IPO REVIEW

Johnsoncab Electricals IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 30 October 2026

- The company is engaged in the business of manufacturing low voltage wires and cables needed for power infrastructure.
- However, its boosted net margins for pre-IPO periods raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment.
- Based on its recent average super earnings, the issue appears fully priced.
- Well-informed investors may park funds for medium term.

About the Company

Johnsoncab Electricals Ltd. (JEL) is engaged in the business of manufacturing of low voltage (up to 1.1 kV) wires and cables deployed across power infrastructure including transmission and distribution, renewable energy integration, railways and allied industrial application. Its product portfolio includes Control Cables, Power cables, Industrial Single and Multicore Control Cables, Housing/ Building Wires and Special-purpose Power Cables including Welding Cable, Solar / Photovoltaic Cables, Submersible Flat Cables.

The company manufactures and sells its products under the name “JOHNSON CABLES”. The company holds ISO and BIS certifications, ensuring the quality standards of products. The Company operates two manufacturing units (Unit I and Unit II) located in Mehsana, Gujarat. As of Fiscal 2026, the combined annual installed manufacturing capacity of both units is 79,950 KMS, as certified by the Independent Chartered Engineer, Raj Techno Essentials, vide its certificate dated September 15, 2026.

Its manufacturing facilities are equipped with machinery for wire drawing, annealing, bunching, insulation, extrusion, testing and packaging, enabling it to manufacture wires and cables across multiple specifications. Over the years, it has upgraded manufacturing facilities through the installation of automatic and semiautomatic machinery and equipment to enhance production capabilities. The Company caters to both private sector customers and government entities. It secures orders directly through participation in tenders, vendor approval processes. As of September 30, 2026, it had overall 193 employees on its payroll (including 114 contract workers).

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2800800 equity shares of Rs. 10 each to mobilize Rs. 56.02 cr. at the upper cap. The company has announced a price band of Rs. 190 – Rs. 200 per share. The minimum application to be made is for 1200 shares and in multiples of

600 shares thereon, thereafter. The issue opens for subscription on October 30, 2026 and will close on November 03, 2026. The shares will be listed on BSE SME. The IPO constitute 26.50% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 14.00 cr. for working capital, Rs. 28.40 cr. for capex on factory shed expansion/civil construction, additional plant and machinery and purchase of rooftop solar power plant, and the rest for general corporate purposes.

The IPO is solely lead managed by ISK Advisors Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. ISK group's ISK Equities Pvt. Ltd., and Sunflower Broking Pvt. Ltd., are the market makers.

After issuing initial equity capital at par value, the company issued further equity shares at a fixed price of Rs. 140.00, per share between January 2026, and March 2026. It has also issued bonus shares in the ratio of 150 for 100 in December 2025. The average cost of the acquisition of shares by the promoters/selling stakeholders is Rs. 2.69, Rs. 6.61, and Rs. 12.19 per share.

Post-IPO, company's current paid-up equity capital of Rs. 7.77 cr. (7770000 equity shares) will stand enhanced to Rs. 10.57 cr. (10570800 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 211.42 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 88.95 cr. / Rs. 2.52 cr. (FY24), Rs. 140.00 cr. / Rs. 5.46 cr. (FY25), Rs. 211.34 cr. / Rs. 13.42 cr. (FY26). For 5M of FY27 ended on August 31, 2026, it earned a net profit of Rs. 8.63 cr. on a total income of Rs. 113.33 cr. Its trade receivables stood at Rs. 26.81 cr. and contingent liabilities were at Rs. 7.31 cr., as of August 31, 2026. The company posted growth in its top and bottom lines for the reported periods. Its debt-equity ratio of 1.94 as of August 31, 2026, raise concern.

For the last three fiscals, the company has reported an average EPS of Rs. 11.11 and an average RoNW of 38.87%. The issue is priced at a P/BV of 3.88 based on its NAV of Rs. 51.58 per share as of August 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

If we attribute FY27 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 10.20, and based on FY26 earnings, the P/E stands at 15.76. The issue appears fully priced based on its recent average super earnings.

The company has posted PAT Margins of 2.86% (FY24), 3.91% (FY25), 6.38% (FY26), 7.64% (5M-FY27), and RoCE margins of 19.89%, 32.56%, 39.68%, 21.55%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Prime Cable, JD Cables, Susan Electricals, as its listed peers. They are currently trading at a P/E of 24.4, 12.4, and 18.4 (as of October 28, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the 6th mandate from ISK Advisors Pvt. Ltd., in the last four fiscals. Out of the last 5 listings, 1 opened at discount, and the rest listed at a premium ranging from 30.17% to 99.49% on the date of listing.

Conclusion / Investment Strategy

JEL is engaged in the business of manufacturing low voltage wires and cables needed for power infrastructure. The company marked growth in its top and bottom lines for the reported periods. However, its boosted net margins for pre-IPO periods raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment. Based on its recent average super earnings, the issue appears fully priced. Well-informed investors may park funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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