a listing between ₹136 and ₹145, or 66% to 77%. The trend has been one-directional: ₹43 on 21 August, ₹50 through the anchor date, ₹48 on 26 August, then ₹50, ₹56 and ₹60 as the subscription data landed. The full observed range since the price band went out runs from about ₹12 to ₹63.

Our working expectation is a listing in the 55–60% band, deliberately set below the grey market. GMP is an unregulated, dealer-quoted, thinly settled indicator with no obligation behind any quote, and at premiums this elevated it overshoots the eventual print more often than it undershoots. A rising GMP into the close is a genuine sentiment signal and we treat it as one. It is not a price forecast, and no part of the position sizing above rests on it.

9.4 Anchor Quality — the Backtest

The anchor book is ₹206.69 Cr across 30 investors at ₹82, of which 71.59% went to seven domestic mutual funds applying through 22 schemes. Run against our seven-year base of 688 mainboard anchors, the fifteen distinct houses in this book represent 941 prior mainboard anchor participations between them.

Anchor House	% of Book	Prior Issues	Avg P/E Bought At	Avg Listing Gain
HDFC Mutual Fund	21.7%	147	48.5x	23.9%
Kotak Mahindra Mutual Fund	21.7%	109	41.2x	25.8%
Motilal Oswal Mutual Fund	9.6%	101	87.3x	26.8%
Bandhan Mutual Fund	9.6%	116	76.0x	26.7%
Abakkus	7.2%	46	24.7x	28.2%
3PIM	4.3%	4	89.0x	21.5%
Kotak Life Insurance	4.3%	59	80.0x	12.8%
Edelweiss Mutual Fund	3.6%	114	85.5x	15.8%
SBI General Insurance	2.9%	71	146.2x	9.0%
Bank of India Mutual Fund	2.9%	24	35.3x	9.9%
JM Financial Mutual Fund	2.4%	22	121.6x	13.1%
Bajaj Life Insurance	2.4%	64	35.9x	22.6%
Ashika Global Securities	2.4%	13	35.1x	18.4%
Citigroup	2.4%	50	37.8x	3.8%
Weighted Average	100%	941 total	59.2x	22.5%

IPO Research Desk 7-year anchor base, 688 mainboard anchors, 2020–2026. Silver Stride India Global Fund (2.4% of book, one prior issue at 171% listing gain) is excluded from the weighted listing-gain average as a single-observation outlier; it is included in the P/E weighting.

The weighted average historical P/E of the houses in this anchor book is 59.2x. This issue is priced at 15.6x. That is the finding, and in seven years of running this base it is among the widest gaps we have measured between where a book habitually buys and where it has bought. HDFC Mutual Fund has anchored 147 mainboard issues at an average 48.5x; it took 21.7% of this book at 15.6x. Kotak Mahindra Mutual Fund, 109 issues at 41.2x, took another 21.7%. Motilal Oswal averages 87.3x across 101 issues and Bandhan 76.0x across 116. None of these houses is stretching outside a comfort zone here — they are buying materially inside it, which is a different and better signal than the one these reports usually get to report.

The composition reinforces it. 71.59% of the book to domestic mutual funds across 22 schemes is about as high a domestic-MF concentration as mainboard anchor books get, and mutual fund money is stickier through the lock-in than FPI or corporate-treasury allocation. HDFC alone came through six schemes, Kotak through five, Motilal Oswal through four. Six separate HDFC funds independently sizing the same issue is a conviction pattern, not a house allocation being spread around. Abakus at 7.22% is the other name worth calling out: 46 prior issues at an average 24.7x — the most valuation-disciplined participant in the book — with the highest average listing gain in it at 28.2%.

Two honest deductions. SBI General Insurance and Citigroup both carry weak historical listing-gain records at 9.0% and 3.8% respectively, but they are 2.9% and 2.4% of the book and neither is a swing factor. And the weighted average historical listing gain of 22.5% is a base rate for these houses across all conditions — it is not a forecast for this issue, and the fact that they bought unusually cheap this time does not mechanically translate into an unusually large print.

