IPO REVIEW

Vidya Wires IPO

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- The company is engaged in the manufacturing of winding and conductivity products ranges of wires.
- It enjoys legacy of over four decades and has over 8000 SKUs under one roof.
- The company posted steady growth in its top and bottom lines for the reported periods.
- It is expanding its capacities to meet the rising demand of its products.
- Based on its recent financial data, the issue appears reasonably priced.
- Investors may lap it up for medium to long term.

About the Company

Vidya Wires Ltd. (VWL) is the manufacturers of winding and conductivity products for a range of critical industries and applications. Its 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. Its products are used in applications such as energy generation & transmission, electrical systems, electric motors, clean energy systems, electric mobility, and railways.

VWL is the 4th largest manufacturers in industry with a 5.7% market share of installed capacity in FY25 in India as per the CareEdge Report. With plans to expand manufacturing capabilities and further diversify product range, the Company seeks to enhance its market position. Since incorporation in the year 1981, it has expanded business, scale of operations and delivered variety of products, creating its position in the winding and conductivity products. From time to time, the company has made investment, in manufacturing facilities to expand installed capacity up to the current level of 19,680 MT per annum.

Further, it proposes to increase installed capacity to 37,680 MT per annum by installing additional 18,000 MTPA in new manufacturing unit at Narsanda, Taluka Nadiad– 387 345, Gujarat, India (“Proposed Project”) under its wholly owned subsidiary company, ALCU Industries Private Limited, which is 15 kms from its existing operating facilities. Company’s capacity utilization has improved from 70.31% in Fiscal 2023 to 94.51% during the three months period ended June 30, 2025. Its production volumes have grown by 29.23% in the last 3 fiscals, from 13,415 MT in Fiscal 2023 to 17,338 MT in Fiscal 2025.

VWL is pre-approved suppliers with Power Grid Corporation of India Limited. It is a UL approved company which enables it to export enameled copper/aluminium wire (also known as magnet wire) to

the United States of America. Company's operations are located in Anand, Gujarat, which has logistics convenience through various major seaports of the state like Hazira and Mundra which it uses for exporting products as well as importing raw materials. The company has integrated and continue to further integrate environmental, social and governance practices into its business with a sustainable and responsible approach to its operations. Under its focus on environment and sustainability initiatives, the company has sourced an average of about 25 % of total power requirements from renewable sources like solar and windmills in the three months period ended June 30, 2025, and the last 3 Fiscals.

Its manufacturing facilities are accredited with ISO 9001:2015 (Quality Management System), ISO 45001: 2018 (Occupational Health & Safety Management System), and ISO 14001:2015 (Environment Management System) certifications. VWL's products are compliant with various quality standards including the Bureau of Indian Standards. With its customer base of 318, 458, 472, and 453, respectively, in the three months period ended June 30, 2025 and Fiscals 2025, 2024 and 2023, none of its customers singly contributing over 9% of annual revenues, the company has effectively de-risked its business model from dependence on a limited number of customers and insulated revenue potential due to broad-based customer base.

VWL manufactures over 8,000 SKUs of winding and conductivity products, with sizes ranging from as thin as 0.07 mm to as thick as 25 mm. As of June 30, 30356, it had 8512 SKUs manufactured.

Through its Proposed 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, Enameled Aluminium Winding Wires, and Enameled Aluminium Rectangular Strips to its current product portfolio. Its product mix and plant specifications enable the company to use some of its same machinery to produce multiple alternate products in order to accommodate varied customer demand. Owing to its history of over 4 decades in winding and conductivity products manufacturing business, the company has served and will continue to serve a diverse customer base across multiple end-user industries. As of November 14, 2025, it had 139 employees on its payroll and additional contract labourers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO worth Rs. 300.01 cr. (approx. 57693308 equity shares of Re. 1 each at the upper cap). The issue comprises of fresh equity issue worth Rs. 274.00 cr. (approx. 52692308 shares at the upper cap) and an Offer for Sale (OFS) of 5001000 equity shares (worth Rs. 26.01 cr. at the upper cap). The company has announced a price band of Rs. 48 – Rs. 52 per equity shares of Re. 1 each. The issue opens for subscription on December 03, 2025, and will close on December 05, 2025. The minimum application to be made is for 288 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 27.13% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 140.00 cr. for capex on ALCU, a new project of its

subsidiary, Rs. 100.00 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The two Book Running Lead Managers (BRLMs) to this issue are Pantomath Capital Advisors Pvt. Ltd., and IDBI Capital Markets & Securities Ltd., while MUFG Intime India Pvt. Ltd., is the registrar to the issue.

The company has issued entire initial equity shares at par, and has also issued bonus shares in the ratio of 3 for 1 in November 2024. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.11, Rs. 0.25 per share.

Post-IPO, its current paid-up equity capital of Rs. 16.00 cr. will stand enhanced to Rs. 21.27 cr. Based on the upper cap of the IPO price band, the company is looking for a market cap of Rs. 1106.00 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 1015.72 cr. / Rs. 21.50 cr. (FY23), Rs. 1188.49 cr. / Rs. 25.69 cr. (FY24), and Rs. 1491.45 cr. / Rs. 40.87 cr. (FY25). For Q1 of FY26 ended on June 30, 2025, it posted a net profit of Rs. 12.06 cr. on a total income of Rs. 413.09 cr. The company marked steady growth in its top and bottom lines and maintaining its legacy of over four decades.

For the last three fiscals, the company has posted an average EPS of Rs. 2.04 and an average RoNW of 22.69 %. The issue is priced at a P/BV of 4.66 based on its NAV of Rs. 11.15 as of June 30, 2025, and at a P/BV of 6.20 based on its post-IPO NAV of Rs. 8.39 per share (at the upper cap).

If we attribute FY26 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 22.91. Based on FY25 earnings, the P/E stands at 27.08. Thus, the issue appears reasonably priced.

The company has reported PAT margins of 2.12% (FY23), 2.16% (FY24), 2.74% (FY25), 2.92% (Q1-FY26), and RoCE margins of 16.87%, 18.25%, 19.72%, 5.24% respectively, for the reported periods.

Dividend Policy

The company has not declared any dividends for the referred periods of the offer document. It has already adopted a dividend policy in October 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Precision Wires, Ram Ratna Wires, and Apar Ind., as its listed peers. They are currently trading at a P/E of 41.4, 40.2, and 39.2 (as of November 28, 2025). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The two BRLMs associated with the offer have handled 19 pubic issues in the past three fiscals, out of which 3 issues closed below the offer price on the listing date.

Conclusion / Investment Strategy

VWL is engaged in the manufacturing of winding and conductivity products ranges of wires. It enjoys legacy of over four decades and has over 8000 SKUs under one roof. The company posted steady growth in its top and bottom lines for the reported periods. It is expanding its capacities to meet the rising demand of its products. Based on its recent financial data, the issue appears reasonably priced. Considering the ongoing developments, it is poised for bright prospects ahead. Investors may lap it up 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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