



IPO Note

Jainik Power Cables Limited

Recommendation: **AVOID!**

Company Background –

- **Incorporation:** Originally incorporated as “Jainik Enterprise Private Limited” on May 02, 2011. The registered office is located in New Delhi.
- **Business Activity:** The company is engaged in the manufacturing and supply of aluminium wire rods from April 01, 2023. Before that, for over a decade the company was dealing in trade of other metals.
- **Revenue Stream:** The company generates majority of the revenue from manufacturing and supply of aluminium products.
- **Human Resource:** The company has 71 full-time employees as on May 05, 2025.

Objects of the Issue –

- Capital expenditure towards setting up a new plant.
- Repayment of borrowings availed by the company.
- Funding of working capital requirements.
- General corporate purposes.
- To meet the issue expense.

Promoters Name –

Shashank Jain, Prateek Jain, Anju Jain, & Shubhash Jain.

Rationale for Recommendation – While Jainik Power and Cables Ltd. is showing strong financial growth post its entry into manufacturing in FY24, its limited operational history is a major risk factor. The company’s high dependence on a few suppliers and customers further adds to it. Given these factors, it is better for investors to wait and assess post-IPO performance before committing.

IPO Details

Opening Date	June 10, 2025
Closing Date	June 12, 2025
Allotment Date	June 13, 2025
Listing Date	June 16, 2025
Stock Exchange	NSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹100 to ₹110
Issue Size	51.3 Cr.
Fresh Issue	51.3 Cr.
Offer for Sale	-
Application Amt	₹ 1,32,000 (1,200 shares)

INDUSTRY – Aluminium rods

Avg. P/E ratio as per RHP is 9.4

KPI's	KPIs		
	FY 23	FY 24	(In Lakhs) FY 25
Revenue	6,748.72	33,923.17	35,237.96
EBITDA	135.64	811.41	1399.94
Net Profit	14.65	501.86	923.6
RoCE	13.69%	48.31%	53.12%
ROE	5.15%	63.84%	37.56%
P/E	611.11	18.24	11.01

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
99.79%	67.36%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	9.99	6.44
BVPS	25.39	17.14
P/E	11.01	17.09
P/BV	4.33	6.42
Mkt Cap (In Cr)	106.53	157.82

Lead Managers –

Fast Track Finsec Private Limited

Registrar –

Skyline Financial Services Private Limited

Business Overview -

Presently the Company is engaged in manufacturing aluminium wire rods from the year 2023, and it's been more than a decade since the company has worked in the metal industry, before the manufacturing the company deals in the trading of aluminium rods. The company operates mainly in the states of Delhi, Haryana, Uttar Pradesh, Rajasthan, and Uttarakhand.

Product – Wise Revenue Breakup:**(in Lakhs)**

Product	FY 23	%	FY 24	%	FY 25	%
Aluminium Ash	-	-	3.14	0.01%	3.21	0.01%
Aluminium Dross	-	-	544.95	1.61%	550.03	1.56%
Aluminium Ingot	-	-	-	-	-	-
Aluminium Throb	2,288.87	33.97%	-	-	-	-
Aluminium Wire	820.02	12.17%	-	-	-	-
Aluminium Wire Rod	1,175.33	17.44%	33,084.52	97.70%	34,613.46	98.42%
All type of Metal at MCX	793.4	11.77%	103.04	0.30%	-	-
Others	45.81	0.68%	-	-	-	-
Iron & Steel Scrap	-	-	23.21	0.07%	2.24	0.01%
Exim Script	1,615.09	23.97%	103.26	0.30%	-	-
Total	6,738.52	100.00%	33,862.12	100.00%	35,168.94	100.00%

Geographic – Wise Revenue Breakup:**(in Lakhs)**

State Name	FY 23	%	FY 24	%	FY 25	%
Delhi	4,859.95	72.03%	6,204.14	18.32%	7,567.82	21.52%
Haryana	1,008.31	14.94%	2,195.39	6.48%	3,279.96	9.33%
Himachal Pradesh	-	-	-	-	1,006.78	2.86%
Madhya Pradesh	-	-	65.09	0.19%	-	-
Maharashtra	140.25	2.08%	-	-	-	-
Punjab	159.59	2.37%	61.25	0.18%	385.58	1.10%
Rajasthan	168.45	2.50%	3,918.73	11.57%	10,240.45	29.12%
Uttar Pradesh	125.27	1.86%	21,353.44	63.04%	11,279.44	32.07%
Uttarakhand	20.89	0.31%	72.7	0.21%	1,408.91	4.01%
West Bengal	264.79	3.92%	-	-	-	-
Total	6,747.50	100.00%	33,870.74	100.00%	35,168.94	100.00%

Manufacturing Facility:

The manufacturing facility is located in Sonipat, Haryana. The capacity utilisation is as under.

