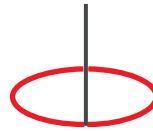


9th July 2025



DALAL & BROACHA
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Executive Summary

Bansal Wire Industries Ltd. (BWIL) stands at a structural inflection point—on track to become India’s largest and most integrated steel wire manufacturer. Leveraging its 87-year legacy in trading and four-decade presence in manufacturing, BWIL is executing a well-calibrated transformation anchored on capacity-led growth, margin-accretive backward integration, and forays into high-value product segments.

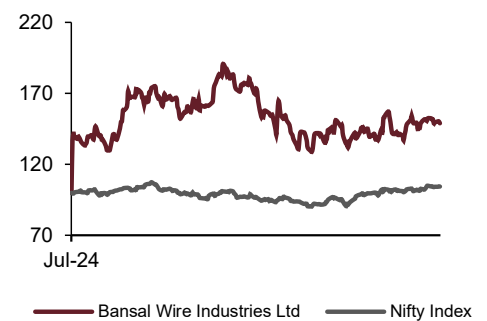
- Capacity Expansion:** BWIL’s capacity will see a 62% increase from FY24–26, reaching ~6.70 lakh tonnes by H1FY26 with ~800 cr capex within that period. The Dadri facility, India’s largest single-location steel wire plant, will be the operational backbone—bringing scale, automation-led efficiency, and logistics advantages. A further leg of growth will be driven by the upcoming Sanand facility in Gujarat (FY27/28) & further capacity expansion phases for steel cords & other products as Bansal wires plans another ~1000-1200 cr capex from FY25-28 period.
- Backward Integration:** The ₹650 Cr investment in a captive stainless steel rod and wire plant at Sanand positions BWIL to de-risk raw material sourcing, improve input cost efficiency, and support margin resilience in the stainless segment—an area where BWIL is already the domestic leader (~20% market share). This vertical integration reduces dependency on suppliers and gives BWIL a distinct edge in a supply-constrained market by making SS wire rods from stainless steel scrap. With captive demand and fungible capacity, the project is expected to double margins(from current 4.5 to 5% in SS Segment to 8-9% post backward integration is complete) and materially lift RoCEs. The rod plant is scheduled for commissioning by Q3FY28

Rating	TP (Rs)	Up/Dn (%)
BUY	501	30

Market data

Current price	Rs	385
Market Cap (Rs.Bn)	(Rs Bn)	60
Market Cap (US\$ Mn)	(US\$ Mn)	697
Face Value	Rs	5
52 Weeks High/Low	Rs 503.95 / 323.15	
Average Daily Volume	('000)	37
BSE Code		544209
Bloomberg		BANSALWI .IN
Source: Bloomberg		

One Year Performance



Source: Bloomberg

% Shareholding	Mar-25	Dec-24
Promoters	78.00	78.00
Public	22.00	22.00
Total	100.00	100.00

Source: Bloomberg

Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	24,130	24,660	35,072	44,216	55,012	66,735
EBIDTA	1,051	1,445	2,688	2,884	3,872	5,143
Margins (%)	4.4	5.9	7.7	6.5	7.0	7.7
Adjusted net profit	599	788	1,465	1,507	2,036	2,719
EPS (Rs)	3.8	5.0	9.3	9.63	13.0	17.4
P/E (x)	101	76	41	40	30	22
EV/EBITDA (x)	11	38	25	24	19	15
RoCE (%)	13.89%	12.29%	12.46%	10.33%	11.42%	14.93%
RoE (%)	21.21%	18.66%	11.54%	10.61%	12.54%	14.35%

Source: Company, Dalal & Broacha Research

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- **High-Value Product Additions in Specialty Wires:** BWIL is aggressively entering high-margin, import-substitute segments such as steel cords, hose wires, bead wires, IHT/OHT wires, and LRPC—products historically dominated by MNCs. These segments offer realisations of ~₹1.2 lakh/tonne and EBITDA margins of 20-30%, compared to 4–6% in commoditised wires. Early traction in hose wires and trial runs for steel cords at the pilot facility further validate the company's scale-up potential. We estimate specialty wires to be ~4% to BWIL's volumes while contributing 17% of BWIL's EBITDA by FY28E.
- **Market Share Consolidation:** With fragmented competition and 60–70% of the industry still unorganised, BWIL's integrated platform, wide product basket (3,000+ SKUs), and strong pan-India + export presence create a solid foundation for capturing incremental demand and wallet share. Its strategy of temporary margin trade-offs to drive volumes & market share gains—especially in the low-carbon segment—has been successfully executed before, and is expected again in FY26–27.

Valuation & Outlook:

BWIL's story presents a rare combination of **volume-led expansion and structural margin uplift**, making it a strong long-term compounder in India's industrials space. Over FY25–28E, we estimate a robust **24%/24%/23% CAGR in Revenue/EBITDA/PAT**, driven by capacity ramp-up, backward integration, and entry into high-value, underpenetrated wire segments.

FY28 will mark a key inflection year, with the commissioning of the Sanand stainless steel rod facility, enabling BWIL to deliver its highest-ever EBITDA/tonne and margin profile. From thereon, we expect a sustainable double-digit EBITDA margin to emerge by FY30E. Simultaneously, RoCEs are expected to rise meaningfully from FY28E, supported by segments like steel cords and backward-integrated stainless wires having strong return ratios.

BWIL's **new Capex will be towards high yielding segments & will be margin & RoCE-accretive**. Owing to these initiatives, we estimate BWIL's market share in terms of revenue share grows from current ~6% to ~8% by FY28E. **Hence, We initiate coverage on the stock with a Buy and a TP of Rs 501- 30% upside (assigning 1.4x PEG from FY25-28E to derive the TP).**

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Brief about Steel Wire Industry & Bansal...

Secular Growth in Steel Wires Industry; Bansal Positioned to Outpace Market Expansion**Steel Wires Industry Size in Volume & Value; Bansal Capacity share...**

Particulars	2023			As on FY25		Projected in FY28			
Wire Segment	Market (In Tons)	Mix (%)	Approx Market Size in (Rs Cr)	Market (In Tons)	Approx Market Size in (Rs Cr)	Market (In Tons)	Mix (%)	Approx Market Size in (Rs Cr)	CAGR (FY23-28)
LC	3,000,000	54%	22,500	3,507,052	26,303	4,200,000	50%	31,500	7%
HC	1,500,000	27%	12,000	1,803,061	14,424	2,450,000	29%	19,600	10%
SS	400,000	7%	7,000	462,323	8,091	550,000	7%	9,625	7%
SPW	700,000	13%	8,400	832,182	9,986	1,250,000	15%	18,750	12%
	5,600,000	100%	49,900	6,604,618	58,804	8,450,000	100%	79,475	9%
Bansal Capacity in Tonnes	414000*			670000(#)					
Bansal Mkt share in terms of Capacity	7%			10%					

* includes group volumes

(#) to be ready by H1FY26- 579000 tonnes ready as on April 25

Source: CRISIL MI&A Consulting Report, Company RHP, Dalal & Broacha Research, FY25 market size & volumes are extrapolated

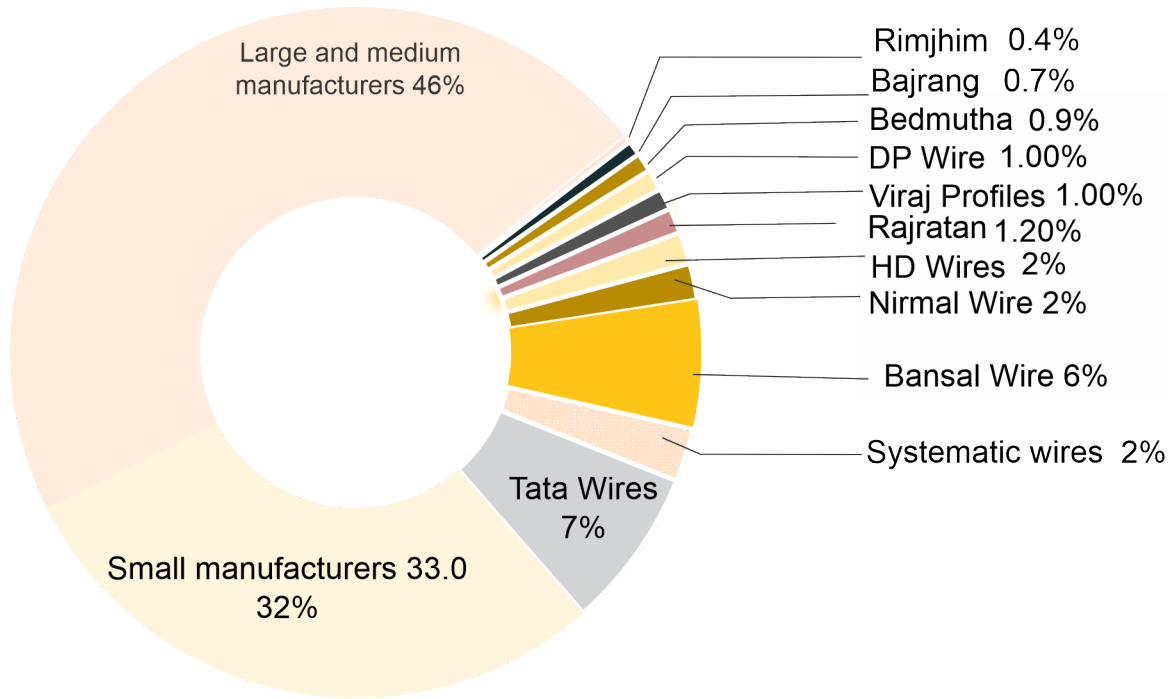
The Indian steel wires industry is poised for robust growth, with overall market volumes expected to increase from 5.6 Mn tonnes in FY23 to 8.45 Mn tonnes by FY28, translating into a healthy ~9% CAGR. This growth is broad-based across all key segments—Low Carbon (LC) wires are expected to grow at 7% CAGR, High Carbon (HC) at 10%, Stainless Steel (SS) at 7%, and specialty wires (SPW) leading the pack with a 12% CAGR. Against this backdrop of strong sectoral momentum, Bansal's capacity is set to scale meaningfully from 4.14 lakh tonnes (7% market share in FY23) to 6.5 lakh tonnes by H1FY26, enhancing its share of industry capacity to ~10%. This planned expansion positions Bansal well to capitalize on the secular growth trends playing out across wire segments.

