



FROM WIRE RODS TO HIGH-MARGIN CABLES: JAINIK POWER CABLES' FORWARD-INTEGRATION-LED GROWTH STORY



Copper Rods



Drawing



Insulation



High-Voltage Cables

CMP: INR 122

Target Price: INR 317

Rating: BUY

Stock Info

NSE	SME: JAINIK
Bloomberg	JAINIK:IN
Reuters	JAINIK
Sector	Aluminium
Face Value (INR)	10
Equity Capital (INR Mn)	96.8
Mkt Cap (INR Mn)	1,760
52w H/L (INR)	153/60.6
Avg. Yearly Volume (in 000')	63.48

Shareholding Pattern %

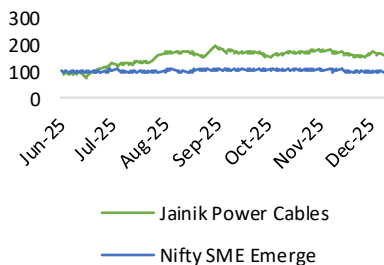
(As on Sept, 2025)

Promoters	67.36
DIs	0.00
FIs	0.00
Public	32.64

Stock Performance (%)

	1M	6M	1Y
Jainik Power	2.20%	30.98%	-
Nifty SME Emerge	(6.68%)	(4.13%)	(13.4%)

Jainik Power Vs Nifty SME



Jainik Power Cables Ltd is an Aluminum wire rods and cables manufacturing firm with its manufacturing plant located in Sonipat, Haryana and head office in Delhi. The company has a proven track record and established goodwill in the metal industry, initially being a trading company and transformed into manufacturing in 01.04.2023. Their supply reach is across various states, mainly in states of Delhi, Haryana, Rajasthan, Uttar Pradesh, Uttarakhand. Presently the company manufactures aluminum wire rods of 9.5 mm catering to a specific customer base with its intended use in ACSR conductor, cable wires, electric wires (after processing).

Investment Rationale

Forward Integration to be Commenced from H2FY26: The company currently manufactures one product being 9.5 mm aluminum wire rods. Jainik Power Cables aims to convert its production entirely from wire rods to aluminum cables. It plans to stop the sale of wire rods entirely using the produce for self consumption as a major raw material for the cable business. The revenue mix will change from wire rods (100%) to wire rods (50%) and cables (50%) by H1FY27 and 100% of the revenue to be driven by cables by H2FY27, stopping the sale of wire rods entirely.

JPCL set for a robust topline growth in FY26: Jainik Power Cables Ltd has done a capex of INR 110 Mn creating a new capacity of 12,000 tons for its cable business. The cable industry operates with a higher ASP of about INR 50 per kg compared to wire rods industry thus significantly increasing the amount of revenue generation in the H2FY26. With the capex the capacity utilization will increase from 60% to 80% over the next year. JPCL revenue stood at INR 3,510 Mn in FY25 and expects to INR 6,000 Mn (+70% YoY) in FY26, supported by addition of the cable manufacturing setup, which is expected to start its operations by 1st Jan 2026.

Entry in Cable segment to improve margins: JPCL currently operates under a business model giving them margins of 3-4% EBITDA and 2% PAT. With the portfolio conversion the company is set to more than double its margins to 10-11% EBITDA and 8-10% PAT. The improvement in margins would lead to better RoE and RoCE going forward. With the jump in the revenue, having higher margins is the perfect segment showcasing management's immense knowledge and capabilities of leveraging opportunities presented by the market and grow the company with strategy and forward integration.

JPCL turnaround story driven by its footprints expansion in the international market: JPCL will be operating a major portion of the cable sales in the export market with MOU's and orders expected from the Middle East and African region. About 60% of revenue will be generated by export market where the major operations will be in Africa, specifically expecting an order from a Nigeria based big company which will drive its growth and grows room for the company to further its mark in the African and Mid Eastern region. About 40% of the total sales will be done domestically in order to safeguard its interest and grow its presence in the Indian market as well. **We initiate a BUY rating with a target price of INR 317 per share, valuing the company at 10x FY28E EPS of INR 31.7, representing an upside of 159%.**

Investment rationale**Capacity expansion is expected to drive business growth:**

Aluminum Wire Rods: Aluminum Wire Rods segment have a capacity of 24,000 tons per annum.

Aluminum cables: Aluminum cables are not being manufactured as of now and the manufacturing is set to be commenced from beginning of Q4FY26. The company is doing capex in this segment with about INR 110mn invested in machines producing a capacity of 12,000 tons per annum of aluminum cables. The installation of the machines is expected to be done by 20th December 2025. The new cable manufacturing plant will inaugurate on 23 January 2026, enhancing its capacity and operational scale. The facility, with an installed capacity of ~12,000 TPA, can generate up to INR 400 crore of incremental revenue at optimal utilisation and will manufacture LT Power and AB cables catering to power distribution, infrastructure, and electrification demand. The company expects an order-book of INR 1,000 Mn where the revenue breakup will be 60% in exports and 40% domestically. Exports are to be done majorly in Africa and the Middle East. In Africa they expect an order from a major customer from Nigeria driving their export segment however not completely depending on one customer they'll be spreading across Africa and middle east in a strategic way.

The company has utilized 35% of the capex amount till 30th September, 2025. They aim to convert their production from aluminum rods to aluminum cables which will give them higher profitability due to aluminum cables being a higher margin segment.

The company has utilized IPO proceeds in setting up machineries and the new plant. This capex is necessary for them as they currently work at a capacity of 24,000 tons annually and on a 60% capacity utilization where they manufactured about 14,410 tons in FY25 of aluminum wire rods.

Future Capex: The capex done for 12,000 tons of aluminum cables includes setting up a 7-process machine with the first two process machines capable for 12,000 tons of capacity and the rest later stage five machines are for the capacity of 24,000 tons. In Q4FY26E, the company will keep it this way where additional capex of INR 20mn will be done for getting those two machines increasing the capacity of manufacturing aluminum cables from 12,000 tons to 24,000 tons annually.

