Vidya wires Ltd.

IPO NOTE | 02nd December , 2025

Canara Bank Securities Ltd
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ABOUT THE COMPANY: Vidya Wires Limited (VWL), incorporated in 1981, manufactures winding and conductivity products through two Anand-based facilities with a 19,680 MTPA capacity, achieving 94.51% utilisation in Q1 FY2026 (up from 70.31% in FY2023). With 8,000+ SKUs serving sectors like energy, electrical systems, EVs, clean energy, motors, and railways, its diversified portfolio and broad customer base help mitigate concentration risks.

KEY BUSINESS INSIGHTS: Vidya Wires manufactures winding and conductivity products like Enameled Wires, Copper Strips, Busbars, and PV Ribbons for sectors such as energy, EVs, and electrical systems. With 19,680 MTPA capacity and a 5.7% market share, it is India's 4th largest player. Its new ALCU unit in Narsanda will add 18,000 MTPA, taking total capacity to 37,680 MTPA, and will produce Busbars, Foils, CTC Conductors, PV Ribbons, and Solar Cables. The company also meets 35–40% of its copper rod requirement in-house and sources 22–27% of its power from captive solar (343 KW) and wind (2,000 KW) plants. Financially, PAT has grown from ₹21 crore in FY2023 to ₹40 crore in FY2025, though rising receivables (₹87 crore to ₹147 crore) show weak cash conversion. A diversified product mix and customer base reduce sector risk, but the business remains vulnerable to raw material volatility, with copper, aluminium, and insulation inputs forming 93–97% of revenue across FY23–Q1 FY26. This high dependency could pressure costs, margins, and cash flows.

SUBSCRIBE

ISSUE DETAILS	
Price Band (in ₹ per share)	48-52
Issue size (in ₹ Crore)	500.00
Fresh Issue (in ₹ Crore)	274.00
Offer for Sale (in ₹ Crore)	26.01
Issue Open Date	03.12.2025
Issue Close Date	05.12.2025
Tentative Date of Allotment	08.12.2025
Tentative Date of Listing	10.12.2025
Total Number of Shares (in lakhs)	576.93
Face Value (in ₹)	01.00
Exchanges to be Listed on	NSE & BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	288	₹14,976
Retail (Max)	13	3,744	₹1,94,688
S-HNI (Min)	14	4,032	₹2,09,664
S-HNI (Max)	66	19,008	₹9,88,416
B-HNI (Min)	67	19,296	₹10,03,392

BRLMs: Pantomath Capital Advisors Pvt.Ltd and IDBI Capital Markets & Securities Limited

PROMOTERS: SHYAMSUNDAR RATHI, SHAILESH RATHI, AND SHILPA RATHI

OUR VIEW: Vidya Wires Limited, India's 4th-largest player in the winding and conductivity segment with a 5.7% FY25 market share, offers a diversified product portfolio spanning enameled wires, copper strips, busbars, PV ribbons, and aluminium conductors. Its products serve key sectors including energy, electrical systems, EVs, clean energy, and railways.

The company trades at an attractive 20x PE versus the ~45x peer average. Despite risks like raw material volatility, stretched working capital, and weak cash conversion, Vidya Wires has delivered strong revenue, EBITDA, and PAT CAGRs of 21.23%, 36.86%, and 37.87% over FY2023–FY2025. With capacity expansion and new production lines launching by March, it is well-positioned to accelerate growth and enhance its market presence. The combination of strong momentum, industry tailwinds, and compelling valuation underpins our positive outlook.

We recommend investors to **SUBSCRIBE** to this issue.

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)*	Q1FY26	FY25	FY24	FY23
Share Capital***	16.00	16.00	4.00	4.00
Net Worth	178.37	166.36	125.54	100.11
Revenue from Operations	411.76	1,486.39	1,186.07	1,011.44
EBITDA	18.67	64.22	45.52	35.84
EBITDA Margin (%)	4.53%	4.32%	3.84%	3.54%
Profit/(Loss) After Tax	12.06	40.87	25.69	21.5
EPS (in Rs.)	0.75	2.55	1.61	1.34
Net Asset Value (in Rs.)	11.15	10.4	7.85	6.26
Total borrowings	-	-	-	-
P/E#	17.33^	20.39	NA	NA
P/B#	4.66	5.00	NA	NA