Particulars	Unit	FY 24	FY 25
Installed Capacity	Ton	24,000	24,000
Actual Production	Ton	15,100	14,410
Capacity Utilization	%	62.91	60.04

There is no data for FY 23 as the company had not started manufacturing then.

Competition -

- 1. Market Competition:** The industry is highly competitive where production efficiency is one of the most important factors along with price and quality of aluminium products.
- 2. Geographic Competition:** The company faces competition from regional producers in the northern side.
- 3. Barriers to entry:** Moderate barrier to entry as an ISO certified plant is required along with high capital.
- 4. Threat of Substitutes:** Low threat of substitutes.
- 5. Bargaining Power of Customers:** The bargaining power is high with the customers as industrial and power sector clients are majority of the consumer base.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

1. The company aims to increase the installed capacity.
2. The company intends to expand and diversify in the same field of business of manufacturing aluminium.
3. The company will continue improving financial performance through operational efficiency.
4. The company will focus on expanding customer base.

Risk Factors -

1. The company had negative cash flow from operations in FY 25 of (532.87) lakhs.
2. The company has limited operational history as it started manufacturing from FY 24.
3. The company is reliant on few suppliers. Its top 10 suppliers have contributed 74.07%, 41.98%, 54.73% in FY 23, FY 24, and FY 25 respectively.
4. The company is dependent on few large customers. Its top 10 customers have contributed 73.85%, 72.56%, 52.28% in FY 23, FY 24, and FY 25 respectively.

PEER ANALYSIS -

Particulars	Ganga Bath Solutions Limited			Hind Aluminium Industries Limited		
	FY 23	FY 24	FY 25	FY 22	FY 23	FY24
EBITDA Margin	0.22%	1.48%	2.63%	3.65%	7.01%	2.50%
NP Margin	2.01%	2.40%	3.98%	-1.39%	2.93%	3.57%
RoCE	13.69%	48.31%	53.12%	-6.47%	7.98%	12.20%
ROE	5.15%	63.84%	37.56%	106.98%	253.65%	117.94%
P/E	0.18	6.03	9.99	10.70	25.36	1.80
EPS	611.11	18.24	11.01	3.68	1.94	39.23

Particulars	Ganga Bath Solutions Limited			Arfin India Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
EBITDA Margin	0.22%	1.48%	2.63%	1.89%	1.51%	1.48%
NP Margin	2.01%	2.40%	3.98%	5.29%	5.99%	6.19%
RoCE	13.69%	48.31%	53.12%	20.22%	22.40%	18.45%
ROE	5.15%	63.84%	37.56%	65.01%	51.10%	57.58%
P/E	0.18	6.03	9.99	0.12	0.52	0.54
EPS	611.11	18.24	11.01	167.00	98.42	50.46

INDUSTRY OVERVIEW -

Aluminium Industry

- Global context

- Aluminium is the world's 2nd-most-used metal after steel; annual consumption \approx 88 Mt (incl. scrap).
- World primary output rose to **69 Mt in 2022** (US GS), up from 67.5 Mt the year before.
- India accounted for **6.14 % of global production in 2022**, ranking 5th among producers.

- Production & trade

- Primary aluminium output: **3.35 Mt in FY 22** and **3.50 Mt in FY 23**.
- December 2022 aluminium exports totalled **US \$ 8.25 bn**.
- Major end-use today: electrical conductors **31 %**, building & construction **13 %**; solar-power and industrial uses are the fastest-growing new outlets.

- Consumption profile

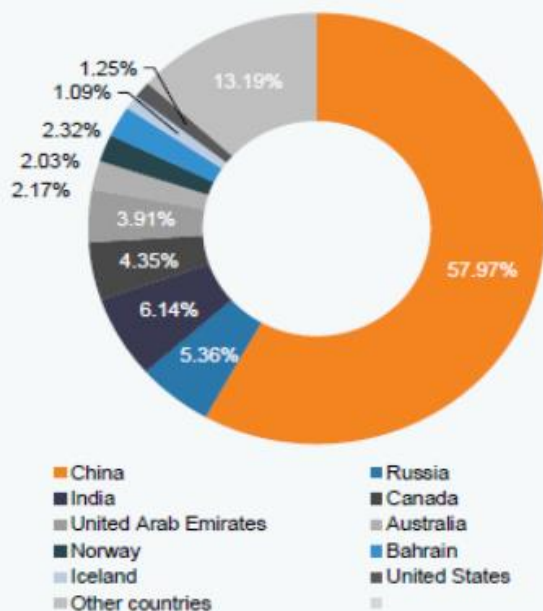
- India is the fifth largest producer of aluminium in the world
- Global aluminium consumption have been driven by India and China
- Per-capita use is only **2.5 kg**, far below the world average (11 kg) and China (24 kg), pointing to large head-room.
- Domestic demand almost doubled from **2.2 Mt (FY 11)** to **4 Mt (FY 19)**, dipped to **2.6 Mt (2021)**, and is rebounding strongly.
- ICRA projects demand growth of \approx **9 % p.a.** over the next two fiscal years; broader market studies see **>10 % CAGR** through the decade.

