

Initiating Coverage on

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**Bansal Wire Industries  
Ltd**

*Sample Report*

## A Legacy Business

The legacy span, more than 38 years, incorporated in 1985, Bansal Wire Industries has consistently delivered quality products, carving out a niche identity in the steel wire manufacturing industry.

## About Bansal Wire

Bansal Wire is the largest stainless steel wire manufacturing company and the 2<sup>nd</sup> largest steel wire manufacturing company by volume in India with the ~559,000 MTPA installed capacity with 69% capacity utilisation as on Mar 2025. Bansal Wire commands 20% and ~4% market share in stainless steel and steel wire categories.

BWIL manufactures variety of wires which are being used in various sectors like, automotive, general engineering, infrastructure, hardware, consumer durable, power and transmission, agriculture and auto replacement.

Particulars	Value
Date of Recommendation	NA
Company Name	Bansal Wire Industries Ltd
NSE Code	BANSALWIRE
BSE Code	544209
Industry	Metal
Market Cap (In Cr.)	6,190
FV (In Rs.)	5
1 Yr H/L	504/323

Details as on 23/07/2025

## A Quick Operational Snapshot (as on FY25)

2nd Largest Steel Wire manufacturer in India by volume

Largest Stainless Steel Wire manufacturer in India by volume

3,000+ SKUs – highest among all steel wire manufacturers in India

5,000+ Customers across various industries

5 Manufacturing Facilities

50+ Countries of export

89.56% Client retention in Top 300 customers (Average FY22- 25)

69% Capacity Utilization

Dadri Plant Largest single location plant in India

~559,000 MTPA installed capacity

## Leadership of the Company

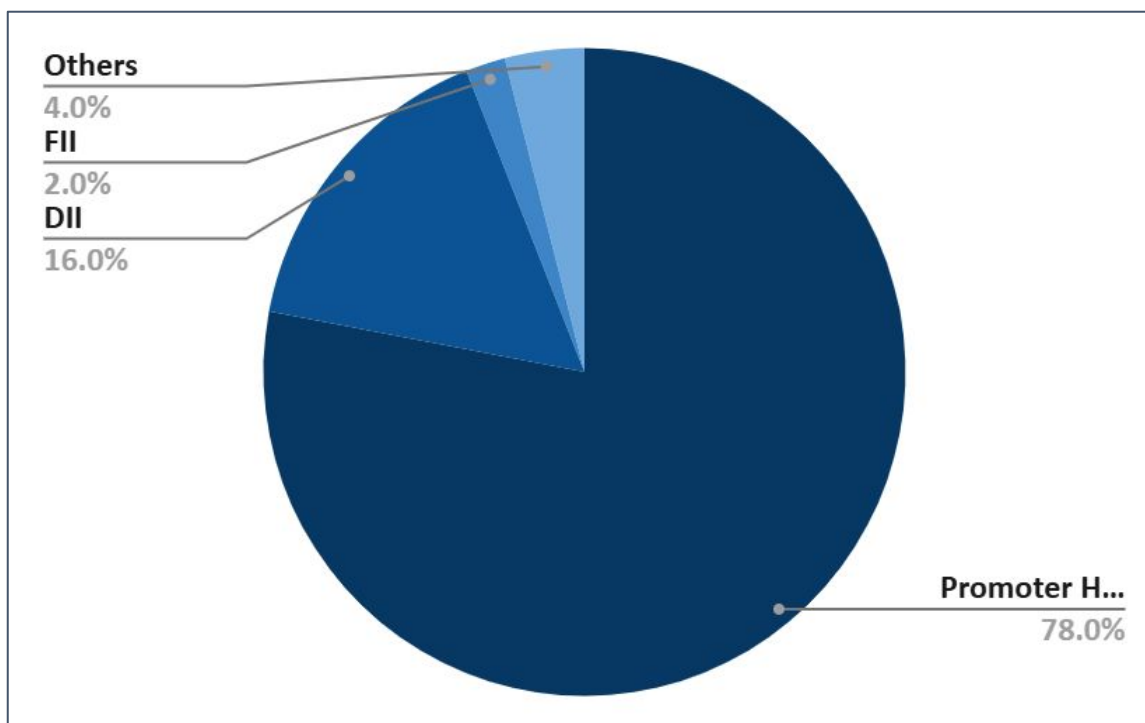
Bansal Group was originally founded as a wire-trading house in 1938 by the visionary and philanthropist Shri Shyam Sunder Gupta. Now, **Mr Arun Gupta** is the Promoter, **Chairman, and Whole-Time Director** of the Company, he has been a key figure in shaping its leadership and strategic direction. Since joining the Company on December 11, 1985, he has amassed over 38 years of experience in the steel wire industry, dedicating his career to driving the organization's growth and success.

**Mr Pranav Bansal** is the Promoter, **Managing Director & CEO**, he has been associated with the Company since 2018. He brings over six years of experience in the steel wire industry.

**CA Ghanshyam Das Gujrati, CFO** has been associated with the company since May'10. A Chartered Accountant and commerce graduate from Banaras Hindu University, he brings over 27 years' experience in finance.

**Mr Umesh Kumar Gupta** is the **Whole-Time Director and Chief Operating Officer**, he brings over 30 years of operational experience in the steel wire industry. He leads core manufacturing activities and serves on key committees, contributing to execution excellence and strategic decision-making across the Company's value chain.

## Shareholding Pattern as on June 25



(Zero Shares Pledge by the Promoter of the Company)

**Diversified Product Portfolio**

Product Range and Capabilities: They manufacture over 3,000 stock-keeping units (SKUs), the highest among all steel wire manufacturers in India, with wire sizes ranging from as thin as 0.04 mm to as thick as 15.65 mm.