** Restated consolidated financials; #Calculated at upper price band 52^annualised***The share capital increased to 160,000,000 Equity Shares of face value ₹1 each (post-FY24) following a sub-division (₹10 to ₹1) and a subsequent 3:1 bonus issue on November 19, 2024, which capitalized free reserves.*

OBJECTS OF THE OFFER

The Company proposes to utilize the net proceeds towards funding the following objects:

- To carry out the Offer for Sale.
- Funding capital expenditure requirements for setting up new project the subsidiary viz. ALCU up to Rs. 140 crores.
- Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by the Company up to Rs. 100 crores .
- General corporate purposes.

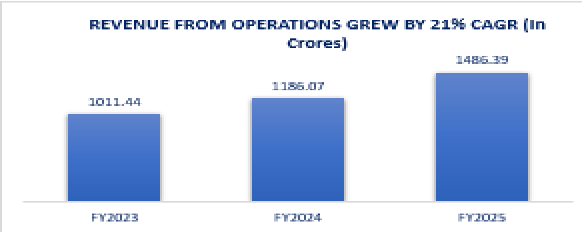
FINANCIAL STATEMENTS

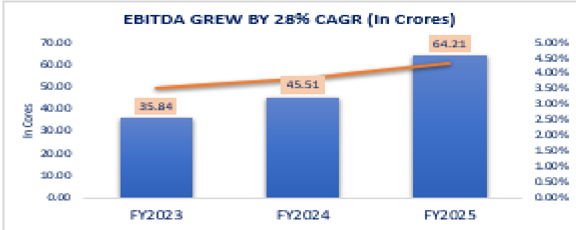
Particulars	FY2023	FY2024	FY2025
Income			
Revenue from operations	1011.44	1186.07	1486.39
Other income	4.28	2.42	5.06
Total income	**1015.72**	**1188.49**	**1491.45**
YoY Growth (%)	-	17.27%	25.32%
Expenses			
Cost of materials consumed	940.20	1102.31	1388.89
Change in inventories of finished goods ar	3.06	3.73	-10.05
Manufacturing expense and erection charg	16.83	20.39	25.61
Employee benefit expense	5.81	6.03	8.90
Finance costs	8.34	10.92	11.35
Depreciation and amortisation expense	2.73	2.70	2.83
Other expenses	9.70	8.10	8.83
EBITDA (Calculated)	**35.84**	**45.51**	**64.21**
EBITDA Margin	**3.54%**	**3.84%**	**4.32%**
EBIT	37.39	45.23	66.44
PBT	29.05	34.31	55.09
Tax expense/(credit)			
Current tax	6.63	8.65	13.97
Deferred tax	0.92	-0.02	0.26
Restated profit/(loss)	**21.50**	**25.68**	**40.86**
PAT Margin (%)	2.13%	2.17%	2.75%

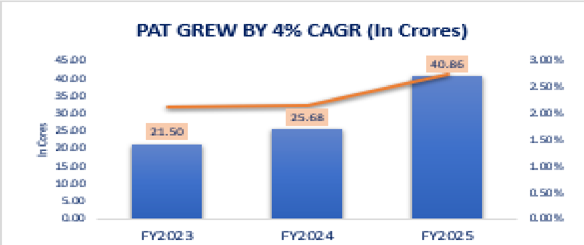
Cashflow Statement			
Particulars (In Crores)	**FY2023**	**FY2024**	**FY2025**
Cash generated from operations	43.39	10.54	-4.84
Income tax paid (net of refunds)	-5.86	-8.38	-12.00
Net cash (used in)/generated from operating activities (A)	37.54	2.16	-16.84
Net cash (used in)/generated from investing activities (B)	-5.65	-3.68	-7.54
Net cash (used in)/generated from financing activities (C)	-31.84	1.69	24.57
Net increase/(decrease) in cash and cash equivalents (A+B+	**0.04**	**0.17**	**0.19**
Balance as at beginning (Cash and cash equivalents)	0.04	0.08	0.26
Cash and cash equivalent as at year end	**0.08**	**0.26**	**0.45**