Comprehensive Industry Tailwinds in Steel Wires...

End-Use Industry	Market Share as a % of the Steel Wires Consumption in India	Key Wire Types Used	Primary Demand Drivers
Infrastructure	~20-25%	PC Wire/Strands, ACSR Core Wire, Cable Armouring, Ropes, Binding Wire, Fencing	Government Spending (Roads, Rail, Power Grid, Smart Cities), NSP 2030 Goals
Automotive	~20%	Tyre Bead Wire, Spring Wire, Spoke Wire, CHQ Wire, Wires for Harnesses/Cables	Vehicle Production Growth, Tyre Radialization, EV Adoption, Performance Requirements, FY23-28 Estimated CAGR growth in Automotive (Overall) @7.5%; PV growth at 7-8% p.a, 2-wheelers at 8% p.a, CV's expected to grow ~6-8% p.a. inturn will lead to further demand of steel wires
Agri / Poultry	~15%	GI Wire, Barbed Wire, Chain Link Fence, Knotted Fence, Poultry Cage Wire	Fencing Needs, Crop Protection, Animal Containment, Rural Development ³
Power	~10%	ACSR Core Wire, Cable Armouring, Stay Wire, Ground Wires, Ropes (Installation)	Grid Expansion, Renewable Energy Integration, Rural Electrification, Modernisation of Existing network will involve more Armoured cabling, Aerial Bunched(AB) cables & reconductoring
Building & Const.	~10%	Binding Wire, Reinforcing Mesh, Fencing (Property), Wires for Suspended Ceilings	Demand for Affordable Housing, Rural development, urbanisation of Tier 3 & Tier 4 cities, Fencing (Industrial, Agricultural, Residential)
Others	~22%	Springs (Industrial, Consumer), Fasteners, Ropes (Mining, Shipping), Welding Wire, Wire Mesh for Kitchen appliances	General Manufacturing Growth, Rise in Mining/Shipping Activity, Specific Industrial Needs, Consumer Goods/Kitchen accessories demand expected to grow at ~6% CAGR due to rising incomes, developing middle class, etc.

The image outlines the key end-use industries driving steel wire consumption in India, segmented by market share, wire types used, and primary demand drivers. Infrastructure (~20–25%) leads the consumption, fueled by government spending on roads, rail, and power. The automotive sector (~20%) is the next major consumer, with demand supported by EV adoption, vehicle production, and tyre radialization—expected to grow at a 7.5% CAGR from FY23–28. Agri/Poultry (~15%) demand arises from fencing and rural development, while the power sector (~10%) is driven by grid expansion and renewable integration. Building & construction (~10%) sees demand from affordable housing and urbanization. The Others category (~22%) includes diverse industrial applications like springs, fasteners, and consumer goods, supported by rising incomes and manufacturing growth.

Steel Wire Industry- Key Players : Still a Largely Unorganised Industry...



Source: Company RHP

BWIL – Scaling Profitably in a Fragmented Landscape

In an industry dominated by small and mid-sized players—with over 75% market share split among fragmented names—Bansal Wire has emerged as a clear outperformer, now commanding a 6% share and ranking as the second-largest player after Tata Wires (7%). This market position is underpinned by a decade-long track record of strong execution, with BWIL delivering an impressive 10-year CAGR of 19% in revenue, 25% in EBITDA, and 36% in PAT. Its ability to consistently outpace industry growth, diversify its product mix, and reinvest profits into capacity and integration initiatives has helped it consolidate share in a highly unorganized sector.

Bansal Wires has shown a stellar ~19%/25%/36% - 10-Year Revenue/EBITDA/PAT CAGR Respectively

	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025	10-Yr CAGR
Revenue	5,161	6,207	6,779	9,780	13,695	14,027	14,771	21,984	24,130	24,660	35,072	19%
		20%	9%	44%	40%	2%	5%	49%	10%	2%	42%	
EBITDA	257	291	329	385	476	637	816	1064	1051	1445	2688	25%
		13%	13%	17%	24%	34%	28%	30%	-1%	37%	86%	
PAT	58	67	74	100	183	265	405	573	599	788	1464	36%
		16%	11%	34%	83%	45%	53%	42%	5%	31%	86%	

Source: Company, ACE, Dalal & Broacha Research

We expect BWIL- to continue outpacing industry & gain further market share by FY28e...lets understand why...

Key Investment Thesis

BWIL's Multi-Sector , Multi-Use Offerings helps in navigating Industry cyclicality – No single Industry contributes >20% of BWIL's Revenue...

Multi-Sector Penetration Aids Bansal in Navigating Sectoral Volatility

Industry	% Of BWIL's Revenue Share	Key Applications within Industry served by BWIL	Key Wire type Supplied by BWIL	Key Products Offered by BWIL
Automotive	20%	Brake lines, Suspension parts, Tyres Seat belts, Airbags, Suspension components Other Auto components	Stainless Steel Steel Cords Low Carbon Wires High Carbon wires	Rope Wire, Spoke Wire Spring Wire
General Engineering	12%	Medical usage (Surgical), Conveyor Belts Manufacture of electrical equipment Umbrella manufacturing, industrial equipment, Sewing machine parts	Stainless Steel Low Carbon Wires High Carbon wires Hose Wire	Umbrella Rib Wire EQ MS Wires
Infra	11%	wire ropes for ports/ airports, Lifting equipment, Construction reinforcement, fencing, prestressed concrete wires, LRPC wires for Cable stay bridges, Flyovers, Metro rail, LNG tanks, Nuclear plants, Commercial buildings, Bullet train, Wind mills, Dams, Cement plants	High Carbon wires	LRPC Wire
Hardware	9%	Springs, Fasteners	High Carbon & Stainless Steel	Spring Wires
Consumer Durables	9%	Appliances, white goods, electronics, wire mesh for filters and screens	Stainless Steel & High Carbon	Wire for Kitchen Appliances
Power Transmission	6%	Cable armoring, transmission lines	Low Carbon Wires	Cable armour wire
Agriculture	5%	Fencing, greenhouse structures, trellising wires, farm equipment	Low Carbon & Stainless Steel	Galvanised Wire
Industrial Machinery/ Miscellaneous	18%	wire mesh, profile/shaped wires for manufacturing machinery	Low Carbon & Stainless Steel	Wire Mesh & CU2 Coated Wires

Bansal's well-calibrated diversification strategy across end-use industries has been a key enabler of its consistent outperformance. No single industry accounts for more than 20% of its revenue—Automotive (20%), Industrial Machinery/Misc. (18%), General Engineering (12%), Infra (11%), and others such as Consumer Durables, Hardware, Agriculture, and Power Transmission contributing between 6–9% each. This balanced revenue mix ensures that the company remains resilient during cyclical downturns in any specific sector. Moreover, its ability to cater to diverse applications—from brake lines, seat belts, and LRPC wires to umbrella ribs, wire mesh, and cable armoring—has allowed Bansal to unlock multiple demand pockets while maintaining steady growth momentum.