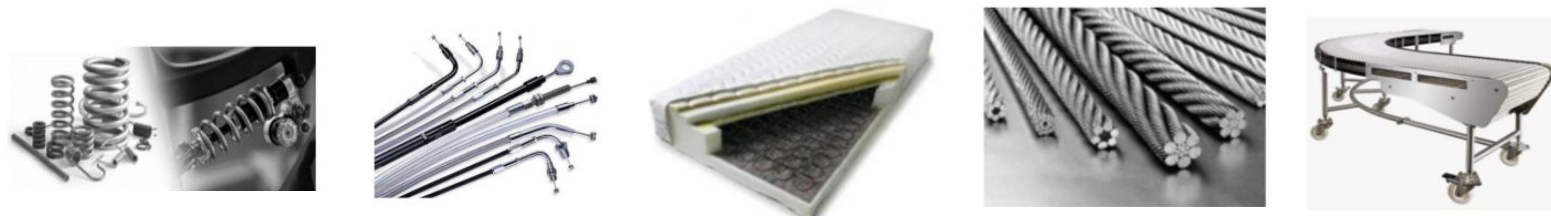
**Application of Stainless Steel Wire**



**Application of Mild Steel Wire (Low Carbon Wire)**



**Application of High Carbon Steel Wire**



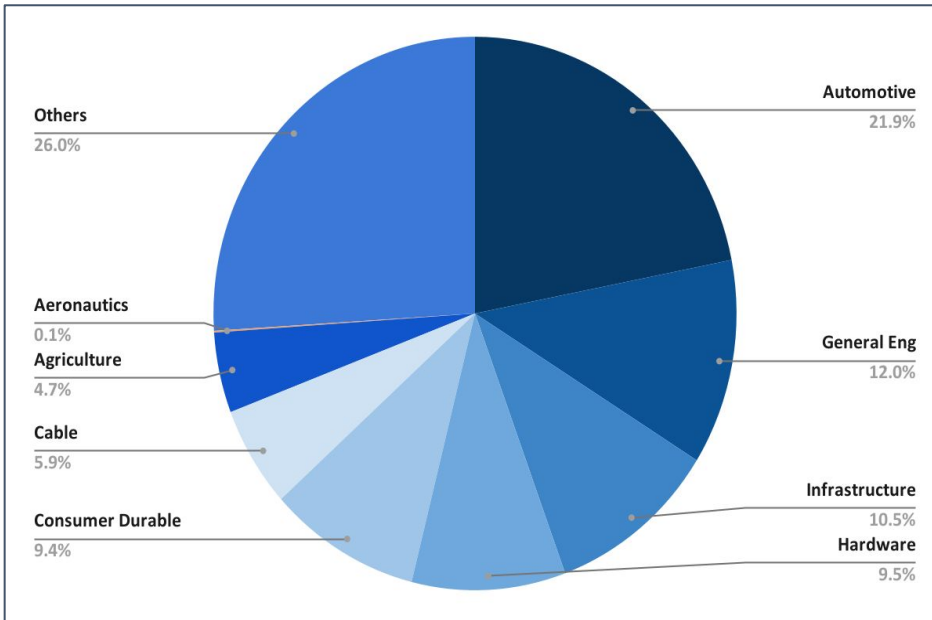
**Servicing through Multiple Manufacturing Facilities**

Strong presence in Northern states with manufacturing facilities located across NCR



## How Bansal Wire Runs Their Business Model?

Revenue diversification across the sectors, as on FY 25:



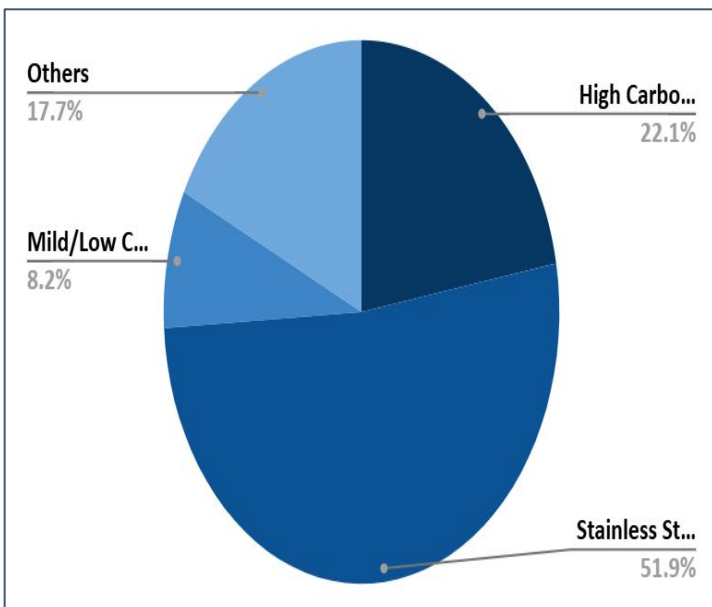
<5%  
Largest Customer  
Contribution in  
Revenue

<25%  
Largest Sector  
Contribution in  
Revenue

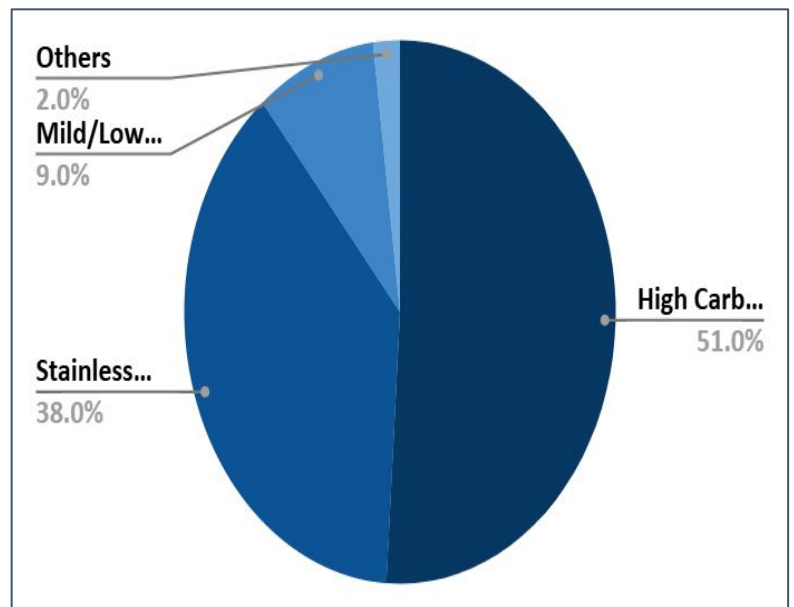
### De-Risking Strategy:

To maintain a balanced and resilient business model, no single customer accounts for more than 5% of our sales, and no individual sector or segment constitutes more than 25% of our sales.