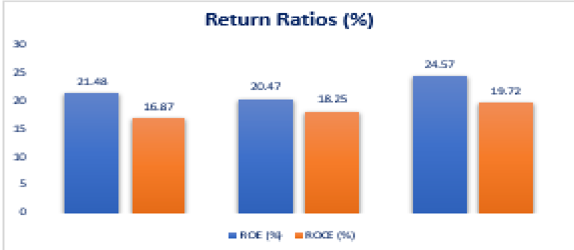
Particulars	FY2023	FY2024	FY2025
ASSETS			
I. Non-current assets			
Property, plant and equipment	37.89	39.64	41.01
Capital Work-in-Progress	0.00	0.00	3.47
Other Intangible Assets	0.16	0.15	0.13
Financial assets: Investments	0.00	0.00	0.00
Other non-current assets	0.75	0.76	0.92
Total Non- Current Assets	**38.80**	**40.55**	**45.53**
II. Current assets			
Inventories	58.86	75.48	85.35
Financial Assets: Trade receivables	87.17	88.11	147.94
Financial Assets: Cash and cash equivalents	0.08	0.26	0.45
Financial Assets: Bank Balances	0.91	0.33	0.30
Financial Assets: Other financial assets	0.24	0.20	0.61
Income Tax assets (Net)	0.92	0.00	0.00
Other current assets	22.11	42.93	51.16
Total current assets	**170.29**	**207.29**	**285.80**
Total Assets	**209.08**	**247.84**	**331.33**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4.00	4.00	16.00
Other equity (Attributable to Shareholders of the Company)	95.86	121.54	150.36
Non-controlling interest	0.25	0.00	0.00
Total Equity	**100.11**	**125.54**	**166.36**
Liabilities			
I. Non-current liabilities			
Financial Liabilities: Borrowings	10.65	15.57	18.41
Non Current provisions	0.08	0.07	0.33
Deferred tax liabilities (net)	2.69	2.67	2.92
Total non-current liabilities	**13.42**	**18.30**	**21.66**
II. Current liabilities			
Financial liabilities: Borrowings	86.46	94.14	127.22
Trade payables: Dues of micro enterprises and small enterprises	2.18	0.48	1.46
Trade payables: Dues of creditors other than micro and small enterprises	4.30	6.82	7.67
Other current liabilities	2.32	2.21	4.17
Current Provisions	0.29	0.25	0.93
Current tax liabilities (net)	0.00	0.11	1.87
Total current liabilities	**95.56**	**104.00**	**143.31**
Total liabilities	**108.97**	**122.30**	**164.97**
Total equity and liabilities	**209.08**	**247.84**	**331.33**
Other Current Financial Liabilities	10.92	9.72	13.15
Short Term Provisions	1.70	2.03	7.12
Liability for Current Tax	8.15	14.15	19.60
Other Current Liabilities	35.88	58.58	72.15
Total Current Liabilities	**226.22**	**333.05**	**435.19**
TOTAL EQUITY AND LIABILITIES	**432.05**	**613.72**	**931.02**