Margins: Aluminum wire rods – their existing product portfolio – is a 3-4% margin business. Aluminum cables are the new business segments where the numbers would be seen from Q4FY26, is a higher margin business segment giving around 8-10% PAT margins.

FY27 to see mixed business with the first half being a mixture of sales of aluminum cables and aluminum wire rods providing a mixed margin of 6-7% net.

From H2FY27 the company will be solely into selling of aluminum cables thus giving margins of upto 10-11% EBITDA and 8-10% PAT annually increasing the margins greatly from a road of 4%-6% to 10%.

Utilization of the IPO proceeds (Listed on June 17, 2025)

Objects of the issue (Amt In INR Mn)	Amount allotted for the object	Amount utilised till 30-9- 2025	Amount unutilised till 30-9-2025
Capital Expenditure	109.9	38.228	71.672
Repayment of the loan	50	0	50
Working Capital	235	235	0
General corporate purposes	69.662	69.662	0
Public issue expenses	48.39	48.39	0
Total	512.952	391.28	121.672

Stable Credit Profile Supported by Diversified Banking Relationships

The company maintains a healthy and stable credit profile, reinforced by well-structured banking facilities across long-term and short-term requirements. Its long-term cash credit line of INR 50 million from Deutsche Bank carries a Crisil BBB-/Stable rating, reflecting adequate financial strength and consistent liquidity management. On the short-term side, the company has secured a INR 250 million Letter of Credit facility from Kotak Mahindra Bank, backed by a Crisil A3 rating, indicating strong capability to meet near-term obligations. The presence of multiple reputed lenders and stable credit ratings underscores the company's prudent financial strategy and supports its ongoing capacity expansion and working capital needs.

Stable Credit rating

Facility	Long term/Short term	Amount (INR Mn)	Name of Lender	Rating Assigned
Cash Credit	Long Term	INR50 Mn	Deutsche Bank	Crisil BBB-/Stable
Letter of Credit	Short Term	INR 250 Mn	Kotak Mahindra Bank Ltd	Crisil A3

Business overview and future outlook

Jainik power cables will be converting its product mix entirely from aluminum wire rods to aluminum cables within the next year where the company has decided to stop the sale of aluminum wire rods completely by Q2FY27 and using the capacity produced of wire rods in its entirety of 24,000 tons for internal consumption to produce aluminum cables only.

Table for the company's operation changes in the coming future.

Date	Product	Revenue Mix
1.12.2025	Aluminum wire rods	100% (cables not in the mix)
1.1.2026 to 30.9.2026	Wire Rods & Cables both	50-50 (Cables started with ongoing rods business)
1.10.2026 and beyond	Aluminum Cables	100% (using the rods full for internal consumption)

Robust Order Pipeline Provides Strong Revenue Visibility

The company's order pipeline continues to strengthen, offering clear revenue visibility across both existing and upcoming product lines. As of December 2025, the wire rod division has a confirmed three-month order worth INR 1,000 million, ensuring healthy capacity utilization and stable cash flows. Additionally, from January 2026, the company is poised to secure another INR 1,000 million order in the cable segment, which aligns with its planned scale-up of cable manufacturing capacity. This expected order validates the strong market traction for the new product line and highlights consistent customer demand ahead of full commissioning. Together, these orders underscore a solid and recurring demand environment that supports the company's expansion strategy.

Order-book: current and expected:

Order book size	Period	Amount	Product	Status
05-12-2025	three months	1,000 Mn	Wire rods	Confirmed
01-01-2026	three months	1,000 Mn	Cables	Expected

Product mix change would lead to improve margins:

At the current levels the company is doing 4-5% margins PAT with the manufacturing of aluminum wire rods, this a great opportunity to catch the company in its growing phase. Jainik Power Cables Ltd is a debt free company with no long term debt as of date. The company uses its internal accrual and IPO proceeds for any necessary capex making and seizing market opportunities as it come its way. JPC is entering the cable segment with a higher profit margin of up to 8-10% NPAT and 15% EBITDA. The numbers with these margins, significantly improved by the current margin levels can be started to be seen in the results by next year with both wire rods and cables margins being together and giving about 6-7% NPAT. BY FY28 the company will only be doing the cable business – a higher margin segment which will then produce approx. 15% EBITDA, and 8-10% PAT, reporting an increase in the margins by 500bps. The growth phase will not only be fueled by the increasing margins but increasing revenue and higher profit growth as well.

Capacity utilization improvement and cost rationalization would improve bottom-line:

Jainik Power Cables Ltd reported a topline of 3,510 Mn in FY25 with a net profit of INR 92 Mn showcasing its PAT margins at 3-4% levels. This topline was achieved with a lower ASP product and 60% capacity utilization, now that the company is planning to increase its capacity utilization by about 20% in the coming two years and cables being a higher ASP product with wire rods being about 250 per kg product and cables being 300 per kg product. This alone would increase the topline significantly. The company aims to reach a topline of INR 600Mn and grow it further by the same 20% growth margin on YoY basis. With the increased revenue and increased profitability, the company is ready to outshine its peers and surpass in the growth rate compared to both either peers or the industry. Further the company aims to reduce the costs and further improve the margins by cost optimization with the management constantly on the factory floors aware about each and every procedure and having superior knowledge about the product making decisions about unnecessary moves and costs and therefore improving the margins. The company further aims to reduce its labor cost by making the machines automated and making them less labor intensive thus resulting in increased efficiency and less prone to humanly errors.