- Growth drivers

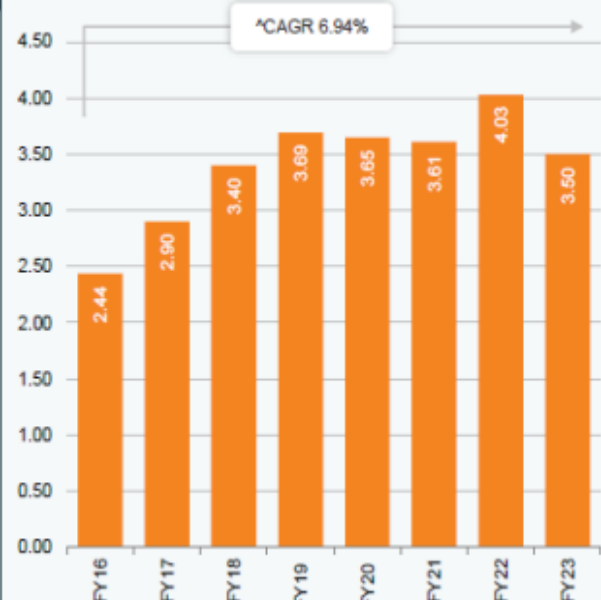
- Government is pushing for large construction projects to make up for the infrastructure deficit
- Booming automotive & EV production, renewables, aviation, defence and modern consumer-durables.
- Production of aluminium stood at 35.03 lakh tonnes in FY 23
- India's aluminium exports were reported to be USD 8.25 million in Dec 22

India is going to be a stand – out growth market for aluminium consumption in the coming years as it pursues construction projects to resolve an infrastructure deficit which sees aluminium usage more than tripling to 9.5 million tonnes by 2030 from 2.6 million tonnes in 2021

India's share in global aluminium production (2022E)



Aluminium production (million tonnes)



Key Management -

Key Management Persons Name -	Anju Jain
Age	62
Designation and No. of years of experience	Promoter, Non – Executive Director, 11+ years of experience
Qualification	BA from Delhi University
Previous Experience/Other Directorship	She is also the director of Passco Impex Private Limited till date

Key Management Persons Name -	Shashank Jain
Age	38
Designation and No. of years of experience	Promoter, Managing Director, 13+ years of experience
Qualification	MBA in Marketing from IIPM University
Previous Experience/Other Directorship	Nil

Key Management Persons Name -	Prateek Jain
Age	35
Designation and No. of years of experience	Promoter, Executive Director, CFO, 11+ years of experience
Qualification	CA Inter, Graduate from Delhi University
Previous Experience/Other Directorship	He is also the director of Passco Impex Private Limited till date

Key Management Persons Name -	Manish Wahi
Age	31
Designation and No. of years of experience	Non – Executive Independent Director, 5+ years of experience
Qualification	Member of ICAI
Previous Experience/Other Directorship	Nil

Key Management Persons Name -	Sachin Goyal
Age	34
Designation and No. of years of experience	Non – Executive Independent Director, 9+ years of experience
Qualification	Member of ICAI
Previous Experience/Other Directorship	Company Secretary at Frost Falcon Distilleries Limited

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 23	FY 24	FY 25
Revenue from Operations	6,738.4	33,862.12	35,168.95
Other Income	10.32	61.05	69.01
Total Income	6,748.72	33,923.17	35,237.96
Expenses			
Cost of Material Consumed	-	32,385.44	32,806.04
Cost of Goods Sold	6,592.76	900.15	-
Changes in Inventories of Stock- in- Trade	-	-568.32	426.11
Employee Benefit Expenses	0.57	121.96	290.72
Finance Cost	109.69	125.19	142.71
Depreciation and Amortization	16.68	73.11	89
Other Expenses	9.43	211.48	246.14
Total Expenses	6,729.13	33,249.01	34,000.72
EBITDA	135.64	811.41	1399.94
EBITDA Margin	2.01%	2.40%	3.98%
Profit/(Loss) Before Tax	19.59	674.16	1237.24
Tax Expense			
Current Tax	4.62	171.33	316.92
Deferred Tax	0.32	0.97	-3.28
Total Tax Expense	4.94	172.3	313.64
Profit/(Loss) for the Year	14.65	501.86	923.6
Net Profit Margin	0.22%	1.48%	2.63%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	57.00	57.00	968.45
Reserves and Surplus	227.30	729.16	1,490.69
Total Equity	284.30	786.16	2,459.14
2. Non-Current Liabilities			
Long-Term Borrowings	580.57	740.11	-
Long-Term Provisions	4.07	2.07	8.79
Total Non-Current Liabilities	584.64	742.18	8.79
3. Current Liabilities			
Short-Term Borrowings	1,102.13	972.65	1,936.42
Trade Payables			
(i) MSME	-	-	-
(ii) Other than MSME	1,650.69	895.79	2,469.55
Other Current Liabilities	39.41	93.74	100.90
Short-Term Provisions	4.62	59.51	143.78
Total Current liabilities	2,796.85	2,021.69	4,650.65
Total Liabilities	3,381.49	2,763.87	4,659.44
Total Equity and Liabilities	3,665.79	3,550.03	7,118.58
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	37.87	695.08	717.50
Capital Work in Progress	462.65	-	-
Non – Current Investment	25.96	-	-