Diversified Clientele, End-Markets & Channels Position BWIL for Sustained Market Share Gains- No Single End-User >5% of BWIL's Revenues

BWIL customer include marquee names across sectors- No single customer >5% share in Revenue

Industry Sector	Key Clients	Key Commentaries for Clients/Industry	Distribution Mode
Automotive	NHK Automotive Components India Pvt. Ltd., Suprajit Engineering Ltd., ASK Automotive Ltd., Remsons Industries Ltd., Hi-Lex India Pvt. Ltd, MRF, JK, Apollo tyres	Remsons & ASK Auto both guiding to grow above mid-teen rates next in the coming 2 years, Suprajit also traditionally growing at 14-15% CAGR.. Tyre Industries grow faster than Auto industry due to replacement demand	B2B
Hardware	Helical Springs	Springs industry growing at ~8-12% CAGR..	B2B through Spring Manufacturers
Consumer Durables	Hettich, S.S. White Technologies India Pvt. Ltd., Haver Standard India Pvt. Ltd.	12-13% CAGR - modular kitchen market	Through Tier-1 Vendors
Power & Transmission	KEI Industries Ltd., Lapp India Pvt. Ltd., RR Kabel Ltd.	KEI & RR both looking for high-teens double digit growth	B2B
General Engineering	Multiple	Linked to Growth in overall manufacturing in India- can be expected to grow at 14-15% CAGR	B2B
Infrastructure	Multiple	High growth segment - double digit CAGR expected	Dealer/B2B through Rope Manufacturers
Agriculture	NA	6-7% CAGR growth in line with growth in farming	Dealer channel
Industrial Machinery/ Miscellaneous	serves leading OEMs and component manufacturers		Dealer Channel
Export Markets	S.S. White Technologies India Pvt. Ltd., Connecton Fasteners S.A., and clients in 50+ countries		Direct & through Dealer

Source: Company, Dalal & Broacha Research

BWIL's deep-rooted diversification across clients, end-user industries, and distribution channels forms the cornerstone of its consistent outperformance and improving market positioning. With no single client contributing more than 5% to revenues, BWIL significantly de-risks itself from customer concentration, while maintaining long-standing relationships with marquee names like NHK Automotive, ASK Automotive and Helical Springs—thereby ensuring indirect presence across all leading 2W/4W OEMs in India. Other marquee customers include names like KEI Industrie, RR Kabel, Hettich, Suprajit Engineering & many more. The company's product applications span across structurally growing sectors such as auto components, consumer durables, power transmission, infra, and general engineering, **most of which are witnessing 10–15% CAGR growth. This industry-aligned spread, coupled with BWIL's well-balanced distribution model—comprising B2B, Tier-1 vendor integration, and a strong dealer network—enables it to service institutional as well as fragmented demand pockets effectively.** Together, this multi-dimensional diversification enhances BWIL's ability to scale volumes, deepen wallet share with existing customers, and steadily gain market share across product categories.

Product Breadth (3000+ SKU's) Enables BWIL to Sustain High Utilisation, tackle seasonality & outpace Industry Cyclicity

Presence across Wire types

Category	Properties & Range(in terms of size)	Applications	Major Products
High Carbon	Strength, hardness, size tolerance and durability	Springs, cutting tools, industrial components needing wear and fatigue resistance	Auto cable wires, mattress wires, roping wires, spring wires, super fine wires, LRPC, bead wire, conveyor belts, free cutting wires, spokes
	0.3% to 1%		
	Size Range: 0.2–12 mm		
Low Carbon / MS	Ductility, malleability, weldability, versatile	Power & transmission, agriculture, poultry, fencing, construction	Bright wires, cable armour wire, fencing wire, galvanized wire, mesh wire, staples, pins, rivets
	0.05% to 0.25%		
	Size Range: 0.1 to 16mm		
Stainless Steel	Size Range: 0.1 to 16mm	Hardware, automotive, agriculture, general engineering products	Kitchen application wire, welding rod, welding wire
Specialty Wires	—	—	Steel cord, hose wire, nail wire, IHT/OHT

Source: Company, Dalal & Broacha Research

Bansal Wires' expansive product portfolio, comprising over 3,000 SKUs across all major wire categories—Low Carbon (LC), High Carbon (HC), Stainless Steel (SS), and Specialty Wires—acts as a key structural moat. This high degree of diversification not only insulates the company from seasonal or cyclical fluctuations in any single end-use segment, but also ensures better asset sweating and high capacity utilisation. With presence across construction, automotive, industrial, appliances, and general engineering applications, BWIL is well-positioned to capture demand across both formal and semi-formal sectors. The broad cross-section offering (0.1mm–16mm), customisation capabilities, and participation in both value and premium categories has enabled Bansal to operate with resilience across cycles, while steadily gaining wallet share from customers seeking a one-stop wire solution partner.

Wire Type, Processing Intensity & End-Application Key to Profitability Profile

Category	Key Industries / Uses	Industry-Specific Price (₹/kg)	Typical Applications	Average Realisation for BWIL	Average EBITDA for BWIL	EBITDA Margin Range	FY25 Volume Share (BWIL)
Low Carbon (LC)	Construction	45–60	Fencing, nails	~72,000-77,000 per tonne	~3,500-4,500 per tonne	~4.5%-6.5%	42%
	Automotive	70–100	Brake cables				
	Appliances	65–85	Refrigerators				
High Carbon (HC)	Construction, Automotive	60–90	Pre-stressed concrete, Spring wires	~Rs 80,000-85,000 per Tonne	~8,000-10,000 per tonne	~10-12.5%	34%
	Industrial	90–120	Crane cables, Rope Wires				
Stainless Steel (SS)	SS202 grade	100-150	Filtration mesh, automotive, kitchen appliances	~ 170,000-180,000 per tonne	~7,000-8,000 per tonne	~4-5%	24%
	SS304 grade	250-450	Architecture, Chemical Processing, Kitchen appliances				
	SS316 grade	1000-1500	Pharmaceuticals, Offshore Engineering				

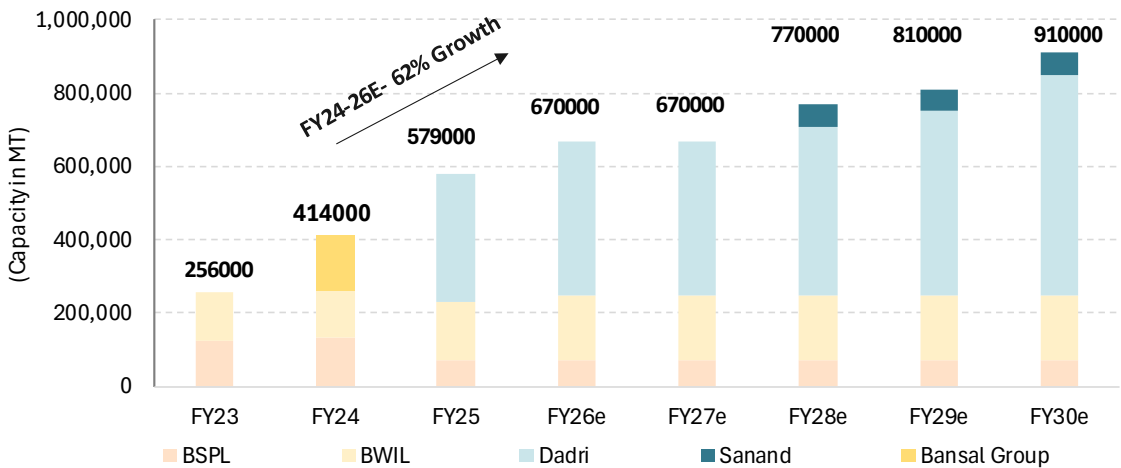
Source: Company, Dalal & Broacha Research

BWIL's realisations and margins vary meaningfully across product types and customer segments, largely influenced by wire complexity, carbon content, size precision, coating or thinning operations, and end-industry served. For instance, Low Carbon wires catering to mass-market applications like fencing and agriculture offer realisations of ₹72,000–77,000/tonne and EBITDA margins of ~4.5–6.5%, while High Carbon wires—used in industrial spring wires or LRPC—command higher realisations of ₹80,000–85,000/tonne with superior EBITDA margins of ~10–12.5%. Stainless Steel wires, particularly SS304 and SS316 grades, cater to niche high-value applications (e.g., offshore, kitchen, chemical processing), and command realisations up to ₹1.8 lakh/tonne, although margins here (~4–5%) are moderated by higher input and processing costs. BWIL's ability to balance volume-led segments with value-added premium offerings helps protect blended margins and adds strategic flexibility across cycles.

Dadri Capacity Expansion Propels BWIL to Industry Leadership (alongside Tata Wiron):

Bansal Wire Industries Limited (BWIL) is on the cusp of a significant transformation, poised to emerge as one of India's largest steel wire manufacturers, challenging Tata Wiron's established dominance (Tata Wiron has 670k tonne capacity as per FY23 stated figures). This strategic leap is primarily driven by the long-awaited operationalization and rapid ramp-up of the Dadri plant, set to become India's largest single steel wire manufacturing facility. After navigating a four-year period of hurdles including land acquisition, regulatory clearances, and pandemic-related disruptions, BWIL has successfully resolved its capacity expansion challenges. The merger of Bansal High Carbons Pvt. Ltd. and Balaji Wires Pvt. Ltd. has already contributed to a substantial increase in consolidated capacity from 256K tonnes in FY23 to 579K tonnes in FY25, representing a remarkable ~2.5x surge. Looking ahead, by H1 FY26, BWIL's consolidated capacity is projected to reach approximately 670K tonnes, marking a ~62% increase from the group's 414K tonnes in FY24. The Dadri plant alone, with its current ~350k tonnes installed capacity in FY25, is expected to expand further to 420k tonnes by H1 FY26, with the underlying infrastructure capable of scaling up to 600k tonnes. This expansion, underpinned by a significant investment of approximately Rs 800 Cr in the Dadri plant, solidifies BWIL's strong operational footprint in North India, now anchored by this state-of-the-art mother plant in Dadri (UP). This strategic expansion positions BWIL favourably to capture a larger share of the growing domestic steel wire market. Furthermore, by FY28e, we anticipate BWIL to further augment its capacity with an additional 60k tonnes of wire and 180k tonnes of wire rod capacity at its Sanand facility. Concurrently, Dadri Phase 2 capex is also expected to commence from FY28, setting the stage for a total consolidated capacity> 900k tonnes by FY30e, solidifying BWIL's position as a formidable leader in the Indian steel wire industry.

