VIDYA WIRES LTD.

December 02, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Capital Goods - Electrical Equipment
Offer for sale (Shares)	5,001,000
Fresh Issue (Shares)	52,692,307
Net Offer to the Public	**57,693,307**
Issue Size (Rs. Cr.)	276-300
Price Band (Rs.)	48-52
Offer Date	3-Dec-25
Close Date	5-Dec-25
Face Value	1
Lot Size	288 Shares

Issue Composition

	In shares
Total Issue for Sale	57,693,307
QIB	28,846,654
NIB	8,653,996
Retail	20,192,657

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	99.91%	72.80%
QIB	0.09%	13.63%
NIB	0.00%	4.07%
Retail	0.00%	9.49%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Vidya Wires IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. The Company Vidya Wires IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:
2. Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by the Company
3. General corporate purposes

Book Running Lead Manager

- Pantomath Capital Advisors Private Limited
- IDBI Capital Markets & Securities Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Vidya Wires Limited, incorporated in 1981, is a leading manufacturer of copper and aluminum winding and conductivity products. Its portfolio includes precision-engineered wires, copper strips, conductors, busbars, specialized winding wires, PV ribbons, and aluminum paper-covered strips. These products support critical applications across energy generation, electrical systems, e-mobility, railways, and clean-energy sectors, delivering high conductivity, durability, and thermal efficiency. The company has expanded its production capacity to 19,680 MTPA and is further augmenting it to 37,680 MTPA through an 18,000 MTPA facility in Narsanda, Gujarat. Vidya Wires offers over 8,000 SKUs ranging from 0.07 mm to 25 mm and is diversifying into copper foils, solar cables, and aluminum winding wires. Its product range includes enameled copper wires and strips, fiber-glass and paper-insulated conductors, cotton-covered ropes, PV ribbons, PV busbars, and copper busbars. As of November 14, 2025, the company employed 139 permanent staff and over 394 contract workers.

Strength

Among the Top 5 Manufacturers in India: Established in 1981, the company is a leading player in India's winding and conductivity products industry. With an installed capacity of 19,680 MTPA and a 5.7% market share in FY25, it is currently the fourth-largest manufacturer and is poised to become the third-largest after the planned capacity expansion. Capacity utilization has improved significantly from 70.31% in FY23 to 94.51% in Q1 FY26, supporting a 29.23% rise in production volumes over the last three years. Its manufacturing units in Anand, Gujarat, also offer strong logistical advantages through access to major ports for imports and exports.

De-risked Business Model with a Diversified Customer Base and Product Mix: The company follows a highly diversified and resilient business model supported by over 318 customers, including 19 international clients across 18+ countries. No single customer contributes more than 9% of revenue. With over 8,000 SKUs—spanning enameled wires, insulated conductors, PV ribbons, and busbars—the company caters to multiple industries, including power transmission, automotive, renewables, EVs, and general engineering. This wide product portfolio and customer spread help mitigate risks arising from sectoral or regional slowdowns.

Backward Integration, Quality Control, and Sustainability Initiatives: The company ensures supply chain reliability and product consistency through backward integration, producing 35–40% of its copper rod requirement in-house. It adheres to strong quality and operational standards backed by ISO 9001, ISO 45001, and ISO 14001 certifications, along with BIS product approvals. It is also a pre-approved supplier to Power Grid Corporation of India. Sustainability is a key focus, with emission-control systems and renewable power sources—such as a 343 KW solar plant and a 2,000 KW windmill—contributing 22–27% of its power needs and providing carbon credit benefits.

Strategically Located Operations: The company's facilities in Anand, Gujarat, provide a strong competitive advantage through proximity to major Western ports such as Hazira and Mundra. Gujarat and Maharashtra collectively contribute 65–70% of its revenues, supported by the region's strong industrial base and availability of key raw materials like bauxite. This strategic location enhances both supply chain efficiency and market access, enabling expansion within one of India's most industrialized regions.

Longstanding Customer and Supplier Relationships: With over four decades of industry presence, the company has built long-term relationships with marquee customers such as Schneider Electric Infrastructure, Suzlon Energy, and Transformers & Rectifiers

(India) Limited. Repeat customers contribute 80–94% of revenue. The company also exports UL-certified products to 18+ countries, with exports contributing 11–18% of revenue. On the procurement side, it maintains strong partnerships of over 10 years with large suppliers—including Vedanta, Hindalco, and Union Copper Rod—ensuring uninterrupted raw material availability.