Aluminum wire rods capacity and utilization:

Particulars	Unit	March-31-2025	March-31-2024
Rod Manufacturing			
Installed Capacity	Ton	24,000	24,000
Actual production	Ton	14,410	15,100
Capacity Utilization	%	60.04	62.91
ASP	Per kg	250	250
ASP per ton	Per ton	2,50,000	2,50,000
Margins	PAT: 4%		
Peak Revenue (Full Capacity X ASP)	By ASP	6,00,00,00,000	6,00,00,00,000

Aluminum cables capacity and utilization:

Particulars	Unit	30-11-2025	01-01-2026	01-04-2026
Cable Manufacturing				
Installed Capacity	Ton	0	12,000	24000
Actual production	Ton	0	8,400	16,800
Capacity Utilization	%	0	70%	70%
ASP	Per Kg	0	300	300
ASP	Per Ton	0	3,00,000	3,00,000
Margins	Pat - 10%			
Margins	PBT - 15%			
Peak Capacity	By ASP	0	3,60,00,00,000	7,20,00,00,000

Increase in customer base and diversifying geographically.

Currently the company does not indulge in exports thus being a solely domestic seller with no reach of the export markets like their peers. As the company enters the cable business they plan to make it dominantly export based with more than 60% done via exports and 40% done domestically. Their exports are set to be predominantly in the African region and Mideast with a high expectation to receive a big order from Nigeria that can result in Africa being its export hub. However, the company does not wish to have customer dependency and would still have their 40% of the market in domestic area using their strong customer relationships and goodwill in their market.

Strong customer and market relationship:

The company has been in the aluminum trading and manufacturing since May, 2011 establishing high credibility among suppliers and manufacturers. Jainik power cables are set to leverage this relationship for customer acquisition and strong domestic presence. The company has strong presence in the states of Haryana, Rajasthan, UP, Gujarat and Bihar. Strong Logistics support creates a dominant existence in the 100km radius and has a fleet of 3 trucks for the same working in double shifts as to increase the logistic optimization and partnership with an established logistic partner for long distance supplies.

Perfume Can 1000 Series**Recycling Scrap:**

JPCL gathers its raw materials with a mix of import, domestic and scrap recycling. Scrap recycling is when the company buys aluminum scrap from local scrap vendors and then recycle it via furnace giving them aluminum in raw and desired form saving them additional cost and risks from price fluctuations giving them an edge in favoring margins and cost optimization. This would not only help them source aluminum from different suppliers but also from being away from the risk of dependency on one sole supplier.



Growth Opportunity

Jainik Power Cables Ltd is on a fast-track journey of growth with great business, sector knowledge and cost optimization. Since inception of the manufacturing segment the company has delivered a robust CAGR of 128% over two years showing its commitment to growth, innovation, constant cost optimization and increasing the shareholder value as the company grows.

Management constantly looks for innovation, product differentiation and marginal growth of the company which leads into the positive growth outlook of the company. JPCL used to be an aluminum wire rods trading only company supplying to sellers and dealers for over a decade (2011-2022), gaining immense knowledge about the field. Showcasing the same the company then transformed into a manufacturing setup thus directly supplying the wire rods, and exiting the trading segment altogether.

Looking into future growth the management then decided to indulge in forward integration and start the manufacturing of aluminum cables, this product uses aluminum wire rods (the existing product) as the key raw material and thus the company now intends to fully exit supplying or selling aluminum wire rods to third parties and fully consuming the entire produce for cables manufacturing. This gave them an opportunity of entering a higher margin market with immense knowledge of raw materials and market sentiments giving them a key edge against their peers. This shows a great ability of the company's management to grab the opportunity at hand and leverage the same to drive organic growth of the company and staying above the average industry growth rate.

JPCL intends to report a topline of revenue from operations of about INR 600 cr in the current FY26 which would be reporting a robust YoY growth of 70% (from reported Revenue from operations of INR 352 cr in FY25).

With the key drivers of growth being innovation, product differentiation and cost optimization the company intends to hit the target revenue topline of INR 9,000 Mn by FY28E. This is mainly driven by higher margins of the cable segment, increasing on floor cost optimization, excellent customer relationship, forward integration and industry and product growth with growing infrastructure needs of the Indian economy.

Income statement (INR Mn)					
Year End-March	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,386.21	3,516.90	4,248.00	5,821.20	7,020.00
YoY (%)	402.52%	3.86%	20.79%	37.03%	20.59%
Employee Benefit Expenses	12.20	29.07	36.46	44.14	51.98
Operating expenses	3,305.07	3,376.90	4,051.77	5,362.34	6,394.49
EBITDA	81.14	140.00	196.23	458.86	625.51
EBITDA Margin	2.40%	3.98%	4.62%	7.88%	8.91%
Depreciation And Amortization Expenses	7.31	8.90	10.83	12.84	17.91
Other Income	6.11	6.90	8.45	11.57	13.96
EBIT	73.83	131.10	196.47	591.43	840.53
Finance Costs	12.52	14.27	13.55	13.55	15.49
PBT	67.42	123.73	180.30	444.03	606.06
Total Tax Expenses	17.23	31.36	45.21	111.01	151.51
Net profit after tax	50.19	92.36	135.08	333.02	454.54
PAT Margins	1.48%	2.63%	3.18%	5.72%	6.47%

Aluminum industry tailwinds supporting JPCL's growth



India stands as one of the key players in the global aluminum industry. As a resource-rich country with an increasing focus on industrialization, aluminum production and consumption have seen exponential growth.

India Aluminium Market was valued at USD 13.77 billion in 2024 and is anticipated to project robust growth in the forecast period with a CAGR of 6.27% through 2030. India's rapid urbanization and ongoing infrastructure development projects are major drivers of the aluminium market. As urban populations grow and cities expand, there is a significant demand for aluminium in construction and infrastructure projects. The aluminium cable industry has been on a steady upward trajectory, supported by its cost efficiency, lightweight nature, strong conductivity, and expanding power infrastructure.

Global market size has grown consistently and is projected to rise from around USD 59 billion in 2024 to over USD 77 billion by 2029, reflecting a healthy CAGR of nearly 6%. This momentum is being reinforced by the rapid build-out of renewable energy projects, smart grid upgrades, and accelerating urban electrification. These structural drivers are equally strong in India, where modernization, distribution expansion, and large-scale infrastructure spending continue to push demand for aluminium cables well beyond current domestic supply levels.

