

Retail Research	IPO Note
<b>Sector: Capital Goods</b>	<b>Price Band (Rs): 48 – 52</b>
<b>01<sup>st</sup> December 2025</b>	<b>Recommendation: Subscribe for Long Term Investment Horizon</b>

## Vidya Wires Ltd.

### Company Overview:

**Vidya Wires Ltd. (VWL)**, incorporated in 1981, is engaged in manufacturing of copper and aluminum wires (winding and conductivity products) for a range of critical industries and applications. The company is the 4<sup>th</sup> largest manufacturer in the industry with a 5.7% market share in terms of installed capacity as of FY25. The company operates 3 manufacturing facilities located in Gujarat, with an installed capacity of 19,680 MTPA. The company caters to diverse industries such as railways, power T&D, electrical, renewables, EV, automotive, consumer durables, etc. The product portfolio comprises over 8,000 SKUs of winding and conductivity products with sizes ranging from 0.07 mm to 25 mm thickness.

### Key Highlights:

**1. Diversified product portfolio with wider customer base and multiple end-user industries:** The company manufactures over 8,000 SKUs of winding and conductivity products for diversified industrial applications and serving over 318 customers across domestic and international markets. This helps reduce the dependence on any particular segment and provides a natural hedge against market instability in a particular industry. The customer base spans across 5 continents which includes countries such as the USA, Saudi Arabia, UAE, Australia, Canada, Egypt, Singapore, etc. Company's key clientele includes Adani Wilmar, Schneider Electric, Transformers & Rectifiers, Suzlon Energy amongst other. The company is a pre-approved supplier for Power Grid Corporation. Also, VWL is a UL approved company which enables it to export enameled copper/aluminium wire (also known as magnet wire) to the USA.

**2. Backward integrated manufacturing capabilities:** VWL has backward integrated manufacturing facilities to produce oxygen free copper rods from copper cathodes which are used to manufacture the final products. This enables the company to maintain consistency and control over the product quality and supply of raw materials (copper rods are the main raw materials which are made from copper cathodes). Approximately 35-40% of copper rods are manufactured in-house from copper cathodes. Additionally, VWL has installed enameling machines with catalytic converters and inline wire drawing machines to reduce energy consumption and emissions, supported by HVAC systems in operations.

**3. Expansion plans:** The company is expanding its manufacturing capacities for existing and new products to meet the product demand. Post commissioning of the new facility in Gujarat (expected by Mar'26), the total installed capacity will increase by 18,000 MTPA from the current capacity of 19,680 MTPA to 37,680 MTPA. Through the proposed expansion project, 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, Enamelled Aluminum Winding Wires, and Enamelled Aluminum Rectangular Strips to its current product portfolio. VWL's market share will expand to 11.3% in terms of installed capacity post the proposed expansion. Furthermore, the company plans to expand into sectors such as renewable sectors including solar and windmill, transformers for AI data centres, inverter duty transformers, power transformers and electric vehicles etc.

**Valuation:** At the upper price band of Rs 52, the IPO is valued at a FY25 P/E ratio of 27.1x on post-issue capital. The company has demonstrated healthy financial performance with Revenue/EBITDA/PAT growing at a CAGR of 21%/34%/38% to Rs 1,486 cr/Rs 64 cr/Rs 41 cr respectively between FY23-25. The company is currently undergoing a significant capacity expansion plan that would double its existing capacity which would increase its current market share from 5.7% to over 11%. The introduction of new products is expected to be accompanied by improved margins, potentially enhancing profitability in the future. Furthermore, favourable industry tailwinds such as the growing adoption of EVs, capex on AI data centers and substantial capacity expansion in renewable energy are likely to bolster growth prospects in the coming years. While comparing the IPO with its close competitors, the issue seems to be reasonably valued. We recommend investors to **SUBSCRIBE** to the issue at the cut-off price for a long-term investment horizon.