Consistent and Efficient Financial Performance: The company has remained profitable for 40 consecutive years and ranks among the fastest-growing players based on EBITDA and PAT CAGR over the last three fiscals. It leads its peer set in working-capital efficiency, supported by strong fixed asset turnover, inventory management, and optimized receivable and payable cycles. CRISIL reaffirmed its ratings at CRISIL A-/Stable and CRISIL A2+ in August 2025, reflecting its robust financial position and continuous improvement in net worth.

Strategy

Capacity Expansion and Product Portfolio Diversification: The company is executing a major capacity expansion of 18,000 MTPA, increasing total installed capacity to 37,680 MTPA. This is expected to double its market share from 5.7% in FY25 to approximately 11.3%, elevating it to the third-largest player in India. It also plans to diversify into high-potential products—including copper foils, solar cables, and enameled aluminum winding wires—expanding its portfolio to nearly 18 product categories. The objective is to deepen wallet share and leverage opportunities in fast-growing sectors such as renewables, EVs, and transformers for AI-led data centers.

Focus on High-Growth Renewable Energy and EV Segments: The company is positioned to benefit from India's accelerating renewable energy and EV transition, driven by climate commitments, the 500 GW non-fossil fuel target by 2030, and schemes such as EMPS 2024. Products like enameled copper wires, PV ribbons, and insulated conductors are witnessing rising demand from EV motors, battery systems, and solar module manufacturing. With RE and EV currently contributing 7–10.71% of revenue, the company aims to capture significantly higher share by scaling capacity at its new facility and introducing solar cables and PV round ribbons.

Expanding Global Footprint: The company plans to increase export contribution to 25% of revenue, compared to the historical average of 14.62%. Its Western India location enhances export competitiveness through efficient port access. It plans to deepen relationships in existing foreign markets while expanding to new geographies, supported by a wider portfolio and potential overseas marketing or operational setups. This aligns with rising global demand for transformers, renewable energy components, and EV infrastructure.

Strengthening Sustainability and Operational Efficiency : Aligned with the rising global demand for copper and aluminum in clean-energy applications, the company aims to enhance its sustainability focus by increasing renewable energy usage, adding new solar capacity, and deploying energy-efficient, resource-optimized machinery. These initiatives will help reduce operating costs, lower emissions, and improve long-term environmental performance.

Deleveraging to Improve Financial Flexibility: To strengthen its balance sheet, the company plans to use Rs. 100 crore from the Net Proceeds of the Offer to repay or prepay fund-based borrowings, which stood at Rs. 162.75 crore as of June 30, 2025. Lower leverage will reduce interest costs, improve liquidity, enhance debt-to-equity resilience, and provide greater financial headroom for future expansion opportunities.

Risk Factor

- Over 80% of revenue comes from the power & transmission, general engineering, and electrical sectors. Any slowdown in these industries could negatively impact performance.
- Volatility, shortages, or delays in sourcing key raw materials may adversely affect costs, production timelines, sales, and overall financial results.
- The company undergoes pre-qualification and facility audits by certain customers; failure to meet their standards may result in loss of orders.
- There have been delays in statutory payments in the past; continued delays may attract regulatory penalties.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Apar Inds.	20663.22	939.50	233.89	38.42	7.44	1208.04	10	8985.40	36092.84
Prec. Wires (I)	4354.72	111.23	6.18	39.79	6.69	36.73	1	245.90	4427.21
Ram Ratna Wires	3991.28	71.19	15.25	39.91	5.60	108.68	5	608.70	2841.08
Vidya Wires Ltd.	1486.39	40.87	1.92	27.06	2.44	21.27	1	52.00	1106.00

***Peer companies financials are TTM based**
*****Vidya Wires Ltd. financials are based on Fy25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.52, the stock is priced at pre issue P/E of 20.36x on FY25 EPS of Rs.2.55. Post issue, the stock is priced at a P/E of 27.06x on its EPS of Rs. 1.92. Looking at the P/B ratio at Rs. 52 pre issue, book value of Rs. 11.15 of P/Bvx 4.66x. Post issue, book value of Rs.21.27 of P/Bvx 2.44x.

