

Company Overview

Based out of Gujarat, Vidya Wires Ltd. (VWL) is involved in the manufacturing of insulated copper and aluminum wires that are used across wide range of industries like energy generation & transmission, electrical systems, electric motors, clean energy systems, electric mobility, and railways. Their product portfolio includes precision-engineered Enameled Wires, Enameled Copper Rectangular Strips, Paper Insulated Copper Conductors, Copper Busbar and Bare Copper Conductors, Specialized Winding Wires, PV Ribbon and Aluminum Paper Covered Strips, among others. With an annual capacity of 19,680 MT, the company ranks as the fourth largest manufacturer in the industry, with a market share of 5.7% of installed capacity in FY25. Their manufacturing facilities are strategically located near the ports of Hazira and Mundra, providing a logistical advantage for exports. VWL is a pre-approved supplier to Power Grid Corporation of India Ltd. and also holds UL approval, enabling it to export enameled copper and aluminum wire to the US. In Q1FY26, revenue comprised 88% domestic sales, 11% exports, with the remainder coming from other operations, hinting towards more focus on the domestic market as also outlined by the management. The company offers a diverse portfolio of winding and conductivity products across 12 product categories with over 8,000 SKUs, with sizes ranging from as thin as 0.07 mm to as thick as 25 mm. With its wide product range, the company is able to serve customers across 19 Indian states and union territories, with Gujarat and Maharashtra contributing 69% of revenue in Q1FY26. With focus on the environment, the company has fulfilled 25% of power requirements from renewable sources like solar and windmills in Q1FY26.

Objects of the issue

The company proposes to utilize net proceeds from the issue towards the following objects:

- ⇒ Funding capital expenditure requirements for setting up new project in its subsidiary viz. ALCU ;
- ⇒ Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by the company; and
- ⇒ General corporate purposes.

Investment Rationale

Capacity expansion and increased product offering to significantly enhance market share

With an existing installed capacity of 19,680 MT per annum, the company intends to deploy IPO proceeds towards an additional 18,000 MT per annum, raising cumulative capacity to 37,680 MT. The expansion is scheduled for commissioning by Q3FY26, positioning the company as India's third-largest manufacturer by installed capacity. Currently, the company has 12 product categories with over 8,000 SKU and intends to introduce 6 additional categories through this expansion, targeting evolving demand and improved customer stickiness. The company intends to add new products like copper foils, copper components, continuously transposed copper conductors, PV round ribbon, solar cables, multi paper covered copper conductors, enameled aluminium winding wires, and enameled aluminium rectangular strips to its current product portfolio. This strategic expansion comes after existing two units reach near optimum capacity utilisation. In Q1FY26, Unit 1 operated at a utilization rate of 80%, up from 57% in FY23, while Unit 2 operates at 97%, up from 72% in FY23. This is a testament to the rising demand as India's copper and aluminium wiring industry is set for steady growth, driven by electric vehicle adoption, renewable energy investments, and large-scale infrastructure projects. The sector is projected to grow steadily, with products such as enameled copper winding wire, paper-covered aluminium conductors, PV ribbons, and solar PVC cables fuelling sales. Transformers are one of the key end-use industries driving growth in the copper sector. With rising power demand and the rapid adoption of renewable energy, India requires a stronger and wider power grid for distribution and as this ecosystem is heavily dependent on copper, it provides a strong tailwind that is expected to drive growth. According to the management guidance, this capacity expansion and increased product offering is expected to double VWL's market share from 5.7% to 11.3%.

Issue Details

Offer Period	03rd Dec. 2025 - 05th Dec. 2025
Price Band	Rs. 48 to Rs. 52
Bid Lot	288
Listing	BSE & NSE
Issue Size (no. of shares in Crs)	5.7
Issue Size (Rs. in Crs)	300
Face Value (Rs.)	1

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Pantomath Capital Advisors Pvt. Ltd., IDBI Capital Markets & Securities Ltd.
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Registrar	MUFG Intime India Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	99.91%	72.90%
Public	0.09%	27.10%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

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Vidya Wires Ltd.

De-risked business with diversified supplier and customer base along with in-built hedging mechanism shielding margins

Over FY2023-25 period, the company served over 318 customers, including over 19 international customers in more than 18 countries across 5 continents including the US, Saudi Arabia, UAE, Australia, Canada, Egypt, Singapore, etc. with none of its customer singly contributing over 9% of annual revenues. VWL serves broad industry base, with power & transmission contributing 49%, electrical 22%, renewable EV & automotive 11%, general engineering 10%, and consumer durables 8% in Q1FY26. While the mix has remained stable over the past three years, renewables have shown a notable increase from 7% in FY23 to 11% in Q1FY26. Going forward, the company expects a higher revenue share from this segment, as aluminium product sales in renewables and EVs are expected to drive margin improvement. Over the years, VWL has developed relationships with its customers including Adani Wilmar, Transformers & Rectifiers (India), Schneider Electric Infrastructure, etc., which have shown high stickiness as evident by 80% of business coming from repeat customers. On the supply side, out of total requirement of copper rods, about 35%-40% was manufactured in-house from copper cathodes and the remaining was purchased from external suppliers evenly split between Vedanta Ltd., Marubeni Corporation and Union Copper rod. The raw material requirement is balanced, with a 50:50 split between domestic and imported supplies, thereby reducing supply chain risks. To mitigate the risk of copper price volatility, the company employs a no-cost hedging mechanism wherein raw material supply is booked only after customer orders are confirmed at prices quoted on the London Metal Exchange, thereby shielding margins.

Valuation

Vidya Wires Ltd. (VWL), based out of Gujarat, manufactures insulated copper and aluminum wires used across industries such as energy, electrical systems, clean energy, EVs, and railways. With an annual capacity of 19,680 MT and planned expansion to 37,680 MT (+18,000 MT), ranking it the third largest manufacturer in the industry. It currently holds a 5.7% market share which is expected to double to 11.3%, driven by capacity expansion and addition of six new product categories serving customers across 19 states, with Gujarat and Maharashtra contributing 69% of Q1FY26 revenue. Manufacturing facilities near Hazira and Mundra ports provide export advantages to the company. On the financial front, the company delivered a revenue growth of 21% over FY2023-25 period to reach Rs. 1,486 crores. For FY25, the EBITDA margin of peers ranged between 3% and 5%, while VWL showed a steady growth increasing from 3.5% in FY23 to 4.3% in FY25. The margins are expected to improve, with the increase in revenue contribution from high margin business of EV and renewables. The company delivered a robust PAT growth of 38% CAGR over FY2023-25 period. Return ratios remained healthy, with RoE at 25% (peer average 15%) and RoCE at 20% (peer average 21%) in FY25. Historically, the company maintained a consistent debt to equity ratio around 0.9x, with fixed asset turnover reaching a high of 36x in FY25. **At the upper end of the price band of Rs. 52 per share, the issue is valued at a P/E of 27.1x based on FY25 earnings, which appears highly lucrative given the industry average is 37x. Given strong growth prospects and planned expansion, we recommend a "SUBSCRIBE" rating for this issue.**

Key Risks:

- ⇒ Execution Risk: Timely commissioning of the planned 18,000 MT capacity expansion by Q3FY26 is critical; any delays or cost overruns could impact growth and market share targets.
- ⇒ Industry Dependence: Heavy reliance on copper and aluminum wiring demand from EVs, renewables, and infrastructure projects means any slowdown in these sectors could affect revenue growth and margins.

Vidya Wires Ltd.

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Revenue:				
Revenue from operations	1,011	1,186	1,486	412
Total revenue	1,011	1,186	1,486	412
Expenses:				
Cost of material consumed	940	1,102	1,389	403
Changes in inventory	3	4	-10	-23
Manufacturing expenses	17	20	26	7
Employee benefits expense	6	6	9	3
Other Expenses	10	8	9	3
Total operating expenses	976	1,141	1,422	393
EBITDA	36	46	64	19
Depreciation & amortization	3	3	3	1
EBIT	33	43	61	18
Finance costs	8	11	11	3
Other Income	4	2	5	1
PBT before share of associate and exceptional items	29	34	55	16
Share in net loss of an associate	0	0	0	0
Exceptional items	0	0	0	0
PBT	29	34	55	16
Current Tax	7	9	14	4
Deferred tax	1	0	0	0
Total tax	8	9	14	4
PAT	22	26	41	12
Diluted EPS	1.3	1.6	2.6	0.8

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Cash Flow from/(used in) operating activities	38	2	-17	-4
Cash flow from/(used in) investing activities	-6	-4	-8	-10
Net cash flows (used in) / from financing activities	-32	2	25	14
Net increase/(decrease) in cash and cash equivalents	0	0	0	1
Cash and cash equivalents at the beginning of the period	0	0	0	0
Cash and cash equivalents at the end of the period	0	0	0	1

Source: RHP, BP Equities Research

Vidya Wires Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Assets				
Non-Current Assets				
Property, plant and equipment	38	40	41	43
Capital work in progress	0	0	3	10
Other Intangible Assets	0	0	0	0
Financial Assets				
(i) Investments	0	0	0	0
Other non current assets	1	1	1	1
Total Non Current assets	39	41	46	54
Current Assets				
Inventories	59	75	85	102
Financial Assets				
(ii) Trade Receivables	87	88	148	144
(iii) Cash and cash equivalents	0	0	0	1
(iv) Bank balance other than cash	1	0	0	0
(vi) Others	0	0	1	1
Current assets (net)	1	0	0	0
Other current assets	22	43	51	74
Total Current Assets	170	207	286	323
Total Assets	209	248	331	377
Equity and Liabilities				
Equity Share Capital	4	4	16	16
Other Equity	96	122	150	162
Non controlling interest	0	0	0	0
Total Equity	100	126	166	178
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	11	16	18	23
Non current Provisions	0	0	0	0
Deferred tax liabilities (net)	3	3	3	3
Total Non-Current Liabilities	13	18	22	26
Current Liabilities				
Financial Liabilities				
(i) Borrowings	86	94	127	140
(iii) Trade Payables	6	7	9	23
Other current liabilities	2	2	4	4
Current Provisions	0	0	1	2
Current tax liabilities (net)	0	0	2	3
Total Current Liabilities	96	104	143	172
Total Liabilities	109	122	165	199
Total Equity and Liabilities	209	248	331	377

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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