### Revenue Breakup for FY25:



### EBITDA Mix Breakup for FY25



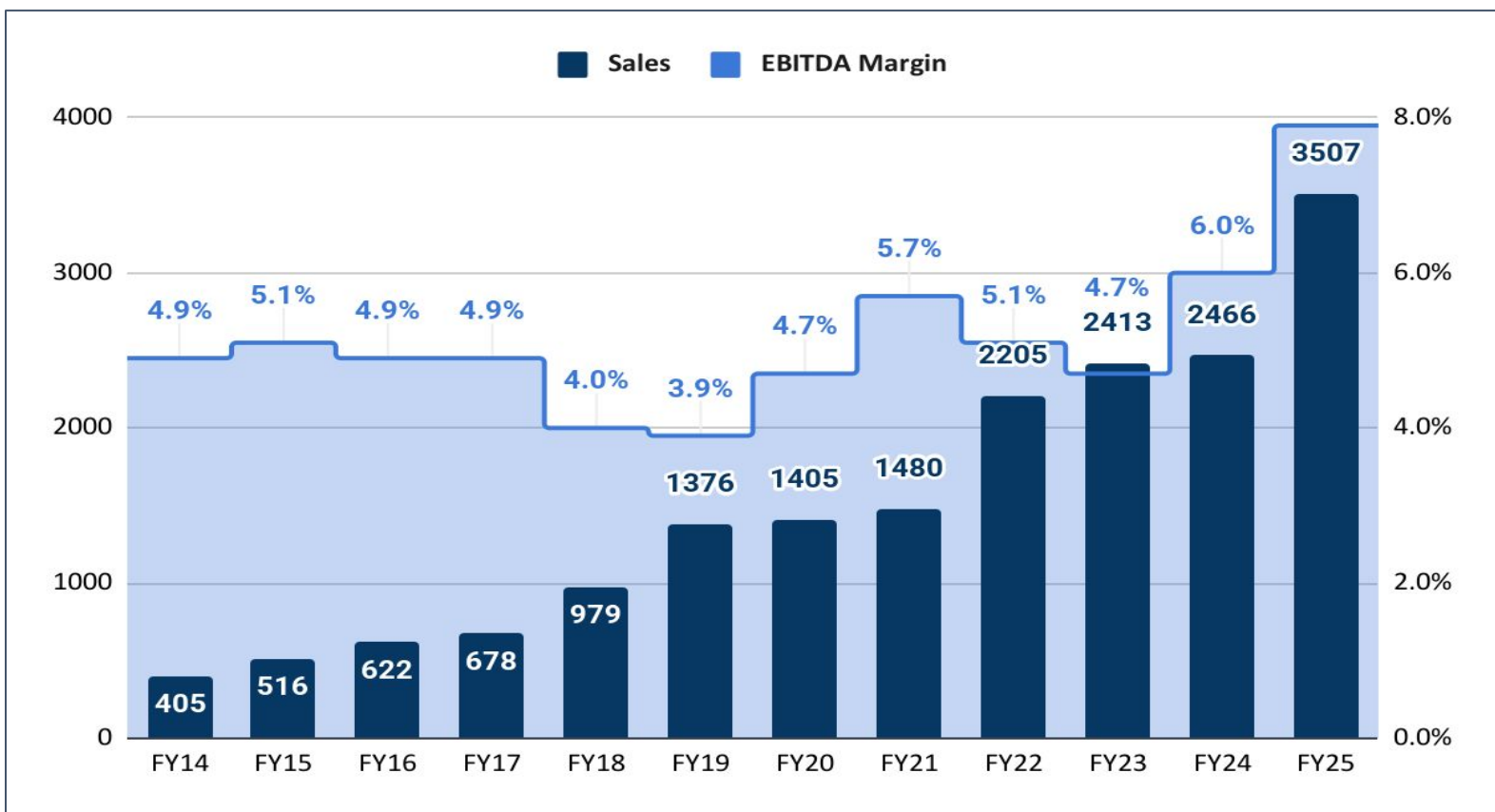
- BWIL's ~66% of the sales is coming from the North region.

### Cost Plus Model - An Edge over Fluctuating Input Cost

The company operate “Cost Plus Model” which allow them to remain immune to the commodity price fluctuation. The company pass on the benefits to the end consumer which help them to maintain operating profitability.

The steel industry is volatile in nature which gets affected by certain challenges like geopolitical issues, high inflation, high interest rates, etc. Owing to the same, steel prices fluctuates, which redirect to the margin and profitability of the company. Despite of the volatility in the steel prices, they are able to manage their margins over the last many years, and that is mainly driven by the “Cost Plus Model” where the company pass the prices to the end consumer.

(Values in Cr)



BWIL has total 5 manufacturing facilities with over 3,000 SKUs in the basket. In order to maintain the margin, BWIL adjust the raw material prices within their SKUs, as and when required. BWIL source 100% of their raw material from the domestic companies like JSW Steel, Tata Steel, SAIL, etc. to ensure the quality of the raw material.

