

RAPIDLY RISING LEADER IN INDIA'S COPPER AND ALUMINIUM WIRE INDUSTRY

Vidya Wires Limited (VWL) is a leading player in India's copper and aluminium wire industry, currently ranked as the 4th largest manufacturer by installed capacity. Following the proposed capacity expansion, the company is set to become the 3rd largest, significantly strengthening its market position. VWL has demonstrated strong financial performance, posting one of the highest **CAGR growth rates in EBITDA (33.9%) and PAT (37.9%) within the industry**, while maintaining superior working capital efficiency. The company consistently outperforms peers on key operational metrics, including **Fixed Assets Turnover (36.2 times), Inventory Turnover (17.5 times), and days for Trade Receivables (36 days), Inventory (21 days), and Trade Payables (2 days)**. As of FY24, VWL holds a market share of approximately 5.9%, which is expected to increase to 11.3% post-expansion. Since its establishment in 1981, VWL has steadily expanded its product portfolio and customer base, cementing a strong foothold in the copper and aluminium wire market and positioning itself for sustained long-term growth.

Capacity-led growth momentum to unlock higher market share and broaden product opportunities

The company is undertaking a significant capacity expansion to capitalize on rising demand from both existing and new customers across domestic and international markets. The proposed manufacturing project will add 18,000 MT of capacity, increasing the total installed capacity from 19,680 MT to 37,680 MT—nearly doubling its scale. This expansion not only strengthens the company's ability to meet current demand but also positions it to capture incremental market share through a wider and more advanced product offering. Currently ranked as the 4th largest manufacturer in India's copper and aluminium winding wire segment, the company is set to become the 3rd largest post-commissioning of the new facility. Beyond scaling capacity, the project will materially enhance the product portfolio: from over 6,780 (FY25) existing SKUs to a broader suite of approximately 20 product categories. New additions will include copper foils, copper components, continuously transposed conductors, PV round ribbon, solar cables, multi paper covered conductors, enamelled aluminium winding wires, and enamelled aluminium rectangular strips. This expanded portfolio opens new addressable markets and strengthens the company's competitive positioning across multiple end-use industries.

Strong tailwinds from renewable energy and EV growth

India's accelerating push toward clean energy and electric mobility is creating strong demand for specialized copper and aluminium wires. With national targets of 500 GW renewable capacity by 2030 and rising domestic solar manufacturing, sector growth is set to remain robust. VWL already derives around 7% of its revenues from Renewables and EVs, supported by products such as PV ribbon, paper insulated copper wire/strip, and enamelled copper wires used in solar modules, wind systems, and EV motors. The company plans to deepen its presence through new products, including solar cables, PV round ribbon, and enamelled copper rectangular strips, positioning it to capture increasing opportunities in these high-growth segments.

De-risked, diversified business model backed by global reach and multi-sector demand

A highly de-risked and diversified revenue profile supported by a broad global customer base and an extensive multi-industry product portfolio positions the company for resilient and scalable growth. With over 450+ (total) customers—including 40+ international clients across 20+ countries—and no single customer contributing more than 9% of revenues, the business model is well insulated from concentration risk. Its portfolio of approximately 13 wire product categories across copper and aluminium, spanning more than 6,400 SKUs, enables the company to cater to a wide range of applications across sectors such as Power & Transmission, Automotive, General Engineering, Electrical, Renewables & EV, and Consumer Durables.

Risks - A) Disruption at manufacturing facilities could impact operations. B) Heavy reliance on winding wires market poses risk. C) Top suppliers' dependence could disrupt raw material supply. D) Revenue concentrated in Western India, industrial sectors. E) Raw material price volatility could hurt margins.

Rating	Subscribe
Issue Details	
Issue Opens	3-Dec-25
Issue Closes	5-Dec-25
Face Value (₹)	1
Price Band (₹)	48-52
Bid Lot	288
Issue Size at higher price band (₹ Cr)	300.01
Market cap. @ upper price band (₹ cr)	1,106
Listing	NSE/BSE
BRLMs	Pantomath Capital Advisors, IDBI Capital
Registrar	MUFG Intime India Pvt. Ltd.

Shareholding Pattern (%)		
	Pre-Issue	Post Issue
Promoter	99.91	72.80
Others	0.09	27.20
Issue Structure (In cr. no. of shares)		
Issue size	5.77	
Break-up of net issue to public (%):		
QIB's portion	50%	
Non-Institutional portion	15%	
Retail Portion	35%	

Research Team: -

Ninad Sarpotdar
Research Analyst
 ninad.sarpotdar@adityabirlacapital.com
 022-6819 2513

Outlook and Valuation -

The VWL IPO appears attractively valued at the upper price band of Rs 52 and is valued at a FY25 P/E ratio of 27.1x on post-issue capital. **The company has demonstrated healthy financial performance with Revenue/EBITDA/PAT growing at a CAGR of 21%/34%/38% to Rs 1,486 cr/Rs 64 cr/Rs 41 cr respectively between FY23-25.** The company's expanding capacity (37,680 MT), widening product portfolio (20), and well-diversified domestic and global customer base provide a solid platform for sustained performance. Coupled with consistent financial growth and strengthening industry tailwinds, VWL presents a compelling long-term opportunity for investors seeking businesses with strong fundamentals, scalable operations, and durable competitive advantages. The introduction of new products is expected to be accompanied by improved margins, potentially enhancing profitability in the future. **VWL is available at a fairly reasonable valuation of 27x its FY25 EPS, leaving much growth room for investors. We recommend investors to SUBSCRIBE to the issue at the cut-off price for a long-term investment horizon.**