Considering the P/E valuation, on the lower end of the price band of Rs.48, the stock is priced at pre issue P/E of 18.79x on FY25 EPS of Rs. 2.55. Post issue, the stock is priced at a P/E of 24.98x on its EPS of Rs.1.92. Looking at the P/B ratio at Rs. 48 pre issue, book value of Rs. 11.15 of P/Bvx 4.30x. Post issue, book value of Rs.21.27 of P/Bvx 2.26x.

Industry Outlook

The overall industry outlook for winding and conductivity products is strongly positive, driven by the government-led transition toward a cleaner energy economy and rapid industrial growth. In the Power Sector, India's total power generation capacity is projected to double from 442 GW in March 2024 to approximately 900 GW by March 2032, supported by a government plan to establish 500 GW of renewable capacity by 2030. This focus on clean energy will significantly boost demand for industry components, particularly as installed solar power capacity is expected to reach 365 GW by FY32. Furthermore, the Electric Vehicle (EV) sector is driving a rising demand for copper and aluminum, as these materials are crucial for vehicle electrification and efficiency. This trend, combined with a projected growth in the Indian automotive manufacturing industry to $113.5 billion by 2028, suggests continued high demand for related winding and conductivity products across key end-user segments.

Outlook

Vidya Wires is well-positioned for growth, supported by capacity expansion, product diversification, and rising demand from renewables, EVs, and power sectors. Its strong customer base, backward integration, and improving financial efficiency enhance competitiveness. However, dependence on key industries, raw material volatility, and regulatory or customer-audit risks may affect performance. Overall, its strategic expansion, sustainability focus, and export push provide a positive long-term outlook, subject to disciplined execution and sector stability.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	03-December-25
BID/ISSUE CLOSES ON	05-December-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	08-December-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	09-December-25
Credit of Equity Shares to Demat Accounts of Allottees	09-December-25
Commencement of trading of the Equity Shares on the Stock Exchanges	10-December-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	411.76	1486.39	1186.07
Total expenditure	393.09	1422.17	1140.56
Operating Profit	**18.67**	**64.22**	**45.51**
OPM%	4.53	4.32	3.84
Other Income	1.33	5.06	2.42
Total Net Income	**20.00**	**69.28**	**47.93**
Interest	3.19	11.35	10.92
PBDT	**16.81**	**57.92**	**37.02**
Depreciation	0.87	2.83	2.70
PBT	**15.95**	**55.09**	**34.32**
Tax	3.89	14.22	8.63
Profit & Loss	**12.06**	**40.87**	**25.69**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	43.40	41.01	39.64
Capital Work In Progress	9.77	3.47	0.00
Intangible assets	0.13	0.13	0.15
Financial assets			
Investments	0.00	0.00	0.00
Other non-current assets	0.94	0.92	0.76
Total non-current assets	**54.24**	**45.53**	**40.55**
Current asset			
Financial Assets			
Inventories	101.74	85.35	75.48
Trade receivables	144.29	147.94	88.11
Cash and cash equivalents	1.11	0.45	0.26
Bank balances other than (ii) above	0.32	0.30	0.33
Other financial assets	0.90	0.61	0.20
Other current assets	74.34	51.16	42.93
Total current assets	**322.69**	**285.80**	**207.29**
Total Assets	**376.93**	**331.33**	**247.84**
Non-current liabilities			
Financial liabilities			
Borrowings	23.11	18.41	15.57
Dwffered Tax Liabilities (Net)	2.91	2.92	2.67
Provisions	0.21	0.33	0.07
Total Non- Current liabilities	**26.23**	**21.66**	**18.30**
Current liabilities			
Financial Liabilities			
Borrowings	139.64	127.22	94.14
Trade Payables			
- Total outstanding dues of MSME	5.07	1.46	0.48
- Total outstanding dues of creditors other than MSME	17.67	7.67	6.82
Other current liabilities	4.35	4.17	2.21
Current Tax Liabilities	3.35	1.87	0.11
Provisions	2.27	0.93	0.25
Total - Current Liabilities	**172.33**	**143.31**	**104.00**
Total Liabilities	**198.56**	**164.97**	**122.30**
Net worth represented by:			
Equity share capital	16.00	16.00	4.00
Other equity	162.37	150.36	121.54
Total Equity	**178.37**	**166.36**	**125.54**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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