BWIL is considering various factors including raw material, they able to manage their freight cost, discounts, distributor cost etc. to landing at the price list, and maintain the same at across all the products. This will help them to maintain the price list, and the margin of the product.

## Industry Data

Global steel demand is projected to grow by 1.7% in 2024 and 1.2% in 2025, reaching 1.815 billion metric tons, with India driving growth as Chinese demand declines, according to the World Steel Association April 2024 outlook.

### What went wrong with the Chinese market?

In 2023, China's steel consumption fell by 3.3%. Demand stayed flat in 2024 and declined by 1% in 2025, remaining well below 2020 peak levels, as real estate weakened but infrastructure and manufacturing provide some support.

### Opportunity for India

India has emerged as a key engine of steel demand growth since 2021. The association anticipates that Indian steel demand will increase by 8% over the years. However, the consumption of the steel has grown rapidly in India over the last 4-5 years led by strong demand in Infrastructure, Automotive, Defence, and many more.

**Table 1. Steel Demand Forecasts**  
SRO April 2024, finished steel products

Regions	million tonnes			y-o-y growth rates, %		
	2023	2024 (f)	2025 (f)	2023	2024 (f)	2025 (f)
European Union (27) & United Kingdom	136.8	140.7	148.1	-10.0	2.9	5.3
Other Europe	44.3	47.9	46.1	13.5	8.1	-3.7
Russia & other CIS + Ukraine	56.1	58.4	58.9	8.6	4.1	0.8
USMCA	131.7	133.6	136.2	-1.0	1.4	1.9
Central and South America	45.7	45.5	46.8	0.9	-0.5	2.8
Africa	35.0	36.9	38.5	-1.7	5.4	4.4
Middle East	54.9	57.2	58.7	-0.4	4.1	2.6
Asia and Oceania	1 258.5	1 273.1	1 281.9	-1.0	1.2	0.7
<b>World</b>	<b>1 763.0</b>	<b>1 793.1</b>	<b>1 815.2</b>	<b>-1.1</b>	<b>1.7</b>	<b>1.2</b>
World excl. China	867.3	897.4	928.4	1.3	3.5	3.5
Developed Economies	359.4	364.2	374.1	-4.2	1.3	2.7
China	895.7	895.7	886.7	-3.3	0.0	-1.0
Em. and Dev. Economies excl. China	507.9	533.2	554.3	5.5	5.0	4.0
ASEAN (5)	73.4	75.9	79.2	1.1	3.5	4.3
MENA	69.3	72.6	74.8	-2.2	4.7	3.0

**Table 2. Top 10 Steel Using Countries 2023**  
SRO April 2024, finished steel products

Countries	million tonnes			y-o-y growth rates, %		
	2023	2024 (f)	2025 (f)	2023	2024 (f)	2025 (f)
China	895.7	895.7	886.7	-3.3	0.0	-1.0
India	133.4	144.3	156.0	14.8	8.2	8.2
United States	90.5	92.2	94.0	-4.2	1.8	2.0
South Korea	54.7	54.3	54.4	6.7	-0.8	0.2
Japan	53.3	53.3	53.9	-3.0	-0.1	1.1
Russia	44.6	46.4	46.4	7.0	4.0	0.0
Türkiye	38.1	41.5	39.4	17.2	9.0	-5.0
Mexico	28.5	28.8	29.3	14.0	1.2	1.6
Germany	28.0	28.9	31.8	-13.7	3.2	10.0
Brazil	23.9	24.1	24.5	1.5	1.0	1.6

*f - forecast*

Source: World Steel Association

**Indian Steel - Production and Consumption (MT)**

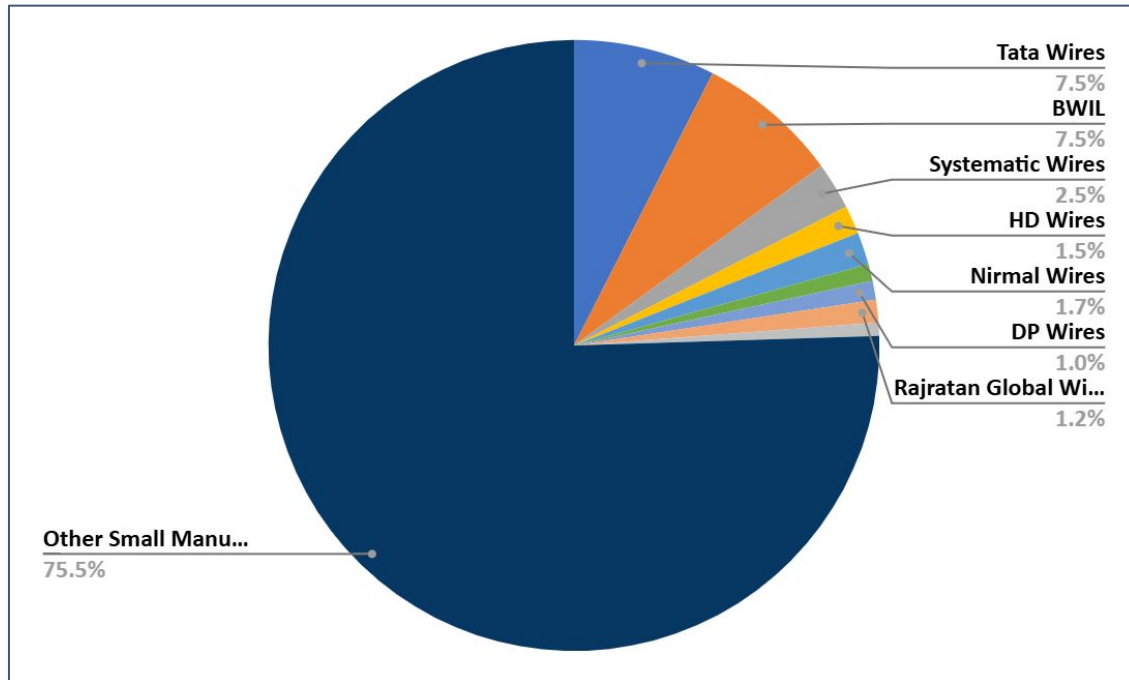
Category	2019-20	2020-21	2021-22	2022-23	2023-24*	4-year CAGR (%)
Crude Production	109.14	103.54	120.29	127.20	144.04	7.2%
Finished Production Steel	102.62	96.20	113.60	123.20	138.83	7.8%
Consumption	100.17	94.89	105.75	119.89	136.25	8.0%

Source: Annual Report, Veritas Research

## Demand for steel wires

The country has produced 7.4 MT wires during 2023, registering a growth of 8.6% CAGR during CY19-23. Out of total wire rods produced, the country has consumed roughly 5.6 MT wires during 2023. Despite being a fragmented market, the growth largely influenced by the national player, which reflects the demand across the sector.

## Industry players market share



The steel wire industry is highly fragmented, with approximately 76% of the market controlled by small and regional players only. The top two players together command around 13% market share, while the remaining players hold barely 1–2.5% each.

The industry is now shifting towards organised players due to three main factors:

1. Better quality
2. Cost efficiency
3. Timely delivery

Unorganised players are unable to meet these requirements effectively, especially in light of GST implementation, raw material price fluctuations, and capacity utilisation challenges due as its required huge capex. As a result, organised players are well-positioned to capture a larger share of the market from unorganised players.

## Growth Drivers and Future Synergies

### 1. Synergies will get unlock in the next 3-5 years

#### **Bansal Wire Forayed in the Speciality Wires through Dadri Facility.**

The Company has set up the Asia's single location plant at Dadri which will have ~4.2 Lakh tonnes of capacity. Through this, the company would have ~6.8 Lakh tonnes (cumulative) of capacity, about 62% capacity jump in the last one year. This will surpass the India's largest wire manufacturer, Tata Wires.

In this capacity, they would manufacture "Speciality Wires", which includes bead wire, hose wire, and Steel Cord and entering in B2C space will accelerate BWIL's transformation into a diversified, future ready enterprise..

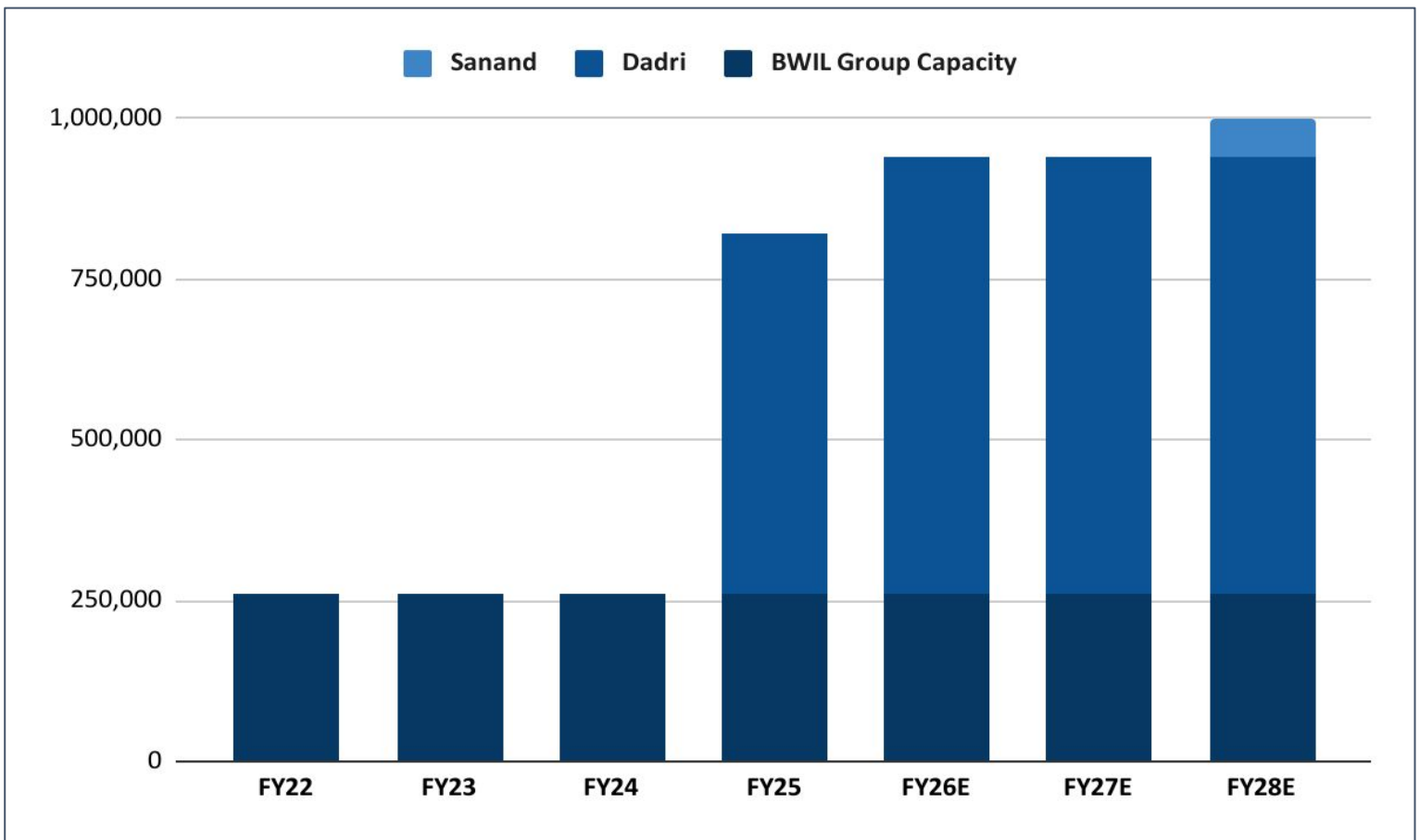
#### **How big the opportunity is and what would be the synergies from these products?**

- 1) **Bead Wire:** Bead wire is primarily used in tire manufacturing. However, the bead wire doesn't required a long approval process from the customers. The company is establishing project with capacity of 30,000 tons per annum with estimated market size of product to be 450,000 tons per annum.
- 2) **Hose Wire:** Hose wire is primarily used in the industrial, construction and marine application. They are the sole manufacturer in India; thereby helping in curbing imports (60% is imported). Hose wire doesn't require an approval. However, hose wire is the byproduct of the steel cord, wherein the EBITDA margin would be hovering around 15-20%.
- 3) **Steel Cord:** Steel cord would be the star product of the company as soon as the company gets approval as it's required one or one and half years of the approval process as this product is being used in the automobile for radial tyres. The market size of this product is 2.5 Lakh tonnes, out of which 1.3 to 1.4 Lakhs tonnes is being imported. To fulfil the demand, and adopt Make in India initiative, the company is setting up 2 Lakhs tonnes of production facility in the phased manner. They would be able to generate revenue/EBITDA of around ~3,000 crore/ 700-800 crore respectively in the next 3-4 years. Additionally, the company would clock 20-25% margin in this category, which would be the highest amongst all other products.

**Backward Integration in Stainless Steel:**

BWIL is setting up a stainless steel manufacturing facility (~650 crore of investment) in Sanand, Gujarat, with the capacity of 1.8 Lakh tonnes. In addition, BWIL is also setting up ~60k tonnes of Stainless Steel facility in the same plant. This would help BWIL to strengthen their leadership position in steel wire in India. This project to be completed by Sept 2027.

**2. BWIL to become a largest player in the country**



BWIL is on its way to becoming one of the largest players in the wire industry. Cumulatively, BWIL is expected to achieve ~6.80 lakh tonnes of capacity by the end of FY27-28E. The Dadri plant serves as an anchor, and this synergy will help sustain double-digit volume and sales growth over the next 3–4 years. As value-added products ramp up, capacity utilisation, which stood at 73% in June 2025, is expected to climb to 80%+ by FY27.

### 3. Compromising margin today for the bright future

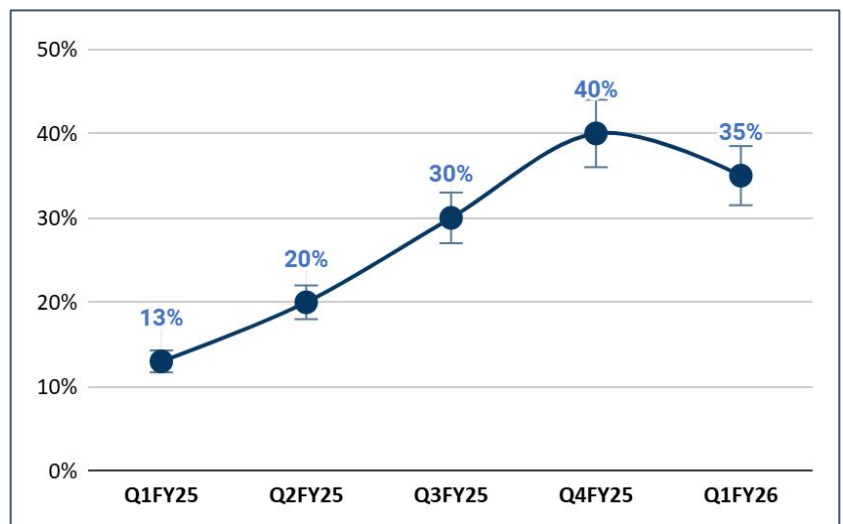
BWIL has been present in the category of High Carbon, Low Carbon and Stainless Steel, where the company enjoys the blended margin of Rs. 6,500-7,200 EBITDA/tonne. The company is strategically foraying into high margin value added products (VAP) which would aid the margin from FY27 onwards. Management highlighted that near term margin would be compromised to maintain the market share. We believe BWIL would strengthen their operating margin to **7.5 to 8%+** by adding VAP suchs as bead wire, steel cord, and hose wire.

#### Venturing into high margin categories:

1. BWIL: Pioneering Import Substitution with High-Margin Niche Wires.
2. From Imports to Innovation: BWIL Targets ₹30k/tonne EBITDA with Specialty Wires.
3. Leading India's First High-Margin VAP Play in Tyre and Auto Wire Segments.
4. BWIL to Plug Product Gaps and Unlock Premium Margins in Specialty Wires.
5. Transforming India's Wire Industry: From Import Dependency to High-Margin Leadership.

### 4. Dadri plant capacity is ramping up steadily (% is Capacity Utilisation)

Dadri plant capacity is ramping up steadily, reaching at 35% utilisation in Q1FY26. We expected to ramp up by the end of FY26 or 1HFY27. The management highlighted that, once Dadri plant fully ramp up, it has a potential to generate Rs. 3,500 crore of revenue.



## Risk Factors

**Slowdown in the industry demand:** BWIL manufactures steel wires that are primarily used in the infrastructure industry; any slowdown in this sector could eventually affect BWIL's P&L

**Delay in the capacity enhancement:** However, BWIL is undertaking significant capex related to specialty wire and backward integration projects. If these are delayed beyond the management's timeline, it will result in delays in the operational setup for value-added products like specialty wire.

**Slowdown in the auto sector:** Approximately 22% of BWIL's revenue comes from the auto sector, which is cyclical in nature. Any slowdown in this sector could eventually affect BWIL's revenue.