Particulars	FY 22	FY 23	FY 24
Deferred Tax Assets (Net)	11.55	10.58	13.86
Long Term Loan and Advances	7.96	2.56	3.80
Other Non – Current Assets	16.69	83.34	-
Total Non-Current assets	562.68	791.56	735.16
2. Current Assets			
Current Investments	6.42	4.65	-
Inventories	897.33	1,338.48	2,195.29
Trade Receivables	1,897.41	908.09	3,066.90
Cash and Cash Equivalent	19.98	335.24	567.48
Short-Term Loans and Advances	44.93	30.37	498.12
Other Current Assets	237.04	141.64	55.63
Total Current Assets	3,103.11	2,758.47	6,383.42
Total Assets	3,665.79	3,550.03	7,118.58

Cash Flow Statement			Amt in Lakhs.
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	343.82	672.34	-532.87
Net Cash Flow from Investing Activities	-446.30	-261.96	-65.22
Net Cash Flow from Financing Activities	110.58	-95.13	830.33

Key Ratios

Per Share Data				Valuation Ratios (x)			
	FY 23	FY 24	FY 25		FY 23	FY 24	FY 25
Diluted EPS	0.18	6.03	9.99	EV/EBITDA	14.35	2.67	2.73
BV per share	49.88	137.92	25.39	Market Cap / Sales	0.09	0.02	0.30
Operating Ratios				P/E	611.11	18.24	11.01
EBITDA Margins	2.01%	2.40%	3.98%	Price to Book Value	2.21	0.80	4.33
Inventory days	48.74	14.47	22.78	Solvency Ratios			
Debtor days	103.06	9.82	31.83	Debt / Equity	5.92	2.18	0.79
Creditor days	83.38	9.89	26.44	Current Ratio	1.11	1.36	1.37
Return Ratios				Quick Ratio	0.79	0.70	0.90
RoCE	13.69%	48.31%	53.12%	Asset Turnover	1.84	9.54	4.94
RoE	5.15%	63.84%	37.56%	Interest Coverage Ratio	1.08	5.90	9.19

INTERPRETATION –

- The company's top line and bottom – line figures had a huge spike in FY 24 and 25 because that is when the company got in the business of manufacturing.
- Similarly, that is the reason for the variation in ratios.
- However, we see a slight decrease in performance of the company with respect to the ratios from FY 24 to FY 25. Reasons reinforcing this are that the return on equity decreased and inventory, debtor, and creditor days increased.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Fast Track Finsec Private Limited**.

A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Fast Track Finsec Private Limited-

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Gajanand International Limited	20.65	36	Sept 09, 2024	13.80
2.	Ambey Laboratories Limited	44.68	68	Jul 04, 2024	39.80
3.	Akiko Global Services Limited	23.11	77	Jun 25, 2024	82.00
4.	Enser Communications Limited	16.17	70	March 15, 2024	15.65
5.	Sungarner Energies Limited	5.31	83	Aug 31, 2023	314.00
6.	Pearl Green Clubs and Resorts Limited	11.72	186	Jul 07, 2022	113.05
7.	Globesecure Techonologies Limited	10.13	29	Jun 02, 2022	12.05
8.	Jeena Sikho Lifecare Limited	55.50	150	Apr 19, 2022	2227.40

*CMP for the above-mentioned companies is taken as of 6th June 2025.

As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

The company was incorporated on May 02, 2011 and has good experience in the industry.

It has a post issue P/E of 17.09. It means that the shares are slightly overpriced however, compared to its competitors, its P/E is less.

The company has limited operational history as it was only trading in metals before for 10 years and started manufacturing from FY 24. They are dependent on only one product i.e., aluminium wire rods. If they fail to diversify further then it will be a major issue in the future.

Accordingly, the company's top line and bottom – line figures spiked showing strong and efficient operations

However, the company has limited operational history of only 2 years and it very dependent on a few numbers of suppliers as well as consumers. Investors can look at post IPO performance of the company and then decide.

Thus, investors can **AVOID** this IPO for now.

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