

A Quick Note

Company Name	Bansal Wire Industries Ltd		
Date	NA		
Recommendation	Buy		
Market Cap	4,920 cr	CMP (Rs/share)	314
Industry	Manufacturing		
Stock exposure	NA		
Shareholding Pattern	Promoter – 78%, FII – 2%, DII – 16%, Others - 4%		
Promoter holding pledged (%)	NIL		
Liquidity	Moderate		
Beta	1.05		
Business	Growth Oriented		
Business Description	Bansal Wire Industries Ltd is a leading Indian steel wire manufacturer, ranked 2nd by volume overall and the largest in stainless steel wire by volume. It serves 5,000+ customers across 50+ countries, with an 89.56% retention rate among its top 300 clients.		

Investment Rationale:

Path of becoming the largest player in steel wire in India: Bansal Wire is India's largest stainless steel wire manufacturer and the second-largest steel wire producer by volume, with installed capacities of approximately 5.59 lakh tonnes as of Mar 2025. Additionally, BWIL is setting up 120,000 tonnes of specialty wire capacity, which will make it the largest steel wire manufacturer in India by capacity to ~6.80 lakh tonnes, placing Tata Wire second.

New facilities come up with the new opportunity: BWIL has set up two manufacturing facilities: one in Dadri (Uttar Pradesh) for specialty wire, and the second in Sanand (Gujarat) for backward integration. Both facilities will serve different roles in their respective locations. The Dadri facility will manufacture high-quality specialty wires and is located approximately 200 to 300 km from their customers, enabling faster delivery, lower logistics costs, and better inventory management. The Sanand facility will focus on backward integration and is expected to become operational by FY28.

Foraying into value added products (VAP): BWIL has strong expertise in manufacturing high carbon, low carbon, and stainless steel wire, achieving a blended margin of 6.5 to 7.0% and an EBITDA of INR 6,500 to 7,200 per ton. BWIL is now focusing on high-margin products such as bead wire, steel cord, and hose wire, giving it an edge to capture a larger market share, as no manufacturers in India currently produce steel cord (which accounts for 70% imports). BWIL is set to be the sole manufacturer of steel cord in India. These factors are expected to drive BWIL's margins to the mid-teens and EBITDA to around INR 15,000 per ton within the next 3-5 years, once the Dadri facility ramps up to 70-75%+ capacity from current 35% capacity utilization.

Strong growth and margin expansion post FY26: BWIL is in capex mode until the Dadri facility fully ramps up; hence, growth in FY26 is expected to be muted. However, management anticipates a volume growth of 30% in FY26. We believe the volume, revenue, EBITDA, and PAT CAGR for FY 25-27 will be 30%, 25%, 29%, and 30%, respectively. Additionally, management has highlighted that once capacity utilization reaches over 80%, around FY27 or FY28, margins and EBITDA per ton will improve further beyond current levels.

Valuation and Our View: We believe that, owing to the above factors, BWIL has a tremendous opportunity to grow as the manufacturing sector is in the pick-up phase, driven by government capital expenditure and booming emerging sectors like data centers, renewables, semiconductors, and more.

These sectors are expected to generate strong demand for steel wire and related products. We believe BWIL is well-positioned to be the first player to tap into this demand, as the company is significantly expanding capacity and becoming a larger player in India.

Currently, BWIL's existing facility is operating at 69% capacity, generating a blended margin of approximately INR 6,500 to 7,000 EBITDA per ton. Once capacity exceeds 80%, margins are expected to rise to around INR 15,000 EBITDA per ton, which we believe will happen by the end of FY27.

Based on projected growth through FY27, we believe BWIL is trading at a reasonable valuation with a decent margin of safety. For FY27E EPS, BWIL is trading at a 23x one-year forward P/E multiple, compared to the industry average of 31x.



Sample Report for the Client