Issue Details	
Date of Opening	03 <sup>rd</sup> December 2025
Date of Closing	05 <sup>th</sup> December 2025
Price Band (Rs)	48 – 52
Issue Size (Rs cr)	~300
Fresh Issue (Rs cr)	274
Offer for Sale (Rs cr)	~26 @ UB
No. of shares (@ upper band)	5,76,93,307
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	1,042 – 1,106
BRLMs	Pantomath Capital Advisors Pvt. Ltd., IDBI Capital Markets & Securities Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	288 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue		Estimated utilization from net proceeds (Rs cr)
Funding capital expenditure requirements for setting up new project in the subsidiary viz. ALCU		140.0
Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by the Company		100.0
General corporate purposes*		-
<b>Total proceeds from fresh issue*</b>		-

\*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	15,98,50,000	99.9
Public & Others	1,50,000	0.1
<b>Total</b>	<b>16,00,00,000</b>	<b>100.0</b>

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	15,48,49,000	72.8
Public & Others	5,78,43,307	27.2
<b>Total</b>	<b>21,26,92,307</b>	<b>100.0</b>

Selling shareholders through OFS	Classification	Number of shares @UB
Shyamsundar Rathi	Promoter	25,00,500
Shailesh Rathi	Promoter	25,00,500
<b>Total</b>		<b>50,01,000</b>

Source: RHP, SSL Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	1,011	1,186	1,486	412
EBITDA	36	46	64	19
PAT	22	26	41	12
EBITDA Margin (%)	3.5	3.8	4.3	4.5
PAT Margin (%)	2.1	2.2	2.7	2.9
RoE (%)	21.5	20.5	24.6	-
RoCE (%)	19.0	19.2	21.3	-
P/E (x)*	38.7	32.4	20.4	-
P/BV (x)*	8.3	6.6	5.0	-
Total Debt / Equity	1.0	0.9	0.9	0.9

Source: RHP, SSL Research

\*Note: Pre-issue P/E (x) and P/BV (x) based on upper price band;

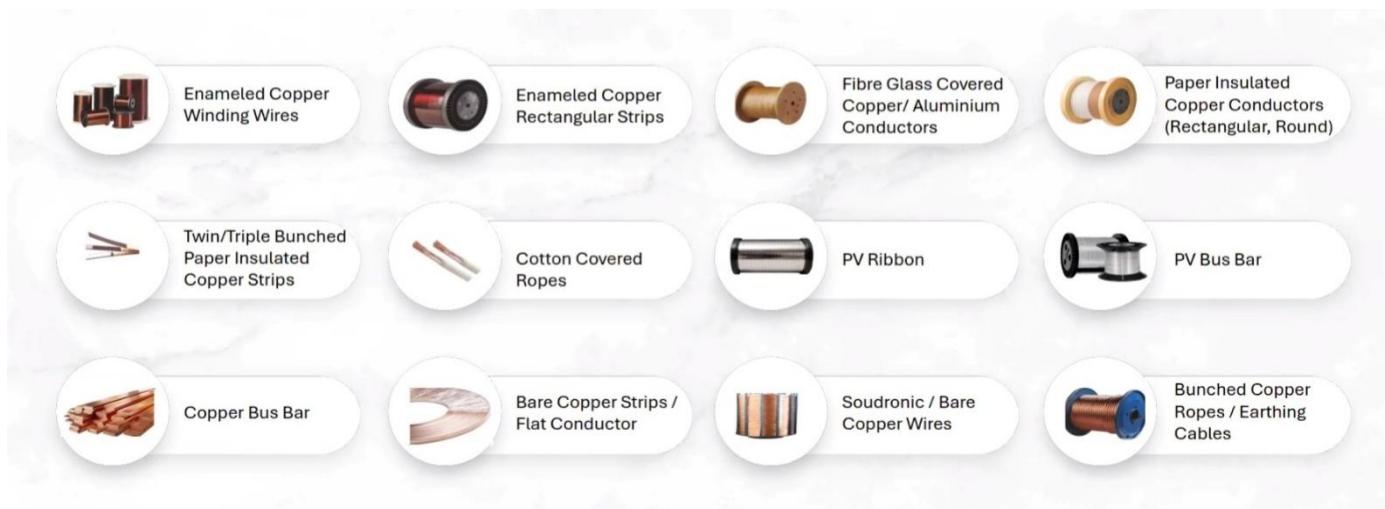
## Risk Factors

- Revenue concentration:** Over 80% of the revenue from operations was derived from supplies to power & transmission, general engineering and electrical sector between FY23-1QFY26. Any slowdown in these sectors may impact the business. Additionally, VWL has generated approximately 65-70% of revenue from the states of Gujarat and Maharashtra. Any adverse developments in these states may impact the business.
- Supply chain disruption:** Significant increases or fluctuations in prices of, or shortages of, or delays or disruptions in the supply of primary raw materials could affect the estimated costs, expenditures, sales and timelines which may have a material adverse effect on business operations.
- Prior SEBI rulings against the promoters:** SEBI has imposed penalties on several promoters of the company alleging engagement in non-genuine reversal of trades leading to the creation of a false market in the past. The matters however were settled after payment of penalties. Any future notices or adverse ruling or show cause notices may impact the integrity of the management/promoters which may adversely impact the business.
- Client approval risk:** The company is subject to pre-qualification and pre-order audit by some of its customers. In case the operating facilities do not meet the customers' requirements, VWL may not get orders from the customers.

## Growth Strategies

- Expand capacity through the proposed project in Gujarat, widen the product portfolio and capture additional market share.
- Focus on emerging sectors like renewable energy and EV.
- Expand the geographical footprint.
- Continue to focus on enhancing sustainability initiatives and efficiency.

## Product Offerings



Source: RHP, SSL Research

## Product SKUs metrics

Particulars	FY23	FY24	FY25	1QFY26
Number of SKUs manufactured	4,680	5,202	6,780	8,512

Source: RHP, SSL Research

## Segment-wise Revenue Split

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Power & transmission	469	46.4	511	43.0	714	48.1	201	48.8
General engineering	189	18.7	214	18.0	152	10.2	41	9.9
Electrical	248	24.5	312	26.3	429	28.9	92	22.4
Renewables, EV and automotive*	72	7.1	91	7.7	141	9.5	44	10.7
Consumer Durables	31	3.1	54	4.5	43	2.9	32	7.7
Others	3	0.3	5	0.4	6	0.4	2	0.5
<b>Revenue from operations</b>	<b>1,011</b>	<b>100.0</b>	<b>1,186</b>	<b>100.0</b>	<b>1,486</b>	<b>100.0</b>	<b>412</b>	<b>100.0</b>

\*Includes solar and windmill; Source: RHP, SSL Research

## Geography-wise Revenue Split

Particulars	FY23		FY24		FY25		1QFY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
<b>Domestic Revenue</b>								
Western Zone	691	68.3	839	70.7	1,057	71.1	291	70.8
Northern Zone	40	3.9	54	4.6	124	8.3	30	7.3
Southern Zone	40	4.0	55	4.6	42	2.8	23	5.5
Central Zone	46	4.6	61	5.1	48	3.2	18	4.5
Eastern Zone	5	0.5	10	0.9	7	0.5	1	0.2
<b>Total Domestic revenues</b>	<b>822</b>	<b>81.3</b>	<b>1,019</b>	<b>85.9</b>	<b>1,278</b>	<b>86.0</b>	<b>364</b>	<b>88.3</b>
<b>Total International revenues</b>	<b>187</b>	<b>18.5</b>	<b>162</b>	<b>13.6</b>	<b>202</b>	<b>13.6</b>	<b>46</b>	<b>11.2</b>
Other operating revenue	3	0.3	5	0.4	6	0.4	2	0.5
<b>Total revenue from operations</b>	<b>1,011</b>	<b>100.0</b>	<b>1,186</b>	<b>100.0</b>	<b>1,486</b>	<b>100.0</b>	<b>412</b>	<b>100.0</b>

Source: RHP, SSL Research

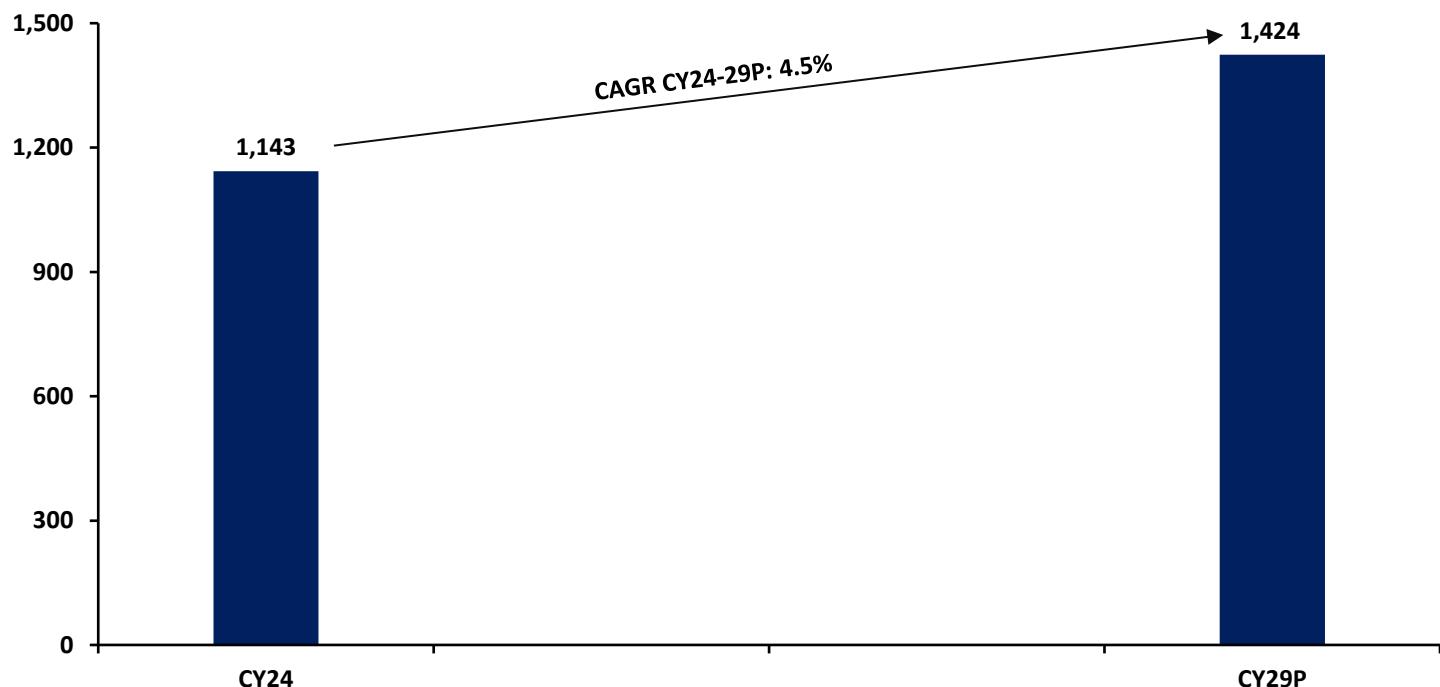
## Repeat Order Revenue Split

Particulars	FY23	FY24	FY25	1QFY26
No. of repeat customers	280	317	341	206
Total no. of customers	453	476	458	318
Revenue from repeat customers	839	1,054	1,401	332
% of revenue from operations	83.0	88.9	94.3	80.5

Source: RHP, SSL Research

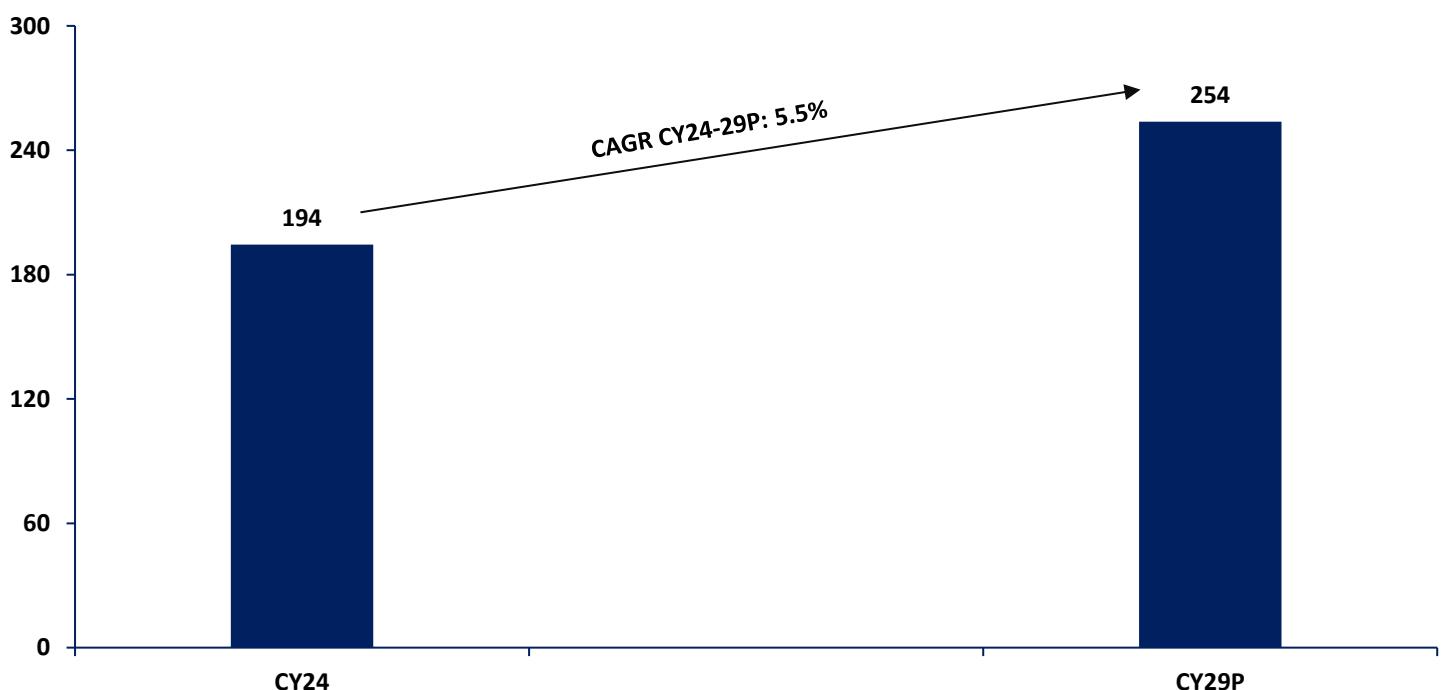
## Industry Overview

### Consumption of Enamel Copper Winding Wire in India (By Value), CY24-29P (in USD mn)



Source: RHP, SSL Research

### Consumption of Enamel Aluminum Winding Wire in India (By Value), CY24-29P (in USD mn)



Source: RHP, SSL Research

## Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
<b>Revenue from Operations</b>	<b>1,011</b>	<b>1,186</b>	<b>1,486</b>	<b>412</b>
<i>YoY growth (%)</i>	-	17.3%	25.3%	-
COGS (incl Stock Adj)	960	1,126	1,404	387
<b>Gross Profit</b>	<b>51</b>	<b>60</b>	<b>82</b>	<b>25</b>
<i>Gross margins (%)</i>	5.1%	5.0%	5.5%	6.0%
Employee Cost	6	6	9	3
Other Operating Expenses	10	8	9	3
<b>EBITDA</b>	<b>36</b>	<b>46</b>	<b>64</b>	<b>19</b>
<i>EBITDA margins (%)</i>	3.5%	3.8%	4.3%	4.5%
Other Income	4	2	5	1
Interest Exp.	8	11	11	3
Depreciation	3	3	3	1
<b>PBT</b>	<b>29</b>	<b>34</b>	<b>55</b>	<b>16</b>
Exceptional item	-	-	-	-
Tax	8	9	14	4
Share of profit of associates and JVs	-	-	-	-
Minority Interest	-	-	-	-
<b>PAT</b>	<b>22</b>	<b>26</b>	<b>41</b>	<b>12</b>
<i>PAT margin (%)</i>	2.1%	2.2%	2.7%	2.9%
<b>EPS (Rs)</b>	<b>1.3</b>	<b>1.6</b>	<b>2.6</b>	<b>0.8</b>