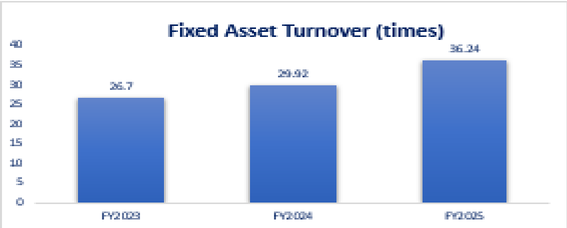
PERFORMANCE THROUGH CHARTS

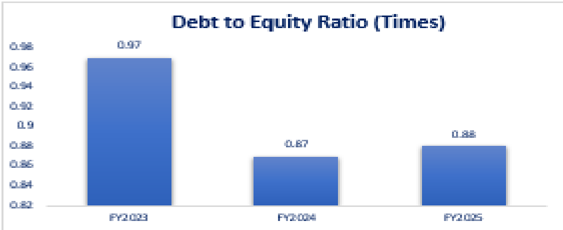


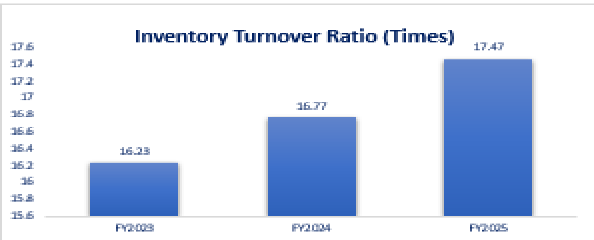


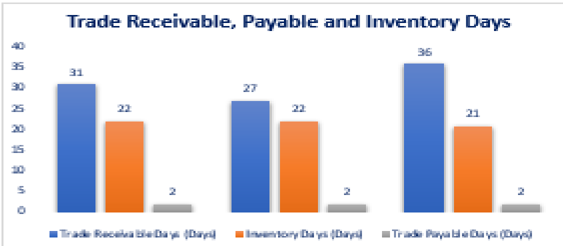


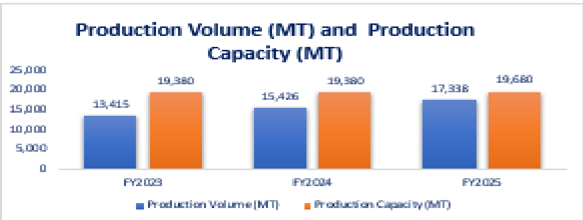


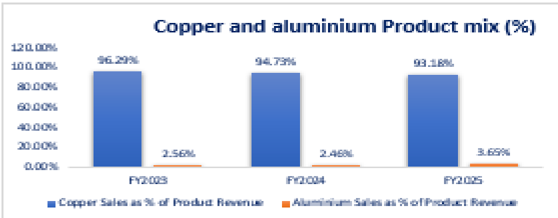


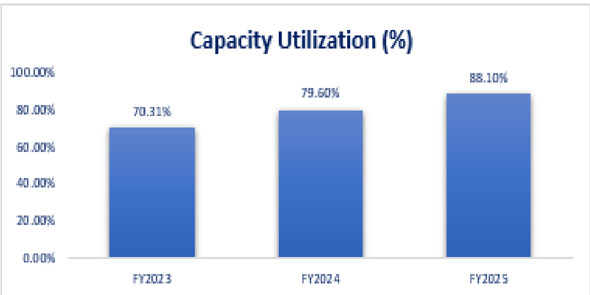


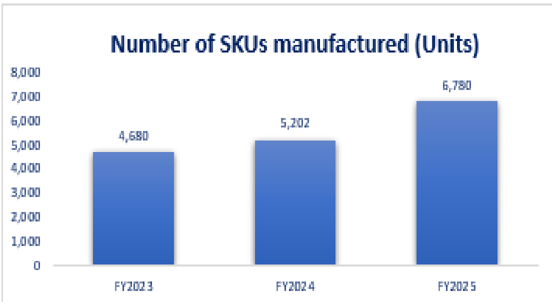


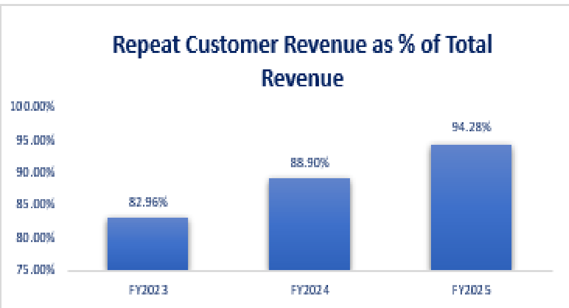


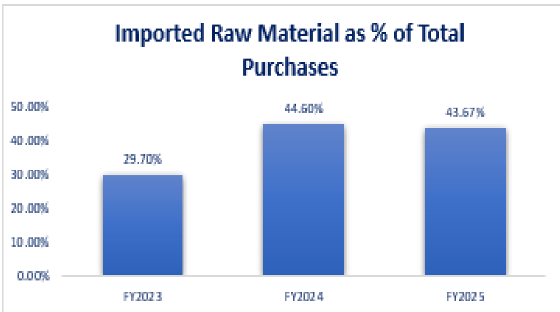












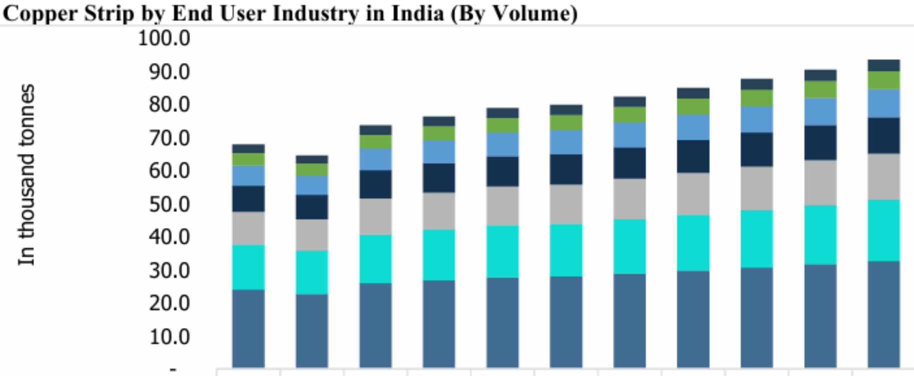
Source: RHP

INDUSTRY REVIEW

OVERVIEW OF THE INDUSTRY IN INDIA

- The Indian winding and conductivity products industry, as detailed in the CareEdge Report, forms a critical upstream component for multiple sectors. The total market size stands at about 3.43 lakh MT in FY25, with the top five players accounting for 46.4% share. Over 90% of production—by both volume and value—comes from the top 10 states, led by Gujarat, Maharashtra, Tamil Nadu, Karnataka, and Telangana.
- The industry caters to a wide range of applications through products such as enameled wires, PICC, copper busbars, and PV ribbons. These products are essential across power and transmission, renewable energy, EV/automotive, electrical equipment, appliances, and general engineering sectors, all of which drive consistent demand.
- Strong structural tailwinds support long-term industry growth, driven by rapid urbanization, rising infrastructure investments, and the shift toward sustainable energy. Ambitious targets like 500 GW renewable capacity by 2030, India's vast untapped solar and wind potential, and government incentives such as EMPS 2024 and PLI schemes are expected to significantly boost demand for wires, conductors, and related components.
- However, the industry faces notable headwinds, including raw material price volatility in copper and aluminium—both linked to LME benchmarks—which can pressure margins. High fragmentation, quality inconsistencies, counterfeit products, and geopolitical uncertainties also pose risks to competitiveness and operational stability.
