

11 June 2026

Susan Electricals India Ltd – SUBSCRIBE

Company Overview

Susan Electricals India Limited is a Delhi-headquartered manufacturer and trader of aluminum and copper-based electrical products, primarily serving India's power transmission and distribution sector. Originally incorporated in December 2007 as Suvish Insulation Private Limited, the company was renamed Susan Electricals India Private Limited in 2010 and converted to a public limited company in late 2025.

Investment Rationale

- **Strong Revenue Growth Trajectory:** Revenue went up about 2.6 times in two years from Rs. 10,348 Lakh in FY24 to Rs. 26,936 Lakh in FY26.
- **Margin Expansion:** EBITDA Margin jumped from 3.51% to 11.91%, and PAT margin rose from 0.73% to 6.77% over the same two years.
- **Successful Customer Diversification:** Earlier, 90.55% of business came from the government (FY24). Now that's down to 35.78%, with private customers making up the rest (64.22%). A more balanced customer base means lower risk.
- **Industry Tailwinds:** India's electrical equipment market is expected to grow from about USD 73.80 Bn (2025) to USD 222.74 Bn (2035), roughly 11.68% a year. Big government programs, RDSS (Rs. 3.03 Lakh Cr), Green Energy Corridor, Saubhagya 2.0, are all pushing demand for cables and conductors.
- **Strategic Capacity Expansion:** Unit III is expanding production from 1,500 to 6,000 km per year, aimed at higher-margin HT cables and MVCC products.
- **High Return Ratios:** ROE of 64.64% and ROCE of 29.05% in FY26 – among the best of its listed peers, meaning it uses its capital very efficiently.
- **Vertical Integration:** ISO-certified facilities (9001, 14001, 45001) with NABL-accredited testing capabilities.

Valuation

At the upper price band of Rs. 127, Susan Electricals is compellingly priced at just 10.6x FY26 earnings, a steep discount to listed cable/wire peers (16.8–45.3x), and industry average 31.6x. This for a company that nearly doubled revenue to Rs. 26,936 Lakh, tripled EBITDA margins to 11.9%, and grew PAT 3.2x to Rs. 1,825 Lakh. It delivers the highest RONW in its peer set (47.4%) yet trades at the lowest multiple. Fresh issue proceeds fund capacity expansion and ease working capital leverage, setting up the next growth leg. With sector tailwinds in power T&D and a sharp valuation gap to scaled peers like V-Marc (34.1x), the re-rating headroom is significant. Hence, we recommend **SUBSCRIBE** to this SME IPO.

IPO Details

Industry	Cables – Electricals
Issue Open Date	11-Jun-26
Issue Close Date	15-Jun-26
Price Band	Rs. 120-127
Issue Size*	Rs. 7,038 Lakh
Issue Size (Shares)	55,42,000
Bid Lot	1,000 Shares
Listing Exchanges	BSE SME
Face Value	Rs. 10/-

* At highest price band

Issue Details

Fresh Issue*	Rs. 5,441 Lakh
Offer for Sale	Rs. 1,016 Lakh
Issue Type	Fresh capital cum OFS
Lead Manager	Seren Capital
Registrar	Mudra RTA Ventures
Issue structure	Market Maker: 8.26% QIB: 45.81% NII: 13.80% Retail: 32.12%
Allotment	16-Jun-26
Credit of Shares	17-Jun-26
Listing Date	18-Jun-26

Objective of Issue

Particular	Estimated Amt (in Lakh)
Capex	1,029
Working Capital	3,300
General Corporate Purposes	-

Shareholding Pattern

Shareholding (%)	Pre (%)	Post (%)
Promoter	92.47	66.97
Public & Others	7.53	33.03

Business Highlights

Product Portfolio:

Segment	Products	Application
Wires & Conductors	Aluminum/Copper Winding Wires & Strips, Stranded Conductors (ACSR, AAAC)	Transformers, Motors, Overhead Transmission
Cables	LT Cables (PVC/XLPE), HT Cables, Aerial Bunched (AB) Cables, MVCC	Power Distribution, Urban Electrification

Manufacturing Footprint:

Unit	Location	Product Focus	Capacity (FY26)	Utilization
Unit I	Ghaziabad (SSGT Road)	Winding wires & strips	3,307.50 TPA	57.23%
Unit II	Sahibabad, Site-IV	LT/HT/MVCC cables	6,000 km/annum	93.65%
Unit III	Sahibabad, Site-IV	LT/HT/MVCC cables	1,500 km/annum (expanding to 6,000 km)	64.13%

Financials

Financial Performance:

Particulars (in Lakh)	FY24	FY25	FY26	CAGR (FY23-25)
Revenue from Operations	10,348	13,574	26,936	61%
EBITDA	364	1,200	3,208	197%
EBITDA Margin	3.51%	8.84%	11.91%	
PAT	76	565	1,825	391%
PAT Margin	0.73%	4.16%	6.77%	

- Explosive revenue growth of nearly 100% YoY in FY26 driven by product diversification into HT/MVCC cables
- EBITDA margin expanded 840 bps in 2 years, reflecting operating leverage and shift to higher-value products
- PAT grew 24x from Rs. 76 Lakh (FY24) to Rs. 1,825 Lakh (FY26)

Balance Sheet:

Particulars	FY2024	FY2025	FY2026	Particulars	FY2024	FY2025	FY2026
Equity & Liabilities				Assets			
Net Worth	621	1,798	3,848	PPE	967	1,013	1,283
Long Term Debt	179	97	154	Inventories	1,044	2,866	5,066
Short Term Debt	2,300	4,430	6,518	Trade Rec.	1,303	2,505	4,631
Trade Payables	628	776	1,877	Cash	35	98	85

- Total assets tripled in 2 years from Rs. 3,808 Lakh to Rs. 13,005 Lakh
- Net worth grew 6.2x aided by FY26 bonus issue and private placement (Rs. 225 Lakh).
- Short-term borrowings ballooned 2.8x to Rs. 6,518 Lakh, major working capital funding via debt.
- Inventories grew 4.85x and receivables 3.55x, capital tied up in working capital.
- Minimal cash buffer, liquidity stress visible.

Cash Flow:

Particulars	FY 2024	FY 2025	FY 2026
Operating Cash Flow	(549.22)	(1,839.33)	(971.42)
Investing Cash Flow	(456.93)	(406.65)	(755.92)
Financing Cash Flow	1,029.43	2,308.54	1,715.08
Net Cash Flow	23.28	62.56	(12.26)

- Negative CFO across all 3 years, the company has not generated operating cash despite strong profit growth.
- Working capital consumption of Rs. 3,937 Lakh in FY26 alone (inventories + receivables).
- Growth has been financed almost entirely by short-term debt.
- Capex has been moderate, major capex coming from IPO proceeds.

Key Ratios:

Ratio	FY26
Return on Equity	64.64%
Return on Capital Employed	29.05%
Debt-Equity Ratio	1.73x
Current Ratio	1.22x
EPS (Rs.)	11.96
NAV (Rs.)	24.68

- ROE: Optically strong but leverage and thin equity driven, quality of return is low, not pricing power.
- ROCE: Healthy underlying return, but the 35pt gap below ROE confirms ROE is inflated by debt, not operations.
- D/E: Meaningfully leveraged for a working capital-intensive business, part of the IPO proceeds is aimed at easing this WC-borrowing reliance.

Peer Comparison

Metrics	Susan Electricals	Prime Cable Industries	Divine Power Energy	V-Marc India
Revenue	26,936	23,488	62,596	1,79,731
EBITDA	3,208	2,348	5,091	20,083
PAT	1,825	1,224	2,671	10,005
EPS (Rs.)	11.96	6.68	10.83	40.97
RONW	47.42%	20.14%	20.69%	34.56%
NAV (Rs.)	24.68	33.17	51.71	118.55
P/E Ratio	10.62	16.47	45.31	34.17

Risk & Concerns

- **Negative Operating Cash Flows** for 3 Consecutive Years, CFO was Rs. -549 Lakh, Rs. -1,839 Lakh, and Rs. -971 Lakh for FY24/25/26 respectively, signaling growth is largely debt-funded.
- **Customer Concentration:** Top 10 customers contributed 98% of revenue in FY24 and 63.68% in FY26.
- **Geographic Concentration:** All three manufacturing units in Ghaziabad, UP, 47.04% of FY26 revenue comes from UP.
- **Working Capital Intensity:** Significant capital locked in inventories Rs. 5,066 Lakh and receivables Rs. 4,631 Lakh as of FY26.
- **High Short-term Debt:** Short-term borrowings of Rs. 6,518 Lakh, high refinancing/liquidity risk.
- **Raw Material Volatility:** No long-term agreements with suppliers; high exposure to aluminum and copper price fluctuations. Top 10 suppliers 49.70% of FY26 purchases.
- **Contingent Liabilities** of Rs. 480.49 Lakh as of March 31, 2026
- **Related Party Concerns:** Promoter group entity SMV Enterprises operates in similar business.
- **Competition:** Faces competition from both large organized players (Polycab, Havells, Finolex) and a fragmented unorganized sector.

Name

Designation

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