India itself is emerging as one of the fastest-growing markets, with multiple sectors acting as force multipliers :

Growth in electric mobility—spanning EVs, charging networks, battery systems, and related power electronics—is significantly lifting aluminium cable consumption. Aluminium's superior conductivity-to-weight ratio makes it the preferred material for EV wiring harnesses and chargers, providing a material advantage over copper. Strong EV adoption trends in global markets, coupled with India's accelerating transition to electric mobility, indicate sustained demand for aluminium-based electrical components.

Revival of the mining and metals sector. India recorded double-digit growth in mineral production in early 2024, driving higher usage of aluminium cables across drilling, extraction, conveyors, crushers, and processing units. As mining expands further, the requirement for high-performance, durable aluminium cables in both underground and surface operations is expected to rise sharply.

Despite global trade uncertainties and tariff-driven supply disruptions affecting the US and other regions, India remains relatively insulated due to its strong domestic demand pipeline and government-backed infrastructure investments. With increasing electrification needs, renewable project pipelines, real estate expansion, and industrial capital expenditure, the Indian market is witnessing demand consistently outpacing current manufacturing capacities — creating a favorable environment for new entrants.

Overall, the aluminium cable industry is positioned for multi-year growth, supported by long-term structural drivers and widening applications across power transmission, renewables, EVs, construction, and mining. For companies entering this segment, the combination of rising domestic consumption, supply gaps, and a shift toward sustainable materials presents a strong, scalable opportunity to capture market share in a rapidly expanding ecosystem.

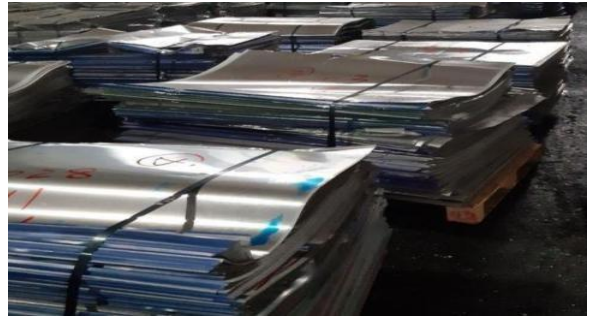
Product & Product Diversification

The company currently produces only one product

Aluminum wire rods of 9.5 mm.

Its intended use or customer base is for ACSR Conductor, cable wires, electric wires (after processing)

Under this there are 4 raw materials used

Aluminium Ingot**Aluminum Litho Sheets****Aluminium Shiny Talon****Aluminium Taint/Tabour****Final Product (Aluminium Wire Rods 9.55 mm)****Future Product – Aluminum Cables**

Uses of Aluminium Cables driving future demand:**1. Railway Electrification (Overhead Catenary Systems)**

Indian Railways and metro systems use aluminium conductor cables for:

- Traction power supply
- Overhead equipment (OHE) lines



Indian Railways primarily uses the 25-kV AC Overhead Catenary System (OCS), the standard for modern electrification, providing power via contact and catenary wires to locomotives with pantographs, reducing costs and current flow compared to DC systems, with advanced solutions like Rigid Overhead Catenary Systems (ROCS) used in challenging terrains like Kashmir's tunnels. This efficient AC system powers trains, replacing fossil fuels and boosting India's goal for nearly 100% rail electrification. With increasing awareness of fuel efficiency and climate control, railways overhead catenary systems can soon be a mandatory system by the Ministry of Railways igniting a sudden shortage of supply and increase in demand which can be a great opportunity for JPCL.

2. Commercial & Residential Wiring in Certain Applications

Used where high power loads are required, such as:

- Main incoming supply
- Service entrance cables
- Earthing and grounding conductors

**3. Aluminium cables are preferred due to lower weight and cost:**

- Solar farm evacuation lines: a solar farm evacuation line is the critical transmission infrastructure that carries electricity generated from large solar power plants to the main grid, involving step-up transformers, circuit breakers, and protection systems to ensure safe, reliable, and efficient grid integration, often planned through large government initiatives like India's Green Energy Corridor Project.

Strong presence in these states with overhead cable reduction to fuel growth. Revenue Breakup of JPCL state-wise

(Amount in INR crores.)

State/Date	31.03.2025	31.03.2024	31.03.2023
Delhi	75.68	62.04	48.60
Haryana	32.80	21.95	10.08
Himachal Pradesh	10.07	-	-
Madhya Pradesh	-	0.65	-
Maharashtra	-	-	1.40
Punjab	3.86	0.61	1.60
Rajasthan	102.40	39.19	1.68
Uttar Pradesh	112.79	213.53	1.25
Uttarakhand	14.09	0.73	0.21
West Bengal	-	-	2.65
Total	351.6894	338.7074	67.475

4. Government Smart City Initiatives by reduction of overhead cables into underground cables with government allocation of budget state-wise.

India is actively working on a significant reduction of overhead wires, primarily through extensive underground cabling projects in major cities like Delhi, Hyderabad, Bengaluru, Nagpur, and in parts of Kerala.

This shift will result in a surge in the demand of aluminium cables for power distribution, expected in the urban area in the near terms and to be extended till the rural areas as well in the long term. For companies like JPCL this is a major opportunity to be a part of the growing infrastructure of India and leverage in to fast track their growth as well. This shift, driven by concerns for safety, reliability, and urban aesthetics is a key component of government 'Smart City' and infrastructure initiatives.

This opens up two opportunities for JPCL, firstly with the rising demand the company can leverage it to drive its revenue growth and secondly the company can buy all the scrapped aluminium wires to recycle and reuse them after melting them in the company owned furnace, reducing raw material cost and increasing the company's cost optimization initiatives.

- **Delhi:** The state government allocated INR 1,000 Mn in its 2025-26 budget for converting overhead power cables to underground systems. A pilot project in Shalimar Bagh was inaugurated in July 2025 and involves replacing 5 km of overhead lines with over 11 km of underground network. Feasibility studies for expanding this to other commercial and residential areas are underway.
- **Haryana:** The state's power utilities have obtained technical approval and a budget of approximately INR 1,570 Mn to remove high-tension overhead transmission lines passing through residential areas and sensitive installations like schools. Projects are underway in cities like Gurugram, where transmission lines are being shifted for metro rail infrastructure development.
- **Himachal Pradesh:** The government has sanctioned a total of INR 1,200-1,460 Mn for an "underground utility duct" project to rid Shimla of overhead wires. An initial INR 650 Mn was also allocated for similar projects in the towns of Nadaun and Hamirpur. The goal is to ensure uninterrupted power supply, especially during adverse weather conditions like snowfall, and improve the towns' aesthetics.
- **Madhya Pradesh:** Madhya Pradesh Power Transmission Company Ltd (MPPTCL) has energized the state's first 132kV extra-high voltage (EHV) underground line in Bhopal to supply power to the upcoming metro rail project. The state is also using a combination of monopoles, lattice structures, and EHV underground cables for various metro rail power supply projects.
- **Maharashtra:** Maharashtra has been identified as one of the states working on modernizing its power infrastructure. The state is involved in major inter-state transmission projects, some involving HVDC links, as part of national grid improvement initiatives. Specific, localized overhead wire reduction efforts are part of general urban infrastructure development in cities within the state.
- **Punjab, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal:** These states are largely covered under the central government's **Revamped Distribution Sector Scheme (RDSS)**, which has sanctioned projects worth INR 1.48 Lakh Crore across India for distribution infrastructure improvements, including measures like Aerial Bundled (AB) cables and smart metering to improve reliability and quality of power supply. The specific status of comprehensive, state-wide underground cabling projects for these states requires further information, though urban development projects often include such provisions.

Industry Overview

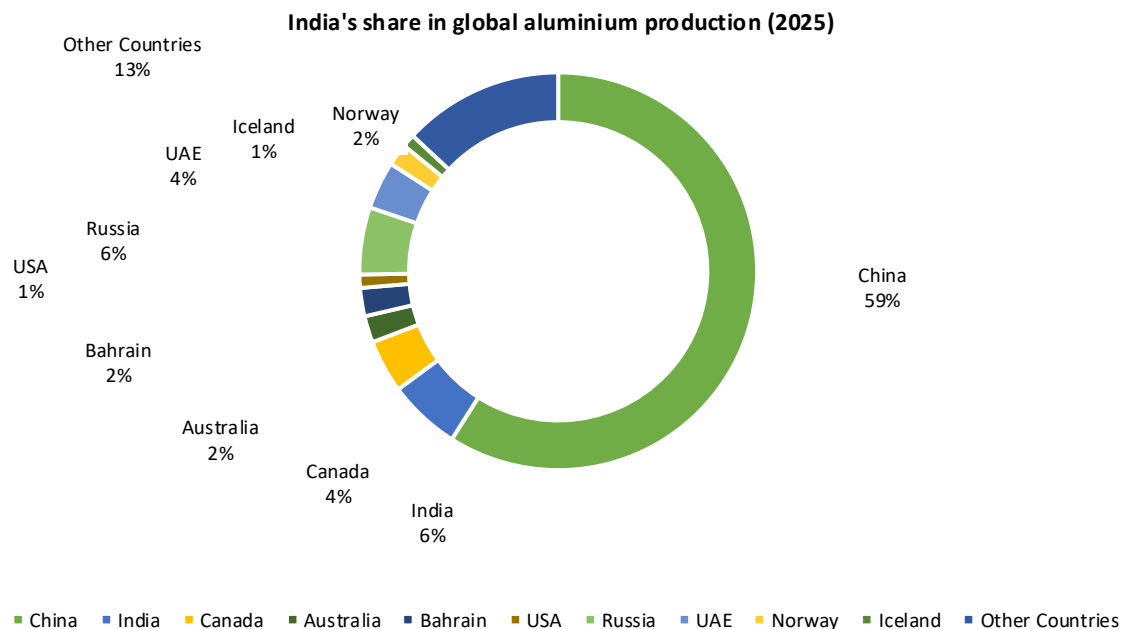
Aluminum Sector: Aluminum is a recyclable environment-friendly metal having a host of applications in a number of diverse sectors – power, transportation, building, construction, packaging and many more. Increasing application, growing environmental concerns & move towards greater user of recyclable materials are driving growth in the world aluminum market.

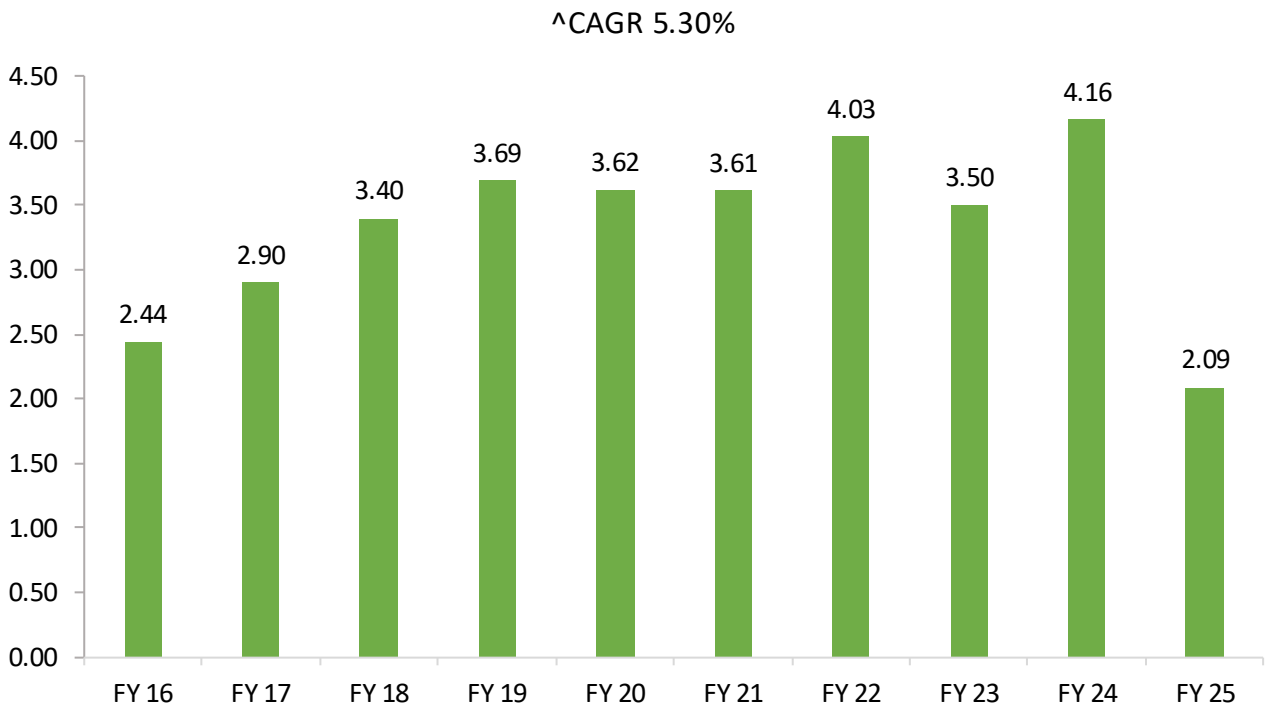
Aluminum represents the third largest metal market in the world, in volume terms, after iron and steel. The aluminium industry encompasses the extraction of the ore (bauxite) as well as primary and secondary processing of the metal.

China continued to be the world's largest producer and consumer of aluminium with a production level of 36.7 million tonnes in 2020, constituting about 56.7% of total global output. In 2021, world primary Aluminium demand has reached new all-time highs in recent months and is projected to increase to 67.4 million tonnes for the year. The main drivers behind this steep recovery have been monetary and fiscal stimulus around the world, tight scrap market, a metal intensive economic recovery as spending in capital goods trumpeted over experiences given the pandemic and the ongoing green revolution that favours aluminium as the material of choice.

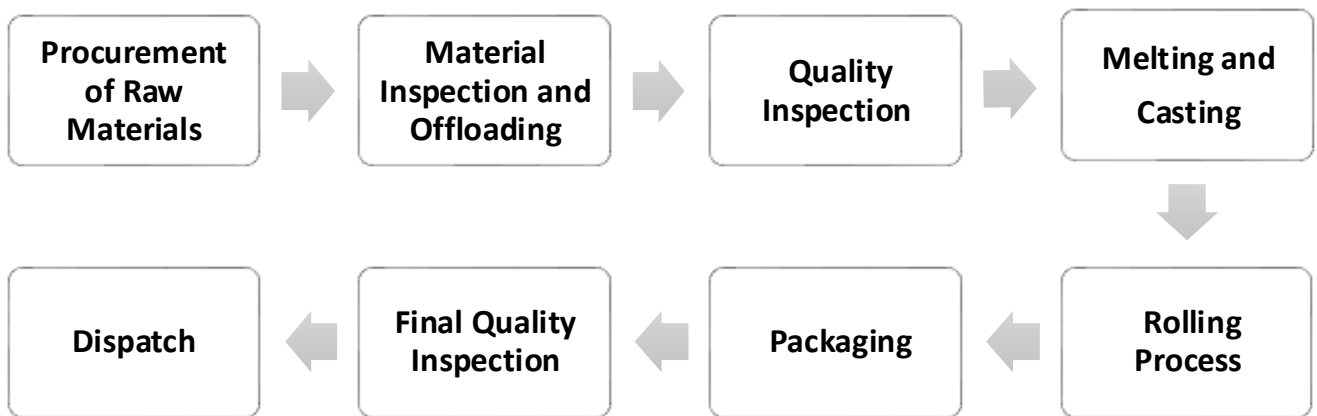
The consumption is projected to go higher in coming years with increased demands from Western and Asian markets. The major end users of aluminium include engineering sector (electrical appliances, power), transport (automobile engines, fabrications), construction (windows, door frames), packaging (aluminium foils, beverage cans) and consumer durables (refrigerators, washing machines) etc. Moreover, while the demand in the western world is fairly distributed across usage sectors, the same is not true for India where the demand is concentrated in electrical and electronics sector.

It is predicted that the demand growth of Aluminium in the India in next few years is going to be substantially higher due to projected high GDP growth in India in the coming years. Multiple initiatives of Govt. of India like Make in India, 100% rural electrification, Housing for All, Smart Cities, National infrastructure pipeline of INR 100 lakh Crore, renewable energy and FAME (Faster adoption of manufacturing of Hybrid and EV) schemes for electric vehicles, increase in FDI etc. will boost the consumption of the metal in the country.





- The global production of primary aluminium during FY25, was projected to reach 72.6 million tons against global consumption of 72.8 million tons, resulting in a market deficit of 0.14 million tons.
- The US Geological Survey noted that world aluminium output increased slightly in 2023, coming in at 70 million metric tons (MMT) compared to 68.4 million MMT the previous year.
- The per capita consumption of Aluminium in India is about 3.1 kg, compared to the world average of about 12 kg and China's 31.7 kg.
- India is ranked fourth in the world in terms of bauxite reserves and has high-quality metallurgical grade bauxite deposits with close to 4 billion ton reserves.
- A CRU study shows global aluminum demand is projected to rise from 86.2 million tons in 2020 to 119.5 million tons by 2030, requiring an additional 33.3 million tons to meet industrial needs.
- Extensive growth in electric vehicles, renewables, modern infrastructure, energy-efficient consumer goods and greater dependence on strategic sectors such as aerospace defence, will drive Aluminium consumption to grow at a CAGR of more than 10%.
- The global Aluminium consumption has been driven majorly by India and China having a growth rate of approximately 10% till pre-COVID times.
- India's Aluminium demand is estimated to double again by the year 2025 with the current resilient GDP growth rate driven by increasing urbanization and push for boosting domestic infrastructure, automotive, aviation, defence, and power sectors.
- Aluminium consumption is expected to reach 7.2 million tons in the next five years.
- Aluminium demand in India is expected to jump to 9 million metric tons by 2033 from about 4.5 million in FY23. While global aluminium consumption would remain tepid at ~1% in CY2023, domestic aluminum demand growth is expected at a healthy 9% in FY24 and FY25.
- Aluminium is a critical for all the key sectors that will aid in India becoming a US\$ 5 trillion economies. ICRA has estimated the domestic aluminium demand growth to remain healthy at around 9% in the next two fiscal years, given the Government's thrust on infrastructure development.
- Increasing infrastructural development and automotive production are the key factors driving the market growth. The production of aluminium stood at 4.159 lakh tonnes in FY24.



1. Procurement of Raw Materials:

- a. Purchasing Aluminium Scrap and Aluminium Ingots from approximately 70 vendors.
- b. Purchase orders are sent via email with confirmation received from vendors
- c. Material is received within 1 to 3 working days after placing an order.

2. Material Inspection and Offloading:

- a. Upon receipt, materials undergo physical inspection for cleanliness.
- b. Offloading carried out by a team using two 5-ton capacity cranes.
- c. The factory's whole covered area is facilitated by an overhead crane for efficient offloading.

3. Quality Inspection:

- a. Utilizing spectrometers machine for purity checks, to identify hidden impurities. The rejected goods, if any, are either returned to the vendor or sold by the company.

4. Melting and Casting:

- a. Thereafter, raw material is processed for melting in the Furnace, which melts and then reshapes the raw material into casting bars using the casting process.

5. Rolling Process:

- a. After that, casting bar so produced, goes into a rolling machine to convert the casting bar of 1800 mm into aluminium wire rods of 9.5 mm rods.

6. Packaging:

- a. Rods are packaged in 5-foot big rolls weighing 2.5 tons each.

7. Final Quality Inspection and Dispatch:

- a. The quality manager conducts a final inspection through a spectrometer before dispatch.
- b. Material is either rejected or approved for dispatch based on inspection.
- c. Manufacturing process is completed in less than 2 days from receiving goods to final quality inspection approval.
- d. The final product dispatch as per the orders received.

Logistics: The company owns a fleet of three commercial trucks with a 50-ton daily capacity and these trucks operate in double shifts to ensure maximum efficiency. Deliveries are done within the range of 100 Km radius from the company campus, giving the company a combined 50-ton daily capacity for regional transport. For deliveries more than 100km the company has partnered with reliable delivery teams to have long distance deliveries executed.

Major Events and Milestones in the History of the Company

Year	Key Events
2011	The company was incorporated as a Private Limited Company under the name “Jainik Enterprises Private Limited”
2023	The company entered the manufacturing segment of aluminum industry
2024	Company’s name was changed to “Jainik Power & Cables Private Ltd”
2024	The company was converted into public ltd company under the name “Jainik Power & Cables Ltd”
2025	The company’s name was changed to “Jainik Power Cables Ltd”

S No.	Management Name	Designation
1	Manish Wahi	Independent Director
2	Anju Jain	Non-Executive Director
3	Prateek Jain	Executive Director & CEO
4	Shashank Jain	Managing Director
5	Sachin Goyal	Independent Director
6	Kumari Soni	Compliance officer and Company Secretray

Income statement (INR Mn)					
Year End-March	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,386.21	3,516.90	4,248.00	5,821.20	7,020.00
YoY (%)	3,386.21	3,516.90	4,248.00	5,821.20	7,020.00
Adjusted COGS	402.52%	3.86%	20.79%	37.03%	20.59%
YoY (%)	3,271.73	3,323.21	3,983.42	5,277.42	6,294.03
Personnel/ Employee benefit expenses	396.26%	1.57%	19.87%	32.48%	19.26%
YoY (%)	12.20	29.07	36.46	44.14	51.98
<i>Manufacturing & Other Expenses</i>	21296.49%	138.37%	25.41%	21.07%	17.76%
YoY (%)	21.15	24.61	31.89	40.79	48.49
	2142.63%	16.38%	29.56%	27.91%	18.87%
Total Expenditure					
YoY (%)	3,305.07	3,376.90	4,051.77	5,362.34	6,394.49
EBITDA	498.19%	72.53%	40.17%	133.83%	36.32%
YoY (%)	81.14	140.00	196.23	458.86	625.51
EBITDA Margin (%)	498.19%	72.53%	40.17%	133.83%	36.32%
Depreciation	2.40%	3.98%	4.62%	7.88%	8.91%
% of Gross Block	7.31	8.90	10.83	12.84	17.91
EBIT	8.42%	9.09%	9.42%	8.92%	9.27%
EBIT Margin (%)	73.83	131.10	185.41	446.01	607.59
Interest Expenses	2.18%	3.73%	4.36%	7.66%	8.66%
Non-operating/ Other income	12.52	14.27	13.55	13.55	15.49
PBT	6.11	6.90	8.45	11.57	13.96
Tax-Total	67.42	123.73	180.30	444.03	606.06
Adj. Net Profit	17.23	31.36	45.21	111.01	151.51
Reported Profit	50.19	92.36	135.08	333.02	454.54
PAT Margin	50.19	92.36	135.08	333.02	454.54
Shares o/s/ paid up equity sh capital	1.48%	2.63%	3.18%	5.72%	6.47%
Adj EPS	0.57	9.68	14.35	14.35	14.35
Dividend payment	-	-	-	-	-
Dividend payout (%)	-	-	-	-	-