- Within this landscape, Vidya Wires Limited stands as the 4th largest manufacturer with a 19,680 MTPA installed capacity in FY25, representing a 5.7% market share. Following its proposed 18,000 MTPA expansion via ALCU Industries, total capacity will rise to 37,680 MTPA, potentially positioning it as the 3rd largest player with an estimated 11.3% share. Key peers include Precision Wires India, Ram Ratna Wires, and Apar Industries.

Consumption of Enamel Copper Strip by End User Industry in India (By Volume)



	CY19	CY20	CY21	CY22	CY23	CY24	CY25 E	CY26 P	CY27 P	CY28 P	CY29 P
Others	2.6	2.4	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4
Industrial Machinery	3.7	3.6	4.1	4.2	4.4	4.5	4.6	4.8	5.0	5.2	5.3
Renewable Energy	6.1	5.8	6.7	6.9	7.2	7.3	7.5	7.7	8.0	8.3	8.6
Automotive Industry	7.9	7.5	8.6	8.9	9.2	9.3	9.6	9.9	10.2	10.6	10.9
Electronics and Telecommunications	10.0	9.5	10.9	11.3	11.7	11.9	12.3	12.7	13.1	13.6	14.1
Power Transmission & Distribution	13.7	13.0	14.8	15.3	15.8	15.9	16.4	16.9	17.4	17.9	18.5
Electrical Equipment & Appliances	23.9	22.8	25.9	26.8	27.7	28.0	28.9	29.8	30.7	31.7	32.7

Source: CMI, CareEdge Research; Note: E- Estimate, P- Projection

COMPETITIVE STRENGTHS OF THE COMPANY

Strategic Positioning and Expansion for Emerging Sectors

- The entity currently holds the 4th position in capacity within the industry. Planned capacity expansion (18,000 MTPA) is aimed at increasing total capacity to 37,680 MTPA.
- Strategic focus includes expanding presence in high-growth areas like Renewable Energy (solar and windmill) and Electric Vehicles (EV). Revenue contribution from these sectors increased from 7.11% in FY23 to 10.66% in the three months ended June 30, 2025.
- Future products planned for the expansion project include specialized items like Solar Cables, Continuously Transposed Copper Conductors, and Enameled copper rectangular strips for EV motors.