From FY24-FY26E- BWIL Capacity shall increase by 62%- becoming the largest wire capacity player along with Tata Wiron...

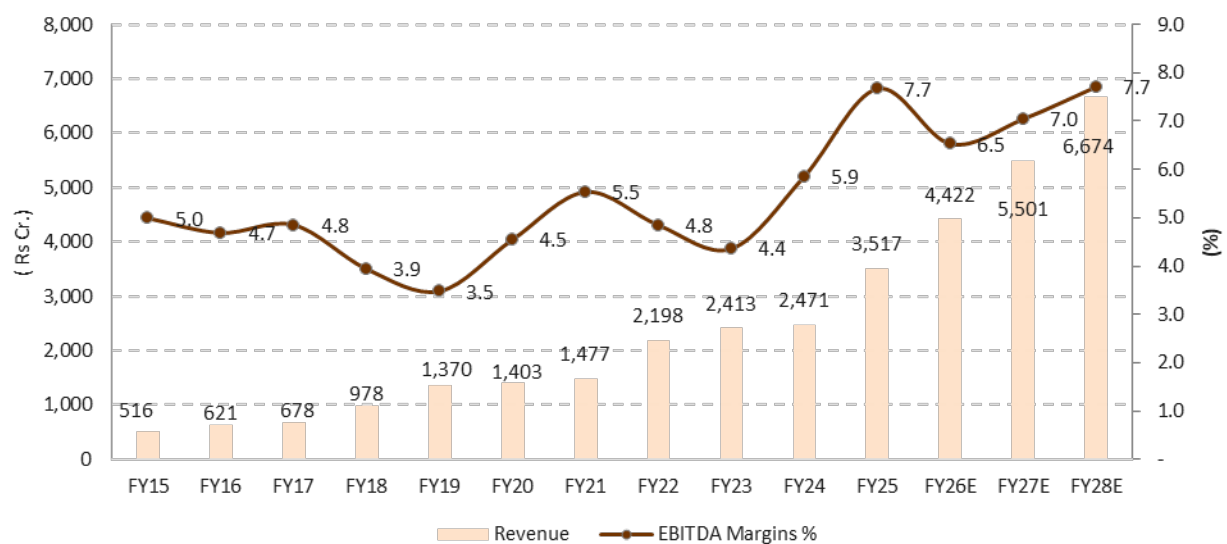


Source: Company, Dalal & Broacha Research

Strategic Margin Trade-Off to Drive Volume-Led Gains; Recovery Seen by FY28

Bansal has historically demonstrated a clear strategy of temporarily compromising on margins to drive scale and capture market share—an approach that has played out successfully in the past. A similar trend is expected in FY26–27, where EBITDA margins are estimated to moderate from 7.8% in FY25 to 6.6% in FY26E, before recovering to 7.25% in FY27E. This tactical dip reflects management’s conscious decision to offer competitive pricing in order to accelerate volume growth and deepen penetration across key segments. Given BWIL’s consistent execution track record and the elasticity of its fixed-cost base, we expect margins to rebound to 8.0% by FY28E. This calibrated approach ensures long-term operating leverage while reinforcing Bansal’s market leadership in a structurally growing industry.

Temporary blip in margins to push higher volume – A strategy company has been successfully able to deploy even in the past...



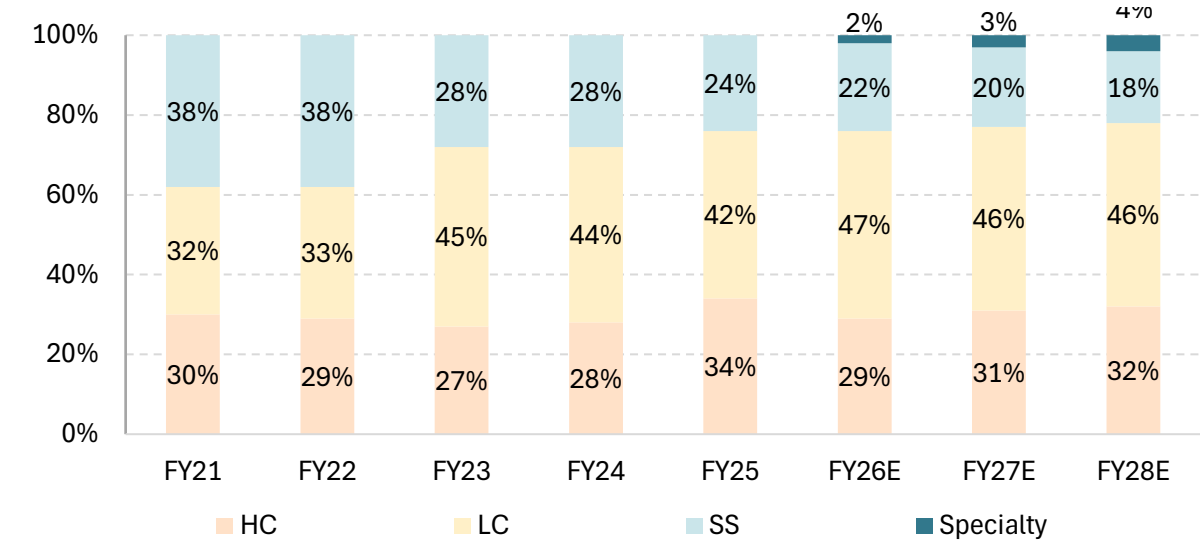
Source: Dalal & Broacha Research Estimates

A varied mix of gross margin profile across wire segments...allows BWIL to adopt an aggressive pricing strategy in a particular wire segment to gain market share – without a major impact on overall margins...

Particulars	Low Carbon	High Carbon	Stainless Steel	Specialty Wires
Conversion Charges/kg	12-15 Rs	15-18 Rs	30-35 Rs	40-50 Rs
Gross Margin Profile%	~17%	~20-22%	~18-19%	~33%

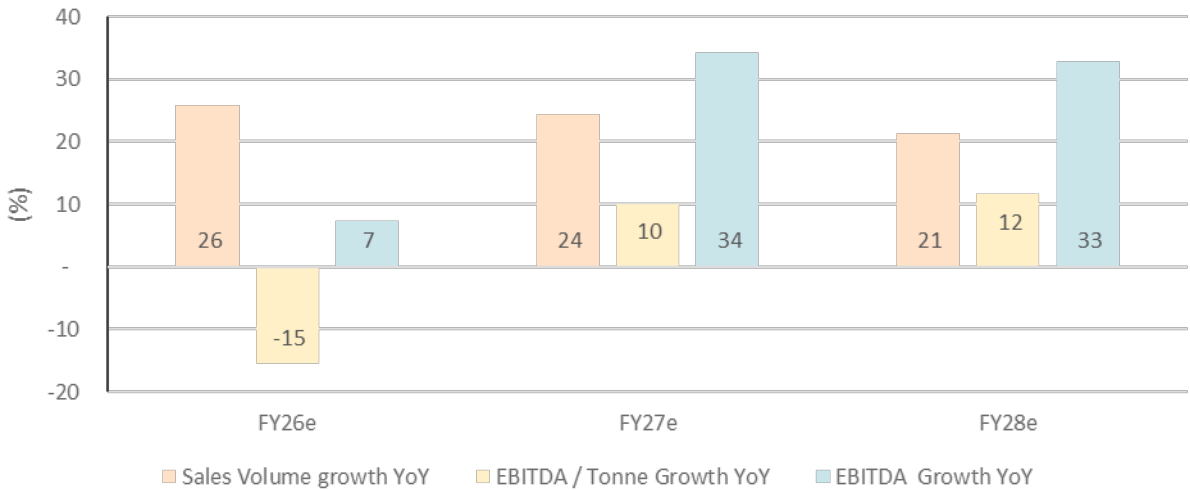
Source: Company, Dalal & Broacha Research

We expect BWIL to be aggressive in the Low Carbon segment as a result LC wires will increase from ~42\$ in FY25 to ~47% of BWIL's revenues in FY26e...