Balance sheet					
Year-end March	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds					
Equity Share Capital	5.70	96.85	143.48	143.48	143.48
Reserves & Surplus/ Other Equity	72.92	149.07	257.14	490.25	762.98
Networth	78.62	245.91	400.61	633.73	906.46
Unsecured Loans/ Borrowings/ Lease Liabilities	171.28	193.64	193.64	193.64	193.64
Other Liabilities	0.00	0.00	0.00	0.00	0.00
Total Liabilities	355.00	711.86	846.47	1,093.69	1,429.57
Total Funds Employed	635.79	1,422.84	1,692.06	2,186.49	2,858.25
Application of Funds					
Net Fixed Assets	69.51	71.75	77.92	94.18	125.40
Capital WIP	0.00	0.00	0.00	0.00	0.00
Investments/ Notes/ Fair value measurement	0.00	0.00	0.00	0.00	0.00
Current assets	275.84	638.34	766.70	997.58	1,302.15
Inventory	133.85	219.53	234.25	300.40	417.99
Days	12.47	19.41	22.81	24.33	28.08
Debtors	90.81	306.69	282.07	363.83	501.43
Days	15.12	20.63	22.12	22.81	26.07
Other Current Assets	14.15	5.56	6.68	8.01	9.61
Cash and Cash equivalent	33.53	56.75	178.95	241.17	263.68
Current Liabilities/Provisions	202.17	465.07	444.98	459.08	522.23
Creditors / Trade Payables	89.58	246.96	225.14	237.37	298.51
Days	13.88	17.74	18.25	18.25	18.25
Liabilities	9.37	10.09	11.10	12.21	13.43
Net Current Assets	73.67	173.28	321.72	538.50	779.92
Total Asset	355.00	711.86	846.47	1,093.71	1,429.60
Total Capital Employed	281.33	538.58	524.75	555.20	649.68

Source: Arianth Capital Research, Company reports

Cash Flow Statement (INR Mn)					
Year End-March	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	50.19	92.36	135.08	333.02	454.54
Adjustments: Add					
Depreciation and amortisation	7.31	8.90	10.83	12.84	17.91
Interest adjustment	6.41	7.37	5.11	1.98	1.53
Change in assets and liabilities	63.91	108.63	199.40	347.85	473.99
Inventories	(44.12)	(85.68)	(14.72)	(66.15)	(117.60)
Trade receivables	98.93	(215.88)	24.62	(81.75)	(137.60)
Trade payables	(75.49)	157.38	(21.82)	12.23	61.14
Other Liabilities and provisions	(7.51)	97.09	1.01	1.11	1.22
Other Assets	9.55	8.59	(1.11)	(1.34)	(1.60)
Taxes	0.10	(0.33)	(0.07)	(0.07)	(0.08)
Net cash from operating activities	45.37	69.80	187.31	211.88	279.47
Net Sale/(Purchase) of tangible and intangible assets, Capital work in progress	(26.77)	(11.14)	(16.99)	(29.11)	(49.14)
Net Sale/(Purchase) of investments	6.28	7.37	8.45	11.57	13.96
Others	(6.67)	8.33	0.00	0.00	0.00
Net cash (used) in investing activities	(27.15)	4.56	(8.55)	(17.53)	(35.18)
Interest expense	13.32	(126.08)	(27.80)	(32.25)	(39.97)
Dividend paid	0.00	0.00	0.00	0.00	0.00
Expenses for IPO	0.00	0.00	(48.39)	0.00	0.00
Other financing activities	(0.00)	74.94	19.62	(99.91)	(181.82)
Net cash (used) in financing activities	13.32	(51.15)	(56.57)	(132.15)	(221.79)
Closing Balance	33.54	56.74	178.94	241.15	263.67

Key Ratios					
Year-end March	FY24	FY25	FY26E	FY27E	FY28E
Solvency Ratios					
Debt / Equity	2.18	0.79	0.48	0.31	0.21
Net Debt / Equity	1.75	0.56	0.04	-0.07	-0.08
Debt / EBITDA	2.11	1.38	0.99	0.42	0.31
Current Ratio	1.70	0.98	0.07	-0.10	-0.11
DuPont Analysis					
Sales/Assets	9.54	4.94	5.02	5.32	4.91
Assets/Equity	4.52	2.89	2.11	1.73	1.58
RoE	63.84%	37.56%	33.72%	52.55%	50.15%
Per share ratios					
Reported EPS	88.05	9.54	9.42	23.21	31.68
Dividend per share	0.00	0.00	0.00	0.00	0.00
BV per share	137.92	25.39	27.92	44.17	63.18
Cash per Share	58.83	5.86	12.47	16.81	18.38
Revenue per Share	5940.72	363.15	296.08	405.72	489.28
Profitability ratios					
Net Profit Margin (PAT/Net sales)	1.48%	2.63%	3.18%	5.72%	6.47%
Gross Profit / Net Sales	3.38%	5.51%	6.23%	9.34%	10.34%
EBITDA / Net Sales	2.40%	3.98%	4.62%	7.88%	8.91%
EBIT / Net Sales	2.18%	3.73%	4.36%	7.66%	8.66%
ROCE (%)	48.31%	53.12%	46.18%	70.28%	66.96%
Activity ratios					
Inventory Days	12.47	19.41	22.81	24.33	28.08
Debtor Days	15.12	20.63	22.12	22.81	26.07
Creditor Days	13.88	17.74	18.25	18.25	18.25
Leverage ratios					
Interest coverage	5.90	9.19	13.68	32.90	39.22
Debt / Asset	0.48	0.27	0.23	0.18	0.14
Valuation ratios					
EV / EBITDA	16.62	9.62	6.24	2.53	1.82
PE (x)	1.42	13.11	13.28	5.39	3.95

Source: Arihant Capital Research, Company reports

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BUY	>20%
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NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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