De-risked Business Model via Diversification

- A de-risked business model is maintained through a broad product portfolio and diverse customer base.
- The manufacturing operation produces over 8,000 Stock Keeping Units (SKUs) of winding and conductivity products. This range reduces dependence on any single product category.
- The entity transacted with 458 active customers in FY25, but notably, no single customer contributed over 9% of annual revenues across the last three fiscals or the three months ended June 30, 2025. This provides insulation against risks associated with customer loss.
- Customer relationships are long-standing, with repeat customers contributing 94.28% of total revenue from operations in Fiscal 2025.

Competitive Strengths and Superior Efficiency

- The competitive standing is bolstered by demonstrated high financial growth, operational efficiency compared to peers
- The entity achieved a Fixed Assets Turnover Ratio of 36.24 in Fiscal 2025, representing the highest average among comparable peers over FY23 to FY25. This highlights the effective generation of revenue from manufacturing assets.
- The enterprise is one of the fastest-growing companies in the industry based on recent earnings growth metrics. The EBITDA CAGR was 33.86% and the PAT CAGR was 37.86% between Fiscal 2023 and Fiscal 2025.
- Operational profitability, as measured by EBITDA Margin, has steadily improved, rising from 3.54% in FY23 to 4.32% in FY25.

RISK FACTORS

Financial and Liquidity Risks

- The company reported negative cash flows from operating, investing, and financing activities in the three months ended June 30, 2025, and in the preceding three Fiscals (e.g., net cash used in operating activities was ₹ (168.36) million in FY25). Sustained negative cash flow could impact growth and liquidity.
- As of June 30, 2025, total consolidated borrowings amounted to ₹1,627.48 million, resulting in a Debt-to-Equity Ratio of 0.91. Although the ratio has improved (from 0.97 in FY23), reliance on debt for capital expenditure and working capital creates exposure to adverse changes in interest rates or inability to meet covenants.

Reliance on Volatile Raw Materials and Concentrated Suppliers

- Operations are highly dependent on copper (contributing over 93% of revenue) and other materials like aluminium. Prices are linked to the London Metal Exchange (LME). The entity may be unable to consistently pass on cost increases to customers, which could adversely affect profitability and margins.
- The supply chain demonstrates heavy dependence on a few entities. Purchases from the top 5 suppliers accounted for 86.26% of raw material purchases in Fiscal 2025. Specifically, the top 2 suppliers (Vedanta Limited and Marubeni Corporation) collectively contributed over 60% of total purchases in the last three Fiscals. Disruptions or disputes with these key suppliers could significantly interrupt production.

Concentration Risk in Revenue and Geography

- The business has high reliance on three major sectors. Over 80% of revenues from operations were derived from supplies to the Power & Transmission, General Engineering, and Electrical sectors in the three months ended June 30, 2025, and the last three Fiscals (e.g., 87.13% in FY25). A downturn in any of these key sectors could severely impact the business.
- Domestic revenue is significantly concentrated in Western India. The states of Gujarat and Maharashtra constituted 69.88% of revenue from operations in Fiscal 2025. Any adverse economic, political, or social disturbance in this region could negatively affect financial results.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Vidya Wires Limited	1,486.39	1	2.55	10.4	24.57	20.39	5.00
Precision Wires India Limited	4,014.83	1	5.04	32.25	15.63	50.87	7.95
Ram Ratna Wires Limited	3,676.75	5	15.04	110.74	14.39	40.84	5.55
Apar Industries Limited	18,581.21	10	204.47	1,121.1	18.24	44.75	8.16

Canara Bank Securities Ltd.
(A Wholly Owned Subsidiary of Canara Bank)

Research Desk
Canara Bank Securities Ltd

SEBI: RESEARCH ANALYST REGISTRATION: INH000001253

BSE: INB 011280238, BSE F&O: INF 011280238

NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232

Maker Chambers III, 7th floor,

Nariman Point, Mumbai 400021

Contact No. : 022 - 43603861/62/63

Email id: researchdesk@canmoney.in

Canara Bank Securities Ltd

canmoney.in

Analyst Certification

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