

Rating: Subscribe

Issue Offer

OFS up to 50,01,000 equity shares amounting INR 260.1 Mn and Fresh Issue of 5,26,92,307 equity shares amounting to INR 2,740 Mn, bring the total issue size to INR 3000.1 Mn

Issue Summary

Price Band (INR)	48-52
Face Value (INR)	1
Implied Market Cap (INR Mn)	11,060 Mn
Market Lot	288
Issue Opens on	Dec 3, 2025
Issue Close on	Dec 5, 2025
No. of share pre-issue	16,00,00,000
No. of share post issue	21,26,92,307
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Pantomath Capital Advisors Pvt.Ltd.
IDBI Capital Markets Services Ltd.

Registrar

MUFG Intime India Private Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	99.91%	72.80%
Public & Others	0.09%	27.20%

Objects of the issue

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

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Vidya Wires Limited, incorporated in 1981, manufactures copper and aluminum wires, including winding wires, copper strips, conductors, and busbars for industries like energy, electrical systems, electric mobility, and clean energy. With a current manufacturing capacity of 19,680 MT per annum, it plans to increase to 37,680 MT at its Gujarat facility. The company offers over 8,000 SKUs ranging from 0.07 mm to 25 mm and aims to introduce new products like copper foils and solar cables. It employs 139 permanent staff and 394 contract laborers. Vidya Wires' strengths include a diversified product portfolio, wide customer base, backward integration, strategic location, and an experienced management team.

Investment Rationale

Diversified Product Portfolio De-Risking Revenue Streams

The company manufactures over 8,000 SKUs ranging from 0.07mm to 25mm thickness across Enameled Wires, Copper Rectangular Strips, Paper Insulated Conductors, and specialized PV products. Its customer base of 453-476 customers with no single client exceeding 9% revenue contribution provides exceptional de-risking compared to industry concentration risks. Repeat customer retention stands at 82.96%-94.28% of revenue, demonstrating strong customer stickiness and long-term relationships with marquee OEMs like Schneider Electric, Transformers Rectifiers India, and Suzlon Energy. Geographic diversification across Power Transmission (48%), Electrical (28%), General Engineering (10%), and Renewables/EV (9.51%) provides natural hedges against sector-specific cyclicality.

Strategic Capacity Expansion to Capture Market Share

The company is executing an aggressive expansion by adding 18,000 MTPA capacity through its wholly-owned subsidiary ALCU Industries at Narsanda, Gujarat, 15km from existing facilities, with expected operational status by Q3 FY26. This expansion nearly doubles capacity to 37,680 MTPA, elevating Vidya from 4th position (5.7% market share) to 3rd largest manufacturer (11.3% post-expansion market share). Notably, capacity utilization has surged from 70.31% in FY23 to 94.51% in Q1 FY26, demonstrating acute capacity constraints and strong pricing power. The new facility introduces products like Copper Foils, CTCs, Solar Cables, and rectangular strips for EV motors, expanding addressable market and customer wallet share.

Aligned with High-Growth Sectors like EV and Renewable Energy

The company strategically pivots toward India's energy transition by developing specialized products for emerging sectors currently representing 9.51% of revenues but positioned for significant expansion. India's renewable targets of 500 GW non-fossil capacity by 2030 (from current 81.8 GW solar and 72 GW wind installed capacity) combined with 42% YoY EV growth in FY24 present multi-decade structural tailwinds. With 35-40% backward integration of copper rod manufacturing from cathodes ensuring quality control and cost efficiency, coupled with 25% renewable power sourcing and POWER GRID pre-approval status, the company is optimally positioned for these transitions. Strategic new product development in Solar Cables, PV Ribbon, and EV motor strips aligns with government's PLI scheme and Electric Mobility Promotion Scheme EMPS 2024 incentives

Valuation & Outlook: Company is well-positioned for sustained growth driven by strategic capacity expansion and alignment with India's structural economic transformation. The company's planned capacity doubling will enable significant volume growth while improving operational leverage and profitability. Strong positioning in high-growth sectors including renewable energy transition, electric vehicle electrification, and power transmission infrastructure provides multi-decade tailwinds supporting revenue expansion. Improving operational metrics, strong customer relationships with marquee OEMs, and backward integration capabilities indicate management's commitment to operational excellence and quality. At the upper band of INR 52, the issue is valued at P/E of 27.06x at EPS of INR 1.9 for FY25. We are recommending a "Subscribe" rating for this issue.

Financial Summary:

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	10,157	11,885	14,915
Growth (% YoY)		17%	25%
EBITDA	358.4	455	642
Margins	4%	4%	4%
PAT	215.3	257	409
Margins	2%	2%	3%
Debt	971	1,097	1,456

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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