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
<b>Assets</b>				
Net Block	38	40	41	43
Capital WIP	-	-	3	10
Intangible Assets	0.2	0.1	0.1	0.1
Other Noncurrent Assets	1	1	1	1
<b>Current Assets</b>				
Current Investment	-	-	-	-
Inventories	59	75	85	102
Trade receivables	87	88	148	144
Cash and Bank Balances	1	1	1	1
Short-term loans and advances	-	-	-	-
Other Current Assets	23	43	52	75
<b>Total Current Assets</b>	<b>170</b>	<b>207</b>	<b>286</b>	<b>323</b>
<b>Current Liabilities &amp; Provisions</b>				
Trade payables	6	7	9	23
Other current liabilities	2	2	6	8
Short-term provisions	0.3	0.2	1	2
<b>Total Current Liabilities</b>	<b>9</b>	<b>10</b>	<b>16</b>	<b>33</b>
<b>Net Current Assets</b>	<b>161</b>	<b>197</b>	<b>270</b>	<b>290</b>
Assets Classified as held for sale	-	-	-	-
<b>Total Assets</b>	<b>200</b>	<b>238</b>	<b>315</b>	<b>344</b>
<b>Liabilities</b>				
Share Capital	4	4	16	16
Reserves and Surplus	96	122	150	162
<b>Total Shareholders' Funds</b>	<b>100</b>	<b>126</b>	<b>166</b>	<b>178</b>
Minority Interest	0	-	-	-
<b>Total Debt</b>	<b>97</b>	<b>110</b>	<b>146</b>	<b>163</b>
Long Term Provisions	0.1	0.1	0.3	0.2
Lease Liabilities	-	-	-	-
Other Long-Term Liabilities	-	-	-	-
Net Deferred Tax Liability	3	3	3	3
<b>Total Liabilities</b>	<b>200</b>	<b>238</b>	<b>315</b>	<b>344</b>

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	38	2	(17)	(4)
Cash flow from Investing Activities	(6)	(4)	(8)	(10)
Cash flow from Financing Activities	(32)	2	25	14
Free Cash Flow	29	(2)	(24)	(13)

RATIOS			
Particulars	FY23	FY24	FY25
<b>Profitability</b>			
Return on Assets	10.3%	10.4%	12.3%
Return on Capital Employed	19.0%	19.2%	21.3%
Return on Equity	21.5%	20.5%	24.6%
<b>Margin Analysis</b>			
Gross Margin	5.1%	5.0%	5.5%
EBITDA Margin	3.5%	3.8%	4.3%
Net Profit Margin	2.1%	2.2%	2.7%
<b>Short-Term Liquidity</b>			
Current Ratio (x)	1.8	2.0	2.0
Quick Ratio (x)	1.2	1.3	1.4
Avg. Days Sales Outstanding	31	27	36
Avg. Days Inventory Outstanding	22	24	22
Avg. Days Payables	2	2	2
Fixed asset turnover (x)	27	30	36
Debt-service coverage (x)	0.4	0.4	0.4
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	1.0	0.9	0.9
Interest Coverage Ratio (x)	4.5	4.1	5.9
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	25.9	20.7	15.2
P/E (x)	38.7	32.4	20.4
P/B (x)	8.3	6.6	5.0
EV/Sales (x)	0.9	0.8	0.7
P/Sales (x)	0.8	0.7	0.6

\*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SSL Research

## Peer Comparison – Financials (FY25)

Particulars (Rs cr)	Vidya Wires Ltd.	Precision Wires India Ltd.	Ram Ratna Wires Ltd.	Apar industries Ltd.
CMP (Rs)	52	256	613	9,160
Sales	1,486	4,015	3,677	18,581
EBITDA	64	228	156	1,582
Net Profit	41	90	68	817
Mkt Cap.	1,106	4,609	2,861	36,792
Enterprise Value	993	4,631	3,133	36,501
EBITDA Margin (%)	4.3	5.7	4.2	8.5
Net Profit Margin (%)	2.7	2.2	1.8	4.4
P/E (x)	27.1	51.2	42.1	45.0
RoE - Pre-Issue/Post-Issue (%)	24.6/9.0	15.6	14.1	18.1
RoCE - Pre-Issue/Post-Issue (%)	21.3/10.8	31.5	19.1	31.0
EV/EBITDA (x)	15.5	20.3	20.1	23.1
EV/Sales (x)	0.7	1.2	0.9	2.0

For Vidya Wires Ltd, the Market Cap, P/E (x), EV/EBITDA (x), RoE (%), RoCE (%) and EV/Sales are calculated on post-issue equity share capital based on the upper price band.

CMP of peer companies is as of 28<sup>th</sup> November, 2025.

Source: RHP, SSL Research.

**SBICAP Securities Ltd.**

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