IPO REVIEW

Anawil Wire & Engineering IPO

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- The company is engaged in the business of manufacturing windmill towers and related products.
- It marked steady growth in its top and bottom lines for the reported periods.
- However, boosted margins from FY25 onwards raise eyebrows and concern over its sustainability going forward.
- Based on its recent financial data, the issue appears aggressively priced.
- Its order book stood at Rs. 359+ cr. as of March 31, 2026.
- Well-informed investors may park funds for medium to long term.

About the Company

Anawil Wire & Engg. Ltd. (AWEL) is engaged in the business of manufacturing of windmill towers, with primary focus on the fabrication of towers from heavy and precision steel components customized to meet the specific requirements of client in the wind energy sector. These towers are generally fabricated as tubular steel structures consisting of multiple cylindrical sections. These sections are rolled from heavy steel plates, longitudinally and circumferentially welded, and joined through flanges and bolts during erection at the project site. The weight of an individual tower can vary significantly based on its height and design specifications.

The company commenced its commercial operations in April 2021, initially focusing on the fabrication of weld mesh and assembly of boiler accessories and paper machinery parts. Building on this foundation and leveraging expertise in steel fabrication, it strategically shifted into the wind energy sector in 2023. Since then, it has focused on manufacturing of fabrication components for wind turbine towers. These towers are essential structural components that support wind turbines generators, allowing them to capture wind energy efficiently at optimum heights. The size of the tower depends on the turbine model and site requirements, typically 140 meters in height, designed to withstand diverse climatic conditions. Each tower is manufactured in multiple sections commonly five allowing for transportation by road to the project site.

In FY 2023-24, 2024-25 and 2025-26, it produced 114, 135 and 210 windmill towers, achieving a capacity utilization of 38.00%, 45.00% and 48.17% respectively. AWEL caters its product to marquee customers of Original Equipment Manufacturers (OEM’s) of Wind Turbine Generators (“WTG”) and companies in renewable energy sector. Currently, its existing facility has the capacity to manufacture 35 windmill towers per month. Further, it commenced operations at new manufacturing facility in Kutch, Gujarat, in March 2026, which has an additional production capacity of 16 windmill towers per

month.

The company has two manufacturing facilities in Koppal, Karnataka and Kutch, Gujarat and is spread across 48.05 acres area with an annual capacity of 612 towers. The location is favorably located which enable direct transportation of finished products to assembly sites, port facilities, or end customers, thereby reducing transit time and logistic costs. These facilities are equipped with machines, a laboratory and testing equipment such as Hardness tester, Dial gauges, Flatness and tilt measurement machine, Ultrasonic flaw detector, Profile meter (for dent measurement), Magnaflux magnetic particle inspection (MPI) instruments, GE Go Plus+ (Surface roughness tester), Spectrometer, Digital distance meter, Adhesion Tester (for paint/coating adhesion), Digital Gap Thickness (DGT) gauges etc.to make sure its products meet quality standards. It is an ISO 9001:2015, ISO 14001: 2015, ISO 14001: 2018 and ISO 3834-2: 2021 certified company for manufacture of windmill towers & components and fabrication of heavy structures. As of May 31, 2026, it had 95 employees on its payroll and additional 767 contract workers in various departments. As of the said date, its order book stood at Rs. 359.82 cr.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 6585600 equity shares of Rs. 10 each to mobilize Rs. 177.81 cr. at the upper cap. The IPO consists of 5284800 fresh equity shares (worth Rs. 142.69 cr. at the upper cap), and an Offer for Sale (OFS) of 1300800 equity shares (worth Rs. 35.12 cr. at the upper cap). The company has announced a price band of Rs. 257 - Rs. 270 per share. The minimum application to be made is for 800 shares and in multiples of 400 shares thereon, thereafter. The IPO opens for subscription on August 03, 2026, and will close on August 05, 2026. The IPO constitute 26.34% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the fresh equity issue, it will utilize Rs. 115.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Hem Securities Ltd., while Bigshare Services Pvt. Ltd., is the registrar to the issue. HEM Group’s Hem Finlease Pvt. Ltd. is the market maker and also a syndicate member.

After issuing initial equity capital at par value, the company issued further shares in the price range of Rs. 19 – Rs. 101, between June 2022, and September 2025. It has also issued bonus shares in the ratio of 9 for 10 in April 2025. The average cost of acquisition of shares by the promoters is Rs. 5.26, and Rs. 7.65, per share.

Post-IPO, company’s current paid-up equity capital of Rs. 19.72 cr. will stand enhanced to Rs. 25.00 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 674.99 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has reported a total income/net profit of Rs. 54.08 cr. / Rs. 4.39 cr. (FY24), Rs. 79.40 cr. / Rs. 12.31 cr. (FY25), and Rs. 143.63 cr. / Rs. 36.63 cr. (FY26). The boosted bottom lines for FY25 and FY26 raise eyebrows and concern over its sustainability going forward.

For the last three fiscals, the company has reported an average EPS of Rs. 12.20, and an average RoNW of 33.33%. The issue is priced at a P/BV of 5.78 based on its NAV of Rs. 46.75 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 18.43, and based on FY25 earnings, the P/E stands at 54.88. The issue appears aggressively priced, based on its average earnings.

For the reported periods, the company has posted PAT margins of 8.12% (FY24), 15.66% (FY25), 25.57% (FY26), and RoCE margins of 13.68%, 21.84%, 23.05%, respectively, for referred periods.

Dividend Policy

The company has not paid any dividend for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has listed peers to compare with.

Merchant Banker's Track Record

This is the 48th mandate from Hem Securities in the last three fiscals (including the ongoing one). Out of the last 10 listings, 1 listed at par and the rest with premium ranging from 1% to 90% on the date of listing.

Conclusion / Investment Strategy

AWEL is engaged in the business of manufacturing windmill towers and related products. It marked steady growth in its top and bottom lines for the reported periods. However, boosted margins from FY25 onwards raise eyebrows and concern over its sustainability going forward. Based on its recent financial data, the issue appears aggressively priced. Its order book stood at Rs. 359+ cr. as of March 31, 2026. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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