Financials-

Particulars	FY23	FY24	FY25
Operating Revenue	1,011	1,186	1,486
EBITDA	36	46	64
EBITDA Margins	3.5%	3.8%	4.3%
Net Profit/ (Loss)	22	26	41
Net Worth	100	126	166
Debt	97	110	146
Cash & Bank	1.0	0.6	0.7
Debt/ Equity	0.97	0.87	0.88
ROE (%)	21.5%	20.5%	24.6%
ROCE (%)	16.9%	18.3%	19.7%
P/E	38.7	32.4	20.4

Disclaimer:

I, **Ninad Sarpotdar**, hereby certify that the views expressed in this research report reflect our views about the subject securities.

Further, I confirm that I have not served, as an officer, director, or employee of the companies mentioned in this report. Neither I nor ABML have been engaged in market-making activities in the subject company. Artificial intelligence (AI) tools have not been used in the preparation of this research report.

Aditya Birla Money Limited is also engaged in the business of offering stock broking and depository services through its affiliations with Stock Exchanges, Depositories. It also offers Portfolio Management Services. Aditya Birla Money Limited is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a Composite Corporate Agent. Securities Broking is through Aditya Birla Money Limited.

This report is not intended for distribution to, or use by, any individual or entity that is a citizen, resident, or located in any jurisdiction—whether locality, state, or country—where such distribution, publication, availability, or use would violate applicable laws or regulations, or would subject Aditya Birla Money Limited and its affiliates to any registration or licensing obligations within that jurisdiction. The securities mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Recipients of this document are responsible for ensuring they comply with all relevant restrictions and regulations.

This report is compiled from publicly available data and sources considered reliable. However, ABML has not independently verified the information, and its accuracy or completeness is not guaranteed. The report is intended solely for informational purposes and should not be construed as an offer or solicitation to buy, sell, or subscribe to any securities or financial instruments.

Although distributed simultaneously to all clients, delivery times may vary. Receipt of this report does not establish a client relationship with ABML. The content herein does not constitute investment, legal, accounting, or tax advice, nor does it imply suitability for any specific investor.

Investors should assess the relevance of any securities or strategies discussed in this report based on their own financial goals and risk tolerance. Independent judgment and evaluation of risks are essential before making investment decisions. Market conditions, interest rates, and currency fluctuations may affect investment value and returns. This may not be taken in substitution for the exercise of independent judgment by any recipient.

ABML disclaims any liability for losses arising from the use of this report. Past performance is not indicative of future results. Investors are advised to review the Risk Disclosure Document to understand the risks involved. Forward-looking statements are subject to change and may differ from actual outcomes. ABML may have issued other reports that are inconsistent with, and may reach different conclusions from, the information contained in this report.

ABML or its associates are engaged in various financial services businesses and as such may, from time to time, own 1% or more of the equity securities of the company mentioned in the report or hold interests or positions or might have other material conflict of interest in the securities of the company(ies) mentioned in this report, or may engage in transactions involving such securities, or have other interests related to the recommendations, information, or opinions presented. During the twelve months preceding the publication of this report, Aditya Birla Money Limited or its associates may have received compensation from the companies mentioned herein for services including, but not limited to, managing or co-managing public offerings, corporate finance, investment banking, merchant banking, brokerage services, or advisory services related to mergers or specific transactions. Additionally, Aditya Birla Money Limited or its associates may have received compensation for products or services unrelated to investment banking, merchant banking, or brokerage services from these companies.

Research Analysts or their relatives do not own 1% or more of the equity securities of the company mentioned in the report as of the last day of the month preceding the publication of the research report. Neither the Research Analysts nor their relatives have any material conflict of interest at the time of publication of this report. The Research Analysts involved in this report have not received any compensation or benefits from the companies mentioned in this report or from any third party in connection with its preparation. At the time of publication, neither Aditya Birla Money Limited nor the Research Analysts, including their immediate relatives, have any material conflict of interest.

No material disciplinary action has been taken against ABML by any regulatory authority in relation to equity research activities during the past one year.

Aditya Birla Money Limited is committed to maintaining independence in the preparation of research reports and takes necessary steps to avoid conflicts of interest. Aditya Birla Money Limited also follows a strict employee trading policy that governs the personal trading activities of its Research Analysts. Furthermore, the compensation of Research Analysts is not linked, directly or indirectly, to any specific investment banking, merchant banking, or brokerage transactions.

Name of the Compliance officer: Mr. Murali Krishnan L R: 044-49490014 E-mail Address: abm-chn.compliance@adityabirlacapital.com. For any queries or grievances: Mr. Sathish Kumar Email address: care.stocksandsecurities@adityabirlacapital.com Contact Number: 18002707000.

SEBI Registration No. NSE/BSE/MCX/NCDEX: INZ000172636; NSDL /CDSL: IN-DP-17-2015. PMS - INP 000003757, Research Analyst –INH000002145; Corporate Agent IRDAI Reg No CA0864. Investments in securities market are subject to market risks, read all the related documents carefully before investing.