Source: Company, Dalal & Broacha Research Estimates

Impact of aggressive pricing on Overall Sales volume, EBITDA/tonne & EBITDA



Source : Dalal & Broacha Research Estimates

Scale & Procurement Synergies Driving Cost Efficiency

Owing to its substantial scale & Dadri expansion, BWIL enjoys significant cost advantages in raw material procurement. As one of the largest buyers of steel rods in India, BWIL can negotiate better rates and receive volume-linked incentives like cash discounts from major suppliers such as SAIL, JSW Steel, Mukand, and RINL. Historically BWIL's, its steel rod procurement cost is around ₹0.5/kg lower than that of smaller competitors—offering a durable edge in cost competitiveness.

Such procurement savings play a crucial role in maintaining profitability—even more in low-margin wire segments, where EBITDA can be as low as ₹0.5–₹4/kg in certain low-carbon wires. This cost edge enables BWIL to remain competitive, sustain high capacity utilization, and drive consistent growth in volumes, revenues, and absolute EBITDA.

Moreover, BWIL's ability to make upfront payments (with negligible payable days) not only cements supplier confidence but also unlocks better pricing terms. Additionally, the strategic consolidation of manufacturing activities from group entities into the new, more automated Dadri facility will further reduce operational overheads & inventory costs significantly as prior to that, inventory was being kept at 6 different locations. Hence Consolidation of volumes will lead to lower freight and handling charges, optimized power costs, and reduced inventory holding—enhancing working capital efficiency and long-term margins.

Automation at Dadri expected to drive cost efficiency gains of upto 100–150 bps...

- **Lower Manpower Costs:** The Dadri facility is highly automated, using 40–60% less manpower than other BWIL plants, directly lowering labor costs.
- **Advanced Machinery & Higher Productivity:**
 - Incorporates straight-line machines and high-speed furnaces/drawing machines.
 - These increase output per production line while reducing electricity and manpower costs.
- **Reduced Power Costs:**
 - Equipped with an independent 132 KVA power feeder to minimize transmission loss and eliminate power cuts.
 - Removes the need for expensive diesel gensets, further reducing electricity expenses.
- **Cheaper Fuel Access:** Direct access to a natural gas pipeline from Indraprastha Gas Limited (IGL) leads to lower gas consumption costs.
- **Lower Maintenance Costs:** In-house fabrication of generic machinery ensures faster turnaround during breakdowns and reduces maintenance-related expenses.
- **Efficient Logistics & Location Advantage:**
 - Proximity to raw material supplier warehouses and railway yards (within 50 km) minimizes inbound logistics costs.
 - Nearly 50% of product sales occur within a 100–150 km radius of the plant, keeping freight and outbound logistics costs low.
- **Skilled Workforce Availability** due to central location to UP, Delhi NCR & Haryana: The plant benefits from easy access to a skilled labour pool in the Delhi-NCR region.

Dadri Leverage kicks in FY27e onwards (at ~80% utilisations), however full margin visibility from FY29E:

While BWIL's consolidated EBITDA margin expands meaningfully through FY23–25, we expect a temporary decline in FY26/FY27E despite higher utilisation & margin leverage through Dadri facility due to the aggressive pricing measures to be undertaken strategically by BWIL as already discussed above. Concurrently, in FY28E the operating leverage benefits from Dadri's efficiency will be partially offset by higher expenses & overheads, owing to the commissioning of the Sanand facility for stainless steel wire rods.

As a result, the full impact of structural margin improvement & efficiency gains through Dadri facility— to reflect meaningfully in reported numbers only from FY29E, once the effects of initial pricing aggression and elevated overheads (post Sanand plant commissioning) taper off. Overall Dadri is expected to bring a 100-150 bps upliftment in BWIL's consol margins & consequently by FY29e when we expect scale ramp-up to be stabilised across both plants (Dadri & Sanand) and cost efficiencies fully baked in, we expect BWIL to approach double-digit EBITDA margins on a sustainable basis.

Year	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E
BWIL Consolidated Capacity (in MT)	256,000	262,000	579,000	670,000	670,000	770,000	810,000
BWIL Production (in MT)	205,307	238,000	344,710	437,782	534,094	635,571	700,000
BWIL Overall Capacity Utilisation%	80%	91%	60%	65%	80%	83%	86%
EBITDA Margins	4.4%	5.9%	7.7%	6.5%	7.0%	7.7%	9%

Source: Dalal& Broacha Estimates

Backward Integration into Stainless Steel Rods – A Strategic Margin-Accretive Bet!

Bansal Wire Industries Ltd (BWIL), through its wholly owned subsidiary BWI Steel Pvt Ltd, is undertaking a ₹650 crore greenfield capex at Sanand, Gujarat, to set up a backward integrated stainless steel facility. The integrated complex will include:

- a) 180,000 TPA stainless steel rod plant
- b) 60,000 TPA stainless steel wire plant

This facility will primarily cater to captive demand, reducing dependency on external suppliers and improving cost efficiency, quality control, and delivery timelines.

Strategic Rationale – Addressing a Key Bottleneck

BWIL currently commands ~20% market share in the domestic stainless steel wire segment, with a capacity of ~120k tpa (tons per annum) at its factories in Ghaziabad. However, the company remains heavily reliant on upstream suppliers. Given the limited SS rod capacity in India, BWIL's growth has historically been constrained by raw material availability.

The backward integration facility will use scrap-based induction furnaces, providing both input flexibility and cost savings. With this investment, BWIL aims to:

- Secure uninterrupted raw material supply
- De-risk growth in the SS wire segment
- Enter the under-penetrated domestic SS rod market
- Maximize asset utilization with fungible capacity

Project Execution and Location Advantage

Land acquired: 42 acres under BWI Steel Pvt Ltd

Location: Sanand (Gujarat), offering dual advantage—close to scrap sources and BWIL's core markets in the West and North (85% of revenue)

Capex Schedule:

Equipment ordering: Within 2 months

Wire production to commence by: Q3FY28

The facility is expected to ramp up swiftly given captive demand and cost-effective operations

Unit economics of Backward Integration

Metric	Value
Capital Employed	₹500 Cr
Capex per Tonne (Rod)	₹27,778
Depreciation (@6.25%)	₹1,736/T
Incremental EBITDA/Tonne	₹7,500
Incremental EBIT/Tonne	₹5,764
Pre-Tax RoCE	~21%

Source: Dalal & Broacha Estimates

Bansal Wire: Strategic Foray into High-Margin Specialty Wires

❖ First Mover in Steel Cord Manufacturing: A Transformational Shift

Bansal Wire (BWIL) becomes the **first domestic company** to foray into the manufacturing of **steel cords**, an import-dominated, high-margin product used primarily in **radial tyres** for passenger and commercial vehicles. Until now, this market has been catered only by multinational players in India, chiefly **Bekaert Industries**, through its Ranjangaon facility, with **60% of India's demand still being met via imports**.

❖ Industry Landscape: Large, Growing, Import-Heavy Market

Product	Application	Market Size (India)- Current FY23 (in tons p.a.)	Market Size (India)- Estimated FY28 (in tons p.a.)	CAGR (FY23-28)	Import Dependence	Key Competitor in India	Key Customers/ End-users
Steel Cord	Tyres (PCR, TBR)	250K-300K	400K-470K	11%	~60%	Bekaert (only domestic)	All tyre manufacturers (JK, Apollo, etc)
Hose Wire	Hoses for industrial/marine/agri usage	~20K	~30K	8%	High	Bekaert	Parker Hannifan, Gates, Aeroflex, etc
IHT/OHT Wires	Automotive (EVs), transmission, Aerospace	~30K	~60K	~15%	High	Tata Steel (India)	Major 2W/3W/4W OEM's, & EV Charging Infra players

India's specialty wire segment, including **steel cords**, **hose wires**, and **IHT/OHT wires**, is witnessing robust growth, with overall industry demand expected to grow at an **11% CAGR** from **0.73 million tonnes in FY23** to **1.23 million tonnes in FY28P**.

The industry is **import-heavy**, especially in steel cord and hose wire, where **~60% of the demand is met via imports**. The strong growth trajectory across applications like **tyres**, **industrial hoses**, **EVs**, and **infrastructure** makes specialty wires a **strategic opportunity**, especially for domestic players like BWIL aiming to replace imports with local capacity.

❖ Pilot Steel Cord Capacity at Dadri: Recently Operationalised

BWIL has commissioned a **pilot facility at its Dadri plant** with a capacity of **20,000 TPA** for **steel cords** and **hose wires**. This facility represents a capex of **₹150 crore**, of which Rs100 crore is allocated to equipment and Rs50 crore to land and civil works. Importantly, **approval samples have been already sent to key clients** such as **MRF, JK Tyres, Apollo Tyres, and CEAT**.

Facility	Capacity (TPA)	Products	Commissioning	Investment (₹ Cr)	EBITDA/tonne (Expected)
Dadri	20,000	Steel Cord/ Hose Wire	Dec'24	150	25,000–35,000

Until approvals are received (expected 9–18 months), the company will use the facility for **hose wire production**, which has a shorter approval cycle of **3–4 months**.