9.5 BRLM Track Record — the Backtest

Lead Manager	IPOs (7Y)	Positive	Hit Rate	Avg Listing-Day Gain
JM Financial Ltd.	104	75	72.1%	18.5%
Motilal Oswal Investment Advisors	43	29	67.4%	16.3%
Monarch Network Capital Ltd.	5	4	80.0%	26.8%

IPO Research Desk 7-year lead manager base, 2020–2026, 77 mainboard book-runners.

This is a credible syndicate rather than a marquee one. JM Financial is the volume house — 104 mainboard issues since 2020, a 72.1% hit rate and 18.5% average listing-day gain, which puts it comfortably in the upper half of the base. Motilal Oswal Investment Advisors has run 43 issues at a 67.4% hit rate and 16.3% average gain. Monarch Network shows the best headline numbers, 80% and 26.8%, but on five issues with no mainboard activity since 2023 — treat that as a small sample rather than a track record, and note it is the third name on the cover, not the lead.

The recent-year detail is where we would push back on our own numbers. JM Financial's 2026 record in our file is two issues, neither of which listed positive. That is a small sample in a partial year and we would not extrapolate from it, but the seven-year 72% hit rate should be read with it rather than in

isolation. Motilal Oswal runs the other way — two issues in 2026, both positive, after a blank 2025. Composite, the syndicate's recent form is roughly even.

The structural read is more useful than the statistical one. Three book-runners on a ₹700 Cr issue is real distribution, and it shows: 4.87x by Day 2 with retail at 6.87x and sHNI at 12.70x is what adequate reach looks like. The anchor book they assembled — thirty names, 71.6% domestic MF, filled to the regulatory maximum of the QIB portion — is a better indicator of syndicate quality on this specific issue than any seven-year average, because it is evidence of what these three could actually place at ₹82 in August 2026.

Strong anchor participation and a good BRLM track record reduce listing risk; they do not eliminate it. A ₹207 Cr anchor book from houses that normally pay sixty times earnings is the strongest institutional signal we have scored this year — and it is still not a guarantee of a listing gain.

10. Risk Factors

Nine risks, ordered by what would cost a bHNI money on this trade rather than by RHP sequence.

[PRIMARY CONCERN] 1. Post-balance-sheet debt escalation.

Total borrowings rose from ₹384.16 Cr at 31 March 2026 to ₹1,856.78 Cr at 31 July 2026 — 4.8x in four months. After the ₹337 Cr IPO repayment, residual debt of roughly ₹1,520 Cr is about 6.4x FY26 EBITDA against the 1.61x that every published ratio shows. No disclosure explains the build; working capital drawdown ahead of the Ranihati commissioning is our inference, not a stated fact.

For the listing window this is largely a disclosure risk — the market has not obviously priced it, and a broker note or a business-daily piece landing on it between now and 3 September could compress sentiment quickly. Beyond the listing it is a solvency-profile question, and it is the single reason this note carries a listing call and no view on the equity.

2. Cash conversion over the full cycle.

Cumulative operating cash flow across FY24–FY26 is positive ₹18.4 Cr against cumulative PAT of ₹371.2 Cr — about five percent conversion. FY25 alone was negative ₹238.59 Cr, and the RHP carries an explicit risk factor that negative operating cash flows may recur. FY26's positive ₹156.08 Cr is a genuine recovery but a single year against a three-year pattern.

3. Working capital cycle and receivable build.

The cycle went from 11 days in FY24 to 54 in FY25 to 86 in FY26. Trade receivables of ₹894.86 Cr are 44% of FY26 revenue; retention money adds ₹308.73 Cr and inventory ₹364.07 Cr, for net working capital of ₹716.72 Cr, or 35% of revenue. ROCE compressed from 32.27% to 25.75% while PAT rose — the capital base is outgrowing the returns on it. Nineteen cheque-bounce recovery actions filed by the company are themselves a receivables-quality signal.

4. Aluminium and raw material concentration.

Raw materials are over 80% of total expenses and aluminium alone is 83.25% of raw material cost. Fixed-price EPC contracts carry limited pass-through. A sharp move in LME aluminium compresses both segments simultaneously, and the top ten suppliers account for 87.5% of procurement, so the buying position is not diversified either.

