

Susan Electricals India IPO

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- The company is engaged in the manufacturing of aluminium and copper based electric winding wires and trading in aluminium wires and rods.
- The company marked growth in its top and bottom lines for the reported periods.
- Bumper profits posted from FY25 onwards raise eyebrows and concern over its sustainability as it is operating in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About the Company

Susan Electricals India Ltd. (SEIL) is engaged in the manufacturing of aluminium and copper-based electrical winding wires, conductors and cables in various specifications, sizes and configurations. Under the cables segment, it manufactures low tension (LT) cables, including Low Tension Aerial Bunched (LT AB) cables (up to 1.1 kV), High Tension (HT) cables of specified voltage grades and Medium Voltage Covered Conductor ("MVCC") Cables.

Under the wires and conductors' segment, its offerings include winding aluminium wires and strips, winding copper wires and strips and aluminium conductors, manufactured in accordance with prescribed specifications. The company primarily supply its products to state-owned electricity distribution utilities ("DISCOMs"), private sector entities engaged in infrastructure development & EPC activities, as well as entities operating in the electrical wires, cables and conductor segment. SEIL's products are primarily used in power distribution networks, transformer & motor winding applications, overhead distribution lines and underground cabling works. Its supplies to DISCOMs is undertaken pursuant to tender-based procurement processes, while supplies to EPC contractors and traders are made based on purchase orders and mutually agreed commercial terms.

In addition to manufacturing cables and wires, the company also undertakes trading of aluminium wires and rods, which are used as key raw materials in its production process, and also provides job work services primarily relating to processing of winding wires & strips to certain customers. Revenue from trading of aluminium wires and rods constituted 33.69% of its total revenue from operations for the Fiscal 2026, , and 13.17% and 26.18% for Fiscal 2025, and Fiscal 2024, respectively. And revenue from job work services constituted approximately 0.54% of its total revenue from operations for the Fiscal 2026, and 1.90% and 2.68% for Fiscal 2025 and Fiscal 2024, respectively. We operate three manufacturing facilities located in Ghaziabad, Uttar Pradesh. As of April 30, 2026, it had 216

employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 5542000 equity shares of Rs. 10 each to mobilize Rs. 70.38 cr. The IPO consists of 4742000 fresh equity shares (worth Rs. 60.22 cr. at the upper cap), and an Offer for Sale (OFS) of 800000 equity shares (worth Rs. 10.16 cr. at the upper cap). The company has announced a price band of Rs. 120 – Rs. 127 per share of Rs. 10 each). The minimum application to be made is for 2000 shares and in multiples of 1000 shares thereon, thereafter. The issue opens for subscription on June 11, 2026 and will close on June 15, 2026. The shares will be listed on BSE SME. The IPO constitute 27.26% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, it will utilize Rs. 10.29 cr. for capex for expansion of existing facility, Rs. 33.00 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Seren Capital Pvt. Ltd., and Mudra RTA Ventures Pvt. Ltd., is the registrar to the issue. Mansi Share and Stock Broking Pvt. Ltd., is the market maker as well as a syndicate member.

After issuing initial equity capital at par value, it issued further equity shares in the price range of Rs. 30 – Rs. 129 per share between March 2024, and November 2025. The company also issued bonus shares in the ratio of 2 for 1 in November 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 1.38, per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.59 cr. will stand enhanced to Rs. 20.33 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 258.20 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total revenue/net profit, of Rs. 103.59 cr. / Rs. 0.76 cr. (FY24), Rs. 136.05 cr. / Rs. 5.65 cr. (FY25), Rs. 269.96 cr. / Rs. 18.25 cr. (FY26). The company marked growth in its top lines, but posted bumper profits from FY25 onwards, which not only raise concern, but also its sustainability going forward, as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 8.07 and an average RoNW of 36.21%. The issue is priced at a P/BV of 5.15 based on its NAV of Rs. 24.68 per share as of March 31, 2026, but its post-IPO NAV data is not available in the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 14.16, and based on FY25 earnings, the P/E stands at 45.68. The issue appears aggressively priced based on its last three fiscals' earnings. FY26 profits appears to be inflated one to pave the way for fancy pricing of the IPO.

The company has posted PAT Margins of 0.73% (FY24), 4.16% (FY25), 6.77% (FY26), and ROCE margins of 9.47%, 17.46%, 29.05%, 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, Divine Power, and V-Marc India, as its listed peer. They are currently trading at a P/E of 14.7, 46.3, and 35.0 (as of June 08, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare appears to be an eyewash. Outperforming margins compared to its listed peers raise eyebrows, and concern over its sustainability going forward.

Merchant Banker's Track Record

This is the 8th mandate from Seren Capital in the last two fiscals (including the ongoing one). Out of the last 7 listings, 1 listed at par, and the rest listed at premium ranging from 17.07% to 48.73% on the date of listing.

Conclusion / Investment Strategy

SEIL is engaged in the manufacturing of aluminium and copper based electric winding wires and trading in aluminium wires and rods. The company marked growth in its top and bottom lines for the reported periods. Bumper profits posted from FY25 onwards raise eyebrows and concern over its sustainability as it is operating in a highly competitive and fragmented segment. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers may park moderate funds for long 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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