❖ Leveraging Existing Tyre Industry Relationships

Through its group entity, Bansal Aradhya Steel, BWIL already supplies bead wire to major tyre OEMs such as MRF, JK Tyres, Apollo, and CEAT, which together command over 80% of India's tyre market. These entrenched relationships position the company to:

- Accelerate the approval cycle for its steel cord products through existing vendor ecosystems
- Broaden its automotive wire portfolio by foraying into complementary value-added offerings like IHT/OHT wires and expanding bead wire capacity—enabling BWIL to emerge as a one-stop solutions provider for key automotive wiring needs and drive cross-selling synergies for its steel cord vertical

❖ Operational Groundwork: Laying the Foundation for Scale

Bansal Wire has undertaken significant operational preparedness for this venture:

- Recruited plant head and sales team from Bekaert India
- Onboarded a senior Bekaert global executive as consultant
- Signed a tech and equipment supply agreement with Sunlit Technologies (global leader in steel cord machinery).

❖ Near-Term Economics: High Margin Accretion Even at Pilot Stage

Steel cord and hose wire offer **superior profitability**:

Metric	Steel Cords	Hose Wire	BWIL's Legacy Products (HC/LC/SS)- Blended depending on mix
Realisation (Rs/tonne)	~120,000	125,000	~100000-105000
EBITDA (Rs/tonne)	30,000-35,000	25,000	7,000–8,000
EBITDA Margin (%)	~25%-30%	20–25%	~6% to 7.5%

This sharp margin differential is expected to elevate BWIL's blended EBITDA/tonne and drive profitability expansion from FY27E onwards, once volumes ramp-up for specialty wires.

❖ Temporary Strategy: Hose Wire to Optimise Capacity

Given the long lead time for steel cord approvals (9–18 months), BWIL will utilise the pilot capacity to produce hose wires, which are saleable with short approval windows. The company expects to sell 6,000-10,000 tonnes of hose wire in FY26E, keeping the plant economically active. In March'25, BWIL had already produced ~450 tonnes of hose wire- achieving ~20-25% utilisation levels, ramp-up will take place gradually in FY26e we estimate ~10K tonnes of speciality wires production – mainly of hose wires. In FY27e, we estimate around 20k tonnes of speciality wire production (volumes to be a mix of hose wires & steel cords) & in FY28e, we estimate ~25000 tonnes of specialty wire production & IHT/OHT wires to also start occupying their share in volumes along with steel cords & hose wires.

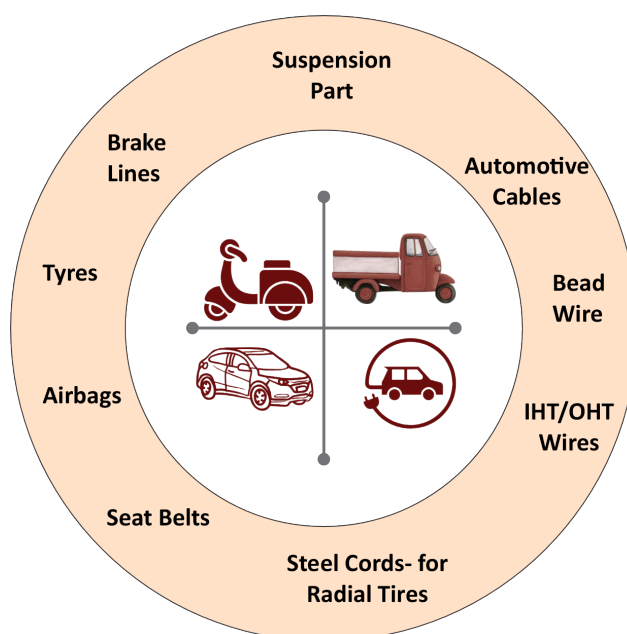
❖ Expanding the Auto Wire Portfolio: Bead, IHT/OHT Wires

To complement its steel cord offering, BWIL is expanding into other specialty wires:

- **Bead Wire:** 30,000 TPA capacity at Dadri (already commissioned Nov'24)
- **IHT/OHT Wires:** 8,000–10,000 TPA capacity targeted; used in EVs and auto wiring (By H1FY26)
- **PLI Scheme:** Already awarded for bead wire; plans to apply for steel cord

This basket will help BWIL become a **comprehensive supplier** of value-added automotive wires.

Post entry into these new products -BWIL will be the only domestic wire player with a 360-degree holistic offering for the automobile sector...



❖ Long-Term Vision: 2 Lakh TPA Steel Cord Plant in Karnataka

BWIL plans to set up a **greenfield steel cord facility in Karnataka**, with a long-term capacity target of **200,000 TPA** and phased investment of **₹2500 crore** by FY30E. Land acquisition for the same lined up in H2FY26/FY27- once Dadri Pilot capacity for specialty capacity is at robust utilisation levels

Capacity Phase	Target Completion	Location	Capex (₹ Cr)	Revenue Potential	EBITDA Potential
Phase 1 (Pilot)	FY25	Dadri	150	₹300 Cr	₹75 Cr
Phase 2	FY30 *	Karnataka	2,500	₹3000 Cr	₹700-800 Cr

*(expansion to be done in phases)

This plant alone can generate ~₹3000 crore in revenue and ₹700-800 crore in EBITDA, with an estimated EBITDA margin of 20–25%- most likely post FY30e.

❖ Strategic Rationale: Import Substitution with Scale & Margins

With its steel cord venture, BWIL positions itself as a **first mover** in a **high-entry-barrier**, high-margin business with strong import substitution potential. The company's existing customer relationships, manufacturing integration, and execution capability set the stage for:

- Diversified revenue streams
- Improved return ratios (RoIC ~29% in steel cords)
- Sustainable margin uplift (potential 100–150 bps at consol level post FY28E)

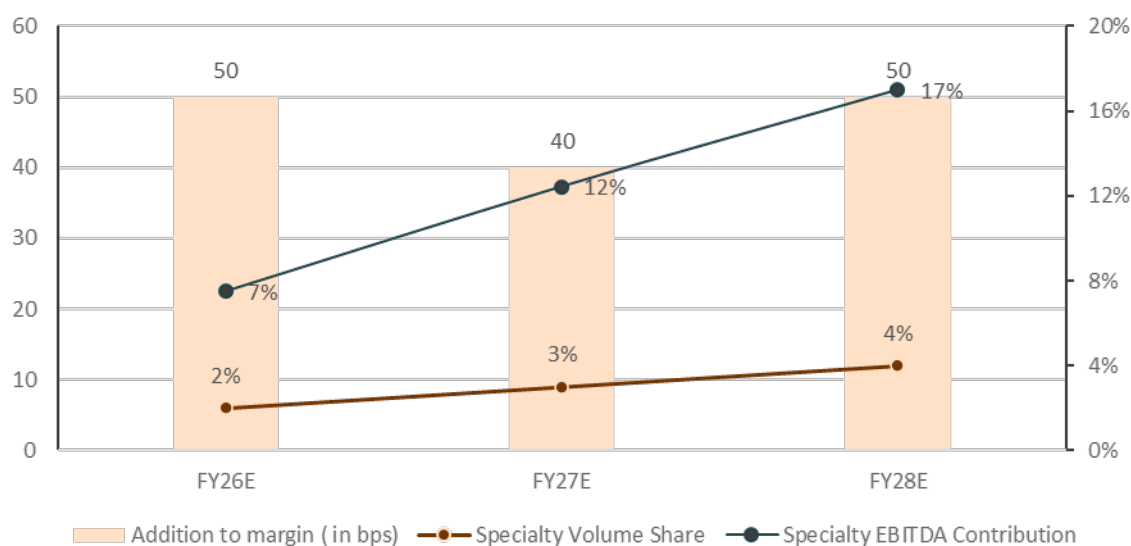
BWIL's strategic foray into specialty wires is not just a product-level diversification—it is a **margin- and capability-accretive transformation** positioning the company as a leading specialty steel wire solutions provider over the coming decade. Going by BWIL's strong execution track record over the past decade, there is reason to be optimistic about the success of this high-potential initiative.

D&B Estimates of Incremental RoCe & pre-tax RoIC calculation for Specialty Wires Segment

Particulars	Rs in Cr
Total Capex	150
Incremental Revenue	300
Incremental EBITDA	75
Depreciation @ 6.25% of gross block	9.375
Working Capital Blocked (~20% of sales)	60
EBIT	66
Interest on the same	5.4
PBT	60
RoCE	31%
Current Business RoCE	~13%
Total Cap. Employed (incl. Working Capital)	210
Pre-Tax ROIC	29%

Source: Dalal & Broacha Estimates

Specialty wire segment will drive BWIL overall margin growth- every 1% addition in volume share will increase consol margins by 40-50 bps



Source: Dalal & Broacha Estimates

Strategic RM Risk Management Through Cost-Plus Pricing Model

BWIL's well-institutionalized cost-plus pricing model acts as a strong margin stabilizer amid volatile raw material (primarily wire rod) prices. Nearly 80% of its raw material procurement is hedged against confirmed orders, allowing for cost visibility and direct pricing linkages. The remaining portion is managed through partial open contracts that provide strategic flexibility—if steel prices soften, BWIL benefits from lower input costs, while any sharp uptrend is met with higher hedging to protect margins. This operational discipline is backed by sourcing from a diversified supplier base (SAIL, JSW, Mukand), and supported by strong procurement scale that gives BWIL a cost advantage over smaller peers.