5. Single-location manufacturing. Both plants and all four warehouses sit in Howrah, West Bengal, and the Ranihati expansion is in the same district. One hundred percent of production capacity is exposed to a single location — labour action, power disruption, political disturbance or flooding stops the manufacturing segment, which is 69.7% of revenue, outright. There is no second site to shift volume to.

6. Order book re-weighting toward EPC. Of the ₹3,150 Cr book at FY26 close, ₹1,992 Cr is EPC against ₹1,158 Cr manufacturing — so the mix reverses over the next two years back toward the lower-margin, longer-receivable, tender-dependent segment, after EPC revenue had fallen 8.1% in FY26. The margin expansion in the P&L came from the shift to manufacturing; the book points the other way.
7. Government and PSU exposure with long payment cycles. Government entities were 53.12% of FY26 revenue, down from 85.58% in FY24 but still a majority-adjacent share. State electricity boards and public-sector utilities pay slowly and on politically-sensitive timetables, and this is where the receivable and retention build originates. FY26 also saw project time overruns of six months and ₹6.40 Cr of liquidated damages imposed, following FY25 cost overruns of ₹23.62 Cr.
8. Deleveraging use of proceeds and unproven expansion. ₹337 Cr of the ₹500 Cr fresh issue repays debt and ₹15.01 Cr funds capex. Nothing in this raise builds capacity. Growth from here depends on the Ranihati plant, which is targeted for commercial production in H2 FY27 and is not yet commissioned, and on converting an order book of 1.54x revenue that is weighted to the slower segment. Utilisation also slipped from 82.40% to 78.93% in FY26.

9. Listing Volatility.

A 66–77% grey market premium is a high bar, and issues that carry elevated expectations into the listing print are the ones most exposed to disappointment against them. A listing at 40% would be an excellent outcome in absolute terms and would still read as a shortfall to anyone anchored on the GMP — and it is exactly the kind of print that triggers heavy Day-1 selling from applicants who sized on the grey market. A weak broad market on 3 September, or a large applicant base exiting simultaneously, can move the price sharply through the first session and the T+2 to T+5 window.

The anchor lock-in expiry at thirty days sits outside our trading window but shapes the tape that follows it. Our 55–60% working expectation is a considered view, not a floor, and the outcome can land materially either side of it. We do not consider this a risk-free recommendation.

11. Investment Strengths & Positive Indicators

- 1. Priced at a genuine discount to its own peer table.** 15.6x FY26 post-issue earnings against the two peers named in the RHP at 61.8x and 82.7x, and a wider T&D and cable set with a composite near 30x. Only Transrail is cheaper, and no name in the group earns a higher return on equity. The listing does not need multiple expansion to work — it only needs part of the gap to close.
- 2. Anchor book buying far inside its historical valuation band.** ₹206.69 Cr from 30 investors representing 941 prior mainboard anchor participations, at a weighted average historical P/E of 59.2x. They bought this at 15.6x. Institutions that habitually pay sixty times earnings showing up for a fifteen-times issue is the strongest single fact in this file.
- 3. Domestic mutual fund concentration in the anchor book.** 71.59% of the anchor allocation went to seven domestic mutual funds through 22 schemes — HDFC via six funds, Kotak via five, Motilal Oswal via four. Domestic MF money is stickier through the lock-in than FPI or treasury allocation, and six HDFC schemes independently sizing the same issue reads as conviction rather than a house allocation being spread.
- 4. Highest return profile in the comparable set.** ROE of 24.62% and ROCE of 25.75% against Apar at 20.3%/31.8%, KEI at 14.8%/20.1%, Kalpataru at 13.7%/18.3% and KEC at 11.4%/16.5%. Profitability is not the question in this file.
- 5. Margin expansion driven by mix, not by pricing.** EBITDA margin up 140 basis points to 11.71% and PAT margin up 158 basis points to 7.66% over two years, on a revenue shift toward manufacturing from 65.6% to 69.7% of the top line. Mix-driven margin gain is more durable than pricing-driven gain.
- 6. Customer concentration genuinely de-risked.** Top-ten customers fell from 90.78% of revenue in FY24 to 46.52% in FY26, and government exposure from 85.58% to 53.12%. Part of that is the EPC segment shrinking, but part is a real broadening of the base into private and merchant sales.
- 7. Vertical integration with captive offtake.** Manufacturing its own conductors and cables and consuming roughly 23% of EPC project inputs in-house captures a margin a pure contractor pays away, and gives the factory a floor when merchant demand softens. The FY26 bid-to-win ratio of 14.42% suggests selectivity rather than buying revenue.
- 8. Funded sector tailwind.** India's transmission capex cycle, railway electrification and the solar build-out are budgeted multi-year programmes, and the order book of ₹3,150 Cr at 1.54x revenue reflects it. Demand is not the constraint on this business.
- 9. Demand trajectory and syndicate reach.** 4.87x overall at Day-2 close with sHNI at 12.70x, retail at 6.87x and bHNI at 5.91x, all roughly tripling off Day 1, with a full session still to run. Three book-runners with 152 mainboard issues between them placed a thirty-name anchor book filled to the regulatory maximum of the QIB portion.
- 10. OFS well below the exit-signal threshold.** At 28.6% the OFS does not read as a cash-out — promoter group holding stays near 72% post-issue, and the secondary component was cut from ₹400 Cr to ₹200 Cr between DRHP and RHP as the issue was right-sized from ₹1,000 Cr to ₹700 Cr.

12. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

Four of the five pillars come back positive and the fifth is the reason this is a trade rather than a holding. Financial quality: 20% revenue CAGR, 36% PAT CAGR, margins expanding on mix, ROE of 24.62% — the best in its peer set — offset by cumulative cash conversion of five percent over three years. Valuation: 15.6x against RHP-named peers at 61.8x and 82.7x and a sector composite near 30x, with the highest ROE in the group. Demand: 4.87x at Day-2 close with sHNI at 12.70x and a full session to run. GMP: ₹54–63, or 66–77%, indicative only. OFS: 28.6%, comfortably below the level at which we read a structure as an exit.

The anchor backtest is what moves this from a reasonable issue to a high-conviction listing trade. Thirty institutions committed ₹206.69 Cr at ₹82, 71.6% of it domestic mutual fund money across 22 schemes with a lock-in. Those same houses, across 941 prior mainboard anchor participations in our seven-year base, historically buy at a weighted average of 59.2x earnings. They bought this at 15.6x. We have run this base for seven years and rarely seen a book buy this far inside its own valuation habit.

Our working expectation is a listing in the 55–60% range over ₹82, set deliberately below the 66–77% the grey market is indicating, because GMP at elevated levels overshoots more often than it undershoots. Bid at ₹82 — the upper band, on every application — from every PAN available, at the ₹10,14,832 minimum bHNI ticket of 68 lots per PAN. Take the listing print or trail it into the T+2 to T+5 tape if momentum holds. We carry no view on this equity beyond that window: the July borrowings of ₹1,856.78 Cr against ₹384.16 Cr at year-end are unexplained in the disclosure and put the post-issue balance sheet at roughly 6.4x EBITDA, which is a fine reason to trade the listing and a poor reason to own the stock.

This is not a risk-free recommendation, and a strong anchor book does not guarantee listing gains.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains)	Apply 100% from all available PANs. Bid ₹82 (upper band), 68 lots = 12,376 shares = ₹10,14,832 per PAN.	Listing day to T+5

IPO Research Desk is a BHNI-only advisory. The desk trades the listing print and the T+2 to T+5 momentum window; it does not carry a long-term view on any issue.

13. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Data cut for this note is the Day-2 close of 28 August 2026 at 17:00 IST. The issue closes on Monday 31 August 2026 and final subscription figures were not available at the time of writing. Anchor allocation data is taken from the issuer's exchange circular dated 25 August 2026. Certain RHP-level items — including explicit receivable days, employee discount and individual customer revenue shares — are not disclosed in the abridged prospectus and could not be independently verified.

Past performance is not indicative of future returns.