**Financial Performance****Profit and Loss Statement**

Particulars (In mn)	FY22	FY23	FY24	FY25
<b>Income</b>				
Revenue from operations	21,983.58	24,130.08	24,660.31	35,071.68
Other income	67.14	95.6	48.55	94.46
<b>Total income</b>	<b>22,050.72</b>	<b>24,225.68</b>	<b>24,708.86</b>	<b>35,166.14</b>
<b>Expenses</b>				
Cost of materials consumed	17,727.46	19,985.03	20,166.55	28,781.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-118.45	-179.12	-346.56	-1,541.31
Employee benefit expense	465.49	600.4	735.44	1,436.66
Finance costs	265.77	240.41	288.07	378.37
Depreciation and amortisation expense	84.37	91.14	134.52	299.89
Other expenses	2,844.75	2,672.33	2,660.88	3,707.12
<b>Total expenses</b>	<b>21,269.39</b>	<b>23,410.19</b>	<b>23,638.90</b>	<b>33,062.27</b>
Profit/ (loss) before exceptional items and tax	781.33	815.49	1,069.96	2,103.87
Exceptional Items Profit/(Loss)	0.01	0	-31.62	1.37
<b>Profit/ (loss) before tax</b>	<b>781.32</b>	<b>815.49</b>	<b>1,101.58</b>	<b>2,102.50</b>
<b>Tax expense</b>				
Current tax	210.6	221	276.72	473.73
MAT Credit Adjusted	0	0	31.02	64.06
Earlier year tax	0	0	35.01	8.32
Deferred tax	-2.15	-4.8	6.4	92.73
<b>Total Tax expense</b>	<b>208.45</b>	<b>216.2</b>	<b>349.15</b>	<b>638.84</b>
<b>Profit/(Loss) for the year</b>	<b>572.87</b>	<b>599.29</b>	<b>752.43</b>	<b>1,463.66</b>
<b>EPS (in INR)</b>	<b>62.96</b>	<b>65.86</b>	<b>6.05</b>	<b>9.23</b>

## Balance Sheet

Particulars (In mn)	FY22	FY23	FY24	FY25
<b>Assets</b>				
<b>Non-current assets</b>				
PP&E	1,155.83	1,155.08	2,293.06	6,927.14
Capital WIP	4.27	378.73	2,118.64	1,779.95
Intangible assets	0	0	0.92	0.48
Financial assets	279.94	503.56	505.85	275.99
Other non-current assets	1.06	407.31	396.63	203.03
	<b>1,440.04</b>	<b>2,037.37</b>	<b>4,918.47</b>	<b>8,983.56</b>
<b>Current Assets</b>				
Inventories	2,646.65	2,438.76	3,136.23	6,385.10
Financial assets	2,494.26	2,532.58	3,654.70	5,037.18
Other current assets	373.88	256.52	930.69	1,277.77
	<b>5,514.79</b>	<b>5,453.16</b>	<b>7,721.62</b>	<b>12,700.05</b>
<b>Total Assets</b>	<b>6,954.83</b>	<b>7,490.53</b>	<b>12,640.09</b>	<b>21,683.61</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	91.04	91.04	637.27	782.78
Other equity	2,139.08	2,734.10	3,586.43	11,907.34
<b>Non-controing interest</b>	0	0	387.7	0
<b>Total Equity</b>	<b>2230.12</b>	<b>2825.14</b>	<b>4611.4</b>	<b>12690.12</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities	1,227.24	1,970.73	3,041.17	1,755.12
Provisions	23.96	26.86	51.12	69.41
Deferred tax liabilities	68.6	62.36	121.73	213.8
	<b>1,319.80</b>	<b>2,059.95</b>	<b>3,214.02</b>	<b>2,038.33</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	2,904.28	2,251.22	3,770.26	4,715.86
Trade payables	205.64	127.22	591.36	1872.53
Other financial liabilities	69.5	91.27	316.12	250.46
Provisions	0	4.95	11.04	11.91
Current tax liabilities	136.68	47.14	36.72	0
Other current liabilities	88.81	83.66	89.19	104.39
	<b>3404.91</b>	<b>2605.46</b>	<b>4814.69</b>	<b>6955.15</b>
	4,724.71	4,665.41	8,028.71	8,993.48
<b>Total Equity and Liabilities</b>	<b>6,954.83</b>	<b>7,490.55</b>	<b>12,640.11</b>	<b>21,683.60</b>

## Cash Flow Statement

Particulars (In mn)	FY22	FY23	FY24	FY25
Cash flow from operating activities				
<b>Profit before tax</b>	781.32	815.49	1,101.58	2,102.50
<b>Adjustments for:</b>				
Depreciation and amortisation expense	84.37	91.14	134.52	299.89
Loss/(Profit) on Sale of Fixed Asset	-0.01	0	-20.67	1.37
Profit on Sale of Share	0	0	-10.94	-4.86
Interest income on fixed deposits	-2.32	-1.24	-2.04	-22.65
Interest expenses	265.77	240.41	288.07	378.37
<b>Operating loss before working capital changes:</b>	<b>1,129.13</b>	<b>1,145.80</b>	<b>1,490.52</b>	<b>2,754.62</b>
<b>Movement in working capital</b>				
Decrease/(Increase) in Inventories	-673.46	207.89	-3,136.23	-3,248.87
Decrease/(Increase) in trade receivables	-421.05	-35.6	-3,579.27	-1,186.73
Decrease/(Increase) in other financial assets	-4.71	-40.03	-117.34	-48.52
Decrease/(increase) in other current assets	-45.07	117.36	-930.69	-412.01
(Decrease)/Increase in trade payables	32.54	-78.43	591.36	1,281.72
Increase in other financial liabilities	0.86	21.76	316.12	-80.07
(Decrease)/increase in other current and non-current liabilities	33.63	-5.15	89.19	19.15
(Decrease)/Increase in provisions	2.33	2.12	62.16	14.78
<b>Cash utilised in operating activities</b>	<b>54.20</b>	<b>1,335.72</b>	<b>-5,214.18</b>	<b>-905.93</b>
Income taxes paid	-169.66	-310.54	-155.7	-603.65
<b>Net cash utilised in operating activities (A)</b>	<b>-115.46</b>	<b>1,025.18</b>	<b>-5,369.88</b>	<b>-1,509.58</b>
<b>Cash flow from investing activities</b>				
Net cash utilised in investing activities (B)	<b>-191.79</b>	<b>-872.49</b>	<b>-4,959.29</b>	<b>-4,441.89</b>
<b>Cash flow from financing activities</b>				
Net cash generated from financing activities (C)	<b>304.84</b>	<b>-149.98</b>	<b>10,346.78</b>	<b>5,950.31</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>-2.41</b>	<b>2.71</b>	<b>17.61</b>	<b>-1.16</b>

Ratio Analysis:

Particulars	FY22	FY23	FY24	FY25
EPS (In INR)	63.0	65.9	6.1	9.2
P/E (x)	5.8	5.5	59.9	39.3
M-Cap/Revenue (x)	NA	0.9	2.2	1.6
EV/EBITDA (x)	NA	51.3	40.4	23.6
ROE (%)	25.7%	21.2%	16.3%	11.5%
ROCE (%)	29.5%	21.6%	17.8%	16.8%
Capacity (In tonne)	260,000	260,000	260,000	560,000
Capacity Utilisation	80.0%	80.0%	84.0%	69.0%
GPM (%)	19.9%	17.9%	19.6%	22.3%
EBITDA/tonne (In INR)	NA	7,700	6,695	7,800
EBITDA Margin (%)	5.1%	4.8%	6.2%	7.9%
D/E (x)	1.9	1.5	1.5	0.5
Interest Coverage Ratio (x)	3.9	4.4	4.8	6.6

Valuation:

Particulars	Bear	Base	Bull
FY27 EPS	15.7	15.7	15.7
PE (TTM)	37.5	37.5	37.5
CMP (based on 10th Aug)	363.0	363.0	363.0
Exit Multiple	25.0	35.0	40.0
Market Cap	6,155.8	8,618.1	9,849.3
Target Price	393.1	550.3	628.9
<b>Potential Upside</b>	<b>8.3%</b>	<b>51.6%</b>	<b>73.3%</b>

## **BWIL has tick all the boxes of our framework, “T.E.C.H.”**

### **Total Addressable Market (TAM)**

The global manufacturing landscape shifts from a China-centric model to a "China plus one" strategy, Indian steel wire manufacturers, including the Company, are well-positioned to capitalize on new opportunities in the global market. However, the largest steel producing nation China, reducing its output since 2021, as a result the prospectus for Indian players are increasingly bright.

Having said that, India has emerged as a key engine of steel demand growth since 2021. The association anticipates that Indian steel demand will increase by 8% over the years led by increasing, private & public capex, infrastructure, consumption, so and so forth.

### **Economy of Scale**

BWIL is expanding its production capacity to ~6.8 Lakh tonnes, almost 2.5x higher than the last year, reinforcing its status as the largest steel wire manufacturer in India and setting the stage for sustained growth and market leadership. Additionally, the Dadri facility would give an edge to enhance the EBITDA per tonnes close to Rs. ~10,000 led by the focusing into value added products.

### **Competitive Edge**

BWIL commands leading position in the wire manufacturing industry, the company offers wide range of products with 3,000+ SKUs. BWIL operates with the “Cost Plus Model” which remains largely insulated from the commodity price fluctuations.

On the of that, BWIL entered into steel cord vertical, “a high entry barrier” product, and the BWIL is the sole manufacturer in India. Obtaining approvals for steel cord segment is a long and stringent process which can take up to one to one and half year. BWIL in recent years have on boarded plant head from Bekaert and its long-standing relationship with tyre companies, gives the company a competitive edge.

### **High Growth at a reasonable Valuation**

BWIL is the fastest growing steel wire manufacturing company in India. The revenue/EBITDA/PAT have grown 20%/56%/61% respectively, from FY 22-25. With increasing domestic steel wire demand (mid single digit) would continue to aid the growth of BWIL which eventually help the company to gain market share in the future. However, BWIL has continued to gain market share in the past decade, and now the company is on the path of to gain more market share by providing the core and VAP products.

We believe from FY27, the capacity would be reaching at 80%+ as major capex would have been done, and BWIL would start commencing the production of their newly ventured products. Additionally, from FY28, BWIL's backward integration plant would also get commenced which would aid the margin and profitability of the company.

Owing to the above stance we stand cautiously, if delay in the above mentioned operations. Hence, on a conservative note, we expect the revenue/EBITDA/PAT would grow at a CAGR of 25%/29%/30% respectively, from FY25 to FY27. However, the growth would be led by the venturing into VAP which will aid Rs. 15,000 to 25,000 EBITDA/tonne in the future.

While, the existing products (HC,MS, and SS) will continue to aid the Rs. 7,500 to 8,000 EBITDA/tonne. Furthermore, in FY26, we would see 73 to 78 bps of margin contraction due to product mix and capacity enhancement. In fact, from FY27, once the specialty products ramp up, BWIL would come back to their historical margin (8%+) or even better than that.

## Why one should invest in BWIL?

**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 (currently at 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 FY25-27 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.

**Beyond FY27, a long term future outlook:** Beyond FY27, BWIL is planning to invest '100-150 crore annually in capacity expansion, alongside a proposed greenfield steel tyre cord plant in South India. At full scale, these initiatives are expected to lift the total installed capacity of BWIL beyond 9.0 lakh tonnes by FY 2030, making Bansal Wire Industries the largest and most integrated steel wire manufacturer in the country

**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.

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## Disclosure

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