Short Order Cycles and Dynamic Pricing Enable Margin Preservation

Around 70% of BWIL's wires are delivered within one week, and nearly all low-carbon wire orders are fulfilled within a month—enabling frequent pricing resets. For automotive clients, a structured scheduling system—starting with monthly projections and firm weekly POs—allows BWIL to plan production efficiently. For long-lead orders (mainly in certain grades of stainless steel and high carbon wires, which form ~30% of the portfolio), prices are locked in advance with built-in buffers. The company actively revises its list prices—often multiple times in a month—factoring in RM prices, logistics, taxes, and discounts, which ensures margin preservation even during commodity fluctuations.

Track Record of Margin Stability Despite Volatility

Thanks to this model, BWIL has consistently generated stable operating profits, with EBITDA margins in the 5-7% range historically, even during periods of sharp RM swings. Over FY22–24, despite an inflationary steel cycle, EBITDA margins ranged between 4.7% and 6.0%, and PAT remained positive for 12 consecutive years. While the company may tactically absorb some margin pressure (e.g., in FY26) to push volumes and capture market share, the model ensures that margins revert as high-margin segments scale. This resilience sharply contrasts with smaller peers, who often face amplified volatility and inconsistent profitability.

Gearing to Increase in a high capex phase....

BWIL is entering a high capex phase between FY25–28, with planned investments of ₹1,200 crore—₹350 crore in FY26, ₹450 crore in FY27, and ₹400 crore in FY28—largely directed towards backward integration and capacity expansion. As a result, we expect the company's debt-to-equity ratio to rise from the current 0.5x to 0.8x by FY28E. While gearing will temporarily inch higher, the capex is return-accretive, aimed at doubling margins in the SS segment and expanding market share across core wire verticals, thereby supporting long-term earnings and RoCE improvement.

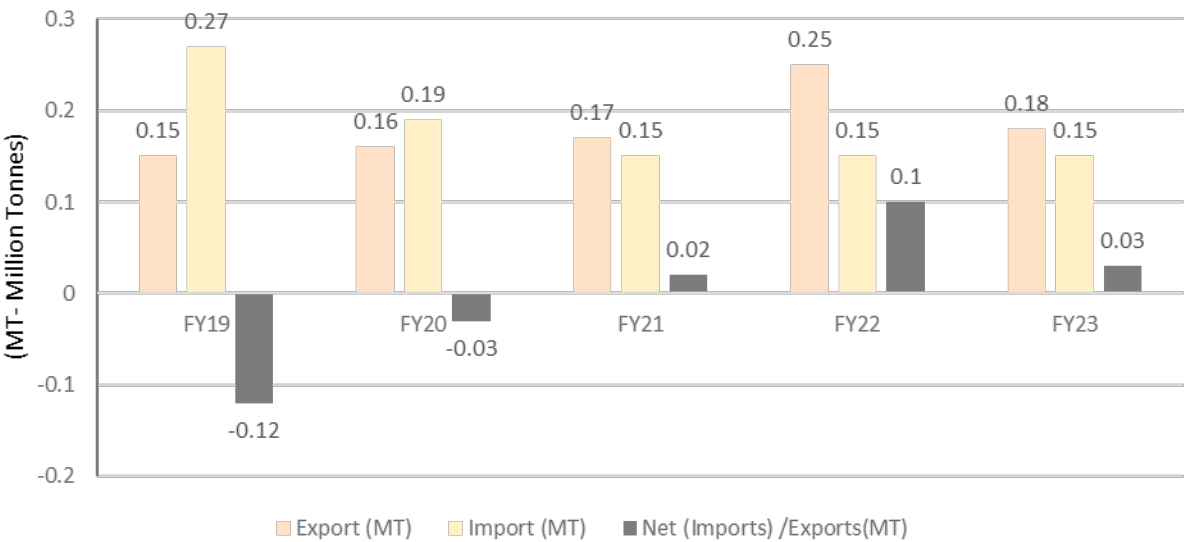
Due to High Capex phase - We expected BWIL's gearing to increase from 0.5 to 0.8 by FY28e....

Particulars	FY26	FY27	FY28
Additional Capex Planned (Rs in Cr)	350	450	400
D/E Ratio	0.7	0.8	0.8

Domestic focused story, with room to grow in exports:

BWIL is primarily an India-focused steel wire player, deriving over 85% of its revenues from the domestic market—shielding it from global trade volatility like US tariffs and making it a stable structural growth story tied to India’s infra and industrial upcycle. However, the company is also scaling up its exports, having already reached ₹350 crore (~10% of FY25 revenue) across 60 countries. With 35% of its exports going to the US, BWIL aims to maintain exports at 10–15% of revenues, leveraging the global “China+1” supply shift and targeting new product additions like elevator rope wire and spring wire for further export penetration.

Steel Wires Import-Export Trend in India indicating a positive growth in wire exports from India



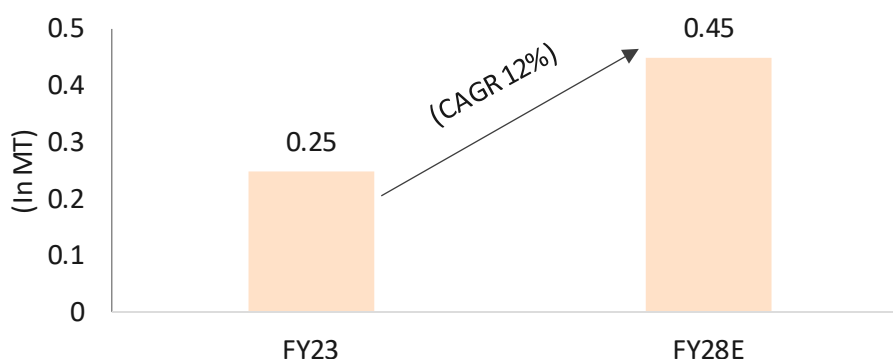
Source: Company RHP

Further Expansion in India: BWIL is strategically expanding beyond its strong North Indian base, which currently accounts for approximately 65-70% of its sales, into the Western (contributing ~22% of sales) and Southern (contributing ~6% of sales) regions, identified as emerging markets. This involves boosting distribution and sales efforts in states like Maharashtra, Gujarat, and those in the South. To enhance access and presence in these markets, the company has acquired land in Sanand, Gujarat, for stainless steel wire backward integration and is actively seeking land near Karnataka for a dedicated specialty wire (steel cords) capacity. While focusing on this expansion, BWIL aims to solidify its dominant position in the North.

Above New Initiatives & entry in new products (like LRPC) to help Bansal further consolidate mkt share in a fragmented market:

BWIL plans to further deepen its portfolio by entering into LRPC(used in prestressed concrete, soil anchors, and retaining systems) which comes at an opportune time, with domestic demand expected to grow at a **~12% CAGR** from **0.25 MT in FY23 to 0.44 MT by FY28 on the back of high government capex & infra thrust to build more infra in terms of highways , ports, airports, smart cities,etc.**

LRPC wire demand to grow at 12% CAGR- will be one of the growth drivers for BWIL from FY25-28E



Source: Company RHP; *MT- represents million tonnes

Creating India's Most Comprehensive Wire Solutions Platform

Bansal Wire Industries Ltd. (BWIL) is poised to emerge as India's most comprehensive and integrated wire solutions provider, driven by a focused push into high-value, under-penetrated segments. As seen in the below peer comparison, BWIL (post-Dadri ramp-up) will be one of the very few players with a presence across a wide swath of the wire product landscape—including galvanized (GI), cable armour, spring, and auto cable wires, as well as high-end categories like SS kitchen wires, ACSR, stainless fasteners, and now, LRPC and bead wires, both of which are currently marked newly entered products.

BWIL has the most diversified portfolio across peer set

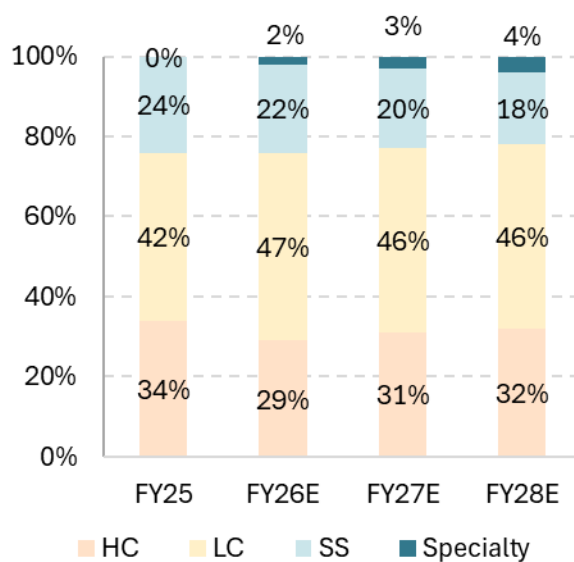
	GI wire	Cable armour	Spring wire	Roping wire	Bead wire	Auto cable	SS kitchen	ACSR	SS Fastners	LRPC
Global Wires India (Tata Steel)										
BWIL (post Dadri)					new entry					new entry
Systematic Wires										
HD Wires										
Nirmal Wire										
Bedmutha										
Rajratan										
DP Wires										
Viraj										
Rimjhim										

Source: Company RHP

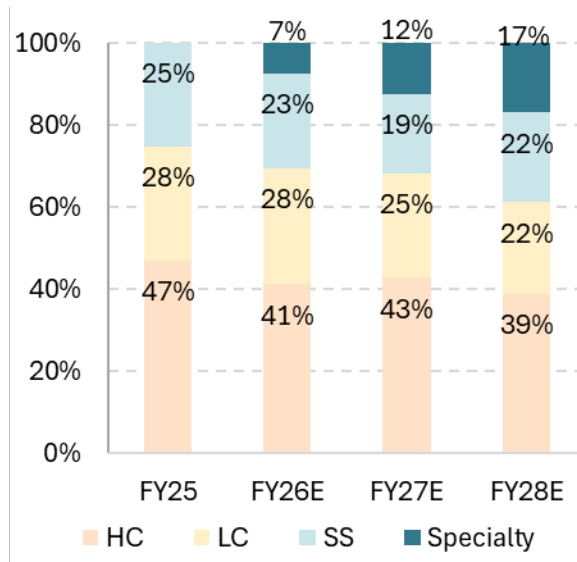
Critically, BWIL is also the only listed player entering the steel cord wire segment (key input for tyre reinforcement) at scale—a move that positions it as a first mover in import substitution in this niche yet strategic product. Alongside, its ₹650 crore backward integration in stainless steel wire at Sanand will ensure cost control, product quality and improved realisation in premium SS applications.

Most competitors remain concentrated in 3–4 wire sub-categories, making BWIL's product and process breadth a key differentiator. By FY26, the company will be equipped to serve a diverse range of applications—from automotive and tyres to infrastructure, energy, and kitchen appliances—creating a full-spectrum wire platform unmatched in the Indian context. These structural moves not only open up large new addressable markets but also significantly strengthen BWIL's ability to capture market share and deliver sustained growth beyond FY28.

Volume Mix estimated from FY25-28E in %



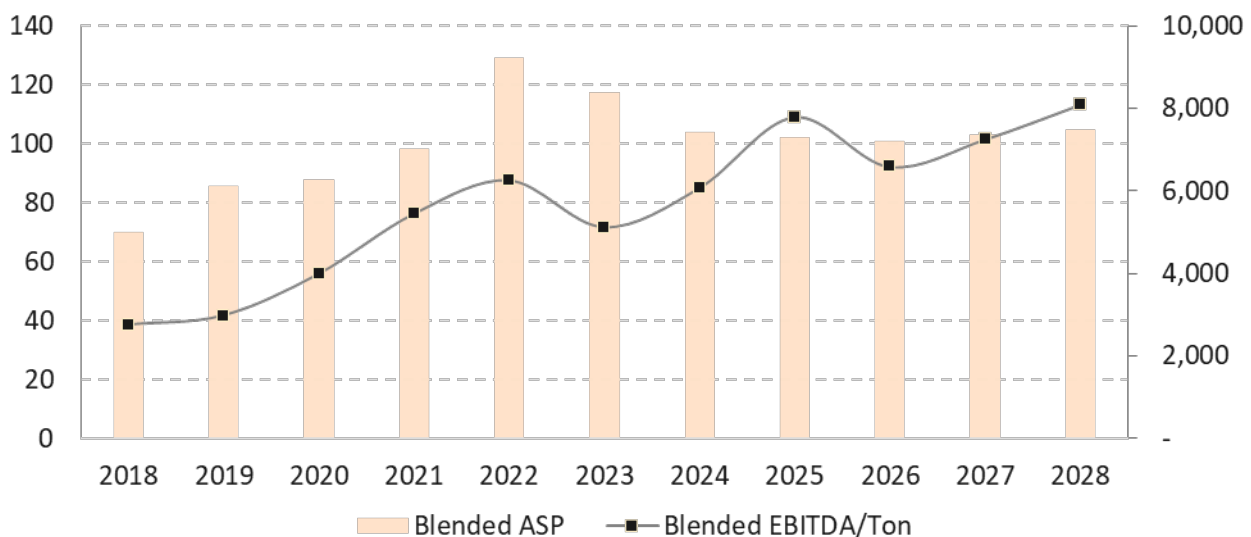
EBITDA Mix estimated from FY25-28E in %



Source: Company, Dalal & Broacha Research Estimates

The charts clearly highlight BWIL's strategic shift toward higher-margin products over FY25–28E. While volume contribution from low-carbon (LC) wires remains dominant (~46%), the EBITDA mix shows a steady rise in Stainless Steel (SS) and Specialty Wires, together contributing 39% of EBITDA by FY28E (vs. 25% in FY25). This premium mix transformation is driving both realisation and profitability. Blended EBITDA/tonne is set to hit an all-time high by FY28E, reflecting strong operating leverage and product premiumisation, despite stable ASPs. The improving margin trajectory underscores BWIL's structural evolution into a value-driven wire player.

Blended ASP from FY25-28E & EBITDA per tonne to be highest ever by FY28e...



Source: Company, Dalal & Broacha Research Estimates

Peer Comparison with Industry Unlisted Players...

Revenue Rs Mn

Company	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	CAGR (%) 3yr	CAGR (%) 5yr
Bansal Wire	5,161	6,207	6,779	9,780	13,695	14,027	14,771	21,984	29,592	28	25
Bekaert	5,711	6,598	8,158	10,054	12,244	12,235	12,824	19,368	22,818	23	18
Synergy Steels	4,240	3,846	5,746	10,145	12,578	12,375	12,614	22,335	21,072	16	19
Nirmal Wires	1,952	2,850	2,696	3,674	4,556	3,553	3,389	8,737	12,697	53	28
Rajratan Global	2,736	2,828	2,834	3,446	4,929	4,802	5,465	8,929	8,954	23	21
Rimjhim											
Stainless Steel	1,984	2,104	2,111	3,273	3,579	5,084	5,042	8,537	7,201	12	17
Bedmutha	3,272	5,005	6,985	6,042	4,911	3,608	3,884	6,602	6,868	24	3
DP Wires (Wires segment)	NA	1,359	1,777	1,901	2,836	2,446	4,063	5,133	5,763	33	25
Systematic	1,760	1,641	1,717	2,171	2,630	2,132	1,751	2,341	3,205	15	8
Bajrang	1,903	2,356	2,146	2,631	4,026	2,635	1,979	2,480	2,828	2	1

Absolute EBITDA in Rs Mn

Company	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	3 yr CAGR	5 yr CAGR
Bansal Wire	257	291	329	385	476	637	816	1,064	1,597	36	33
Rajratan Global	247	419	410	333	524	680	921	1,816	1,620	34	37
Bedmutha	157	141	294	-374	-6	-10	-171	163	167	NA	NA
Bekaert	218	732	913	765	1,090	840	1,644	2,753	2,693	47	29
Systematic	88	101	105	113	127	91	60	89	133	14	3
DP Wires	38	59	105	175	257	233	332	407	548	33	26
Bajrang	86	161	72	121	178	70	54	49	33	-22	-23
Stainless Steel	375	404	429	483	534	590	749	841	783	10	10
Synergy Steels	116	266	421	489	502	388	1,110	569	4	6	20
Nirmal Wires	208	182	299	382	186	224	393	301	17	0	25

EBITDA Margins

Company	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Bansal Wire	5	4.7	4.8	3.9	3.5	4.5	5.5	4.8	5.4
Rajratan Global	9	14.8	14.5	9.7	10.6	14.2	16.9	20.3	18.1
Bedmutha	4.8	2.8	4.2	-6.2	-0.1	-0.3	-4.4	2.5	2.4
Bekaert	3.8	11.1	11.2	7.6	8.9	6.9	12.8	14.2	11.8
Systematic	5	6.1	6.1	5.2	4.8	4.3	3.4	3.8	4.2
DP Wires	2.8	3.7	5.4	8.4	7.7	8.2	7.1	6.6	4.5
Bajrang	4.5	6.8	3.3	4.6	4.4	2.7	2.7	2	1.2
Stainless Steel	18.9	19.2	20.3	14.7	14.9	11.6	14.9	9.9	10.9
Synergy Steels	2.2	3	4.6	4.2	3.9	4.1	3.1	5	2.7
Nirmal Wires	3.3	7.3	6.8	8.2	8.4	5.2	6.6	4.5	2.4

Source: Company , Dalal & Broacha Research

Valuation & Outlook

BWIL presents a rare combination of **volume-led expansion and structural margin uplift**, making it a strong long-term compounder in India's industrials space. Over FY25–28E, we estimate a robust **24%/24%/23% CAGR in Revenue/EBITDA/PAT**, driven by capacity ramp-up, backward integration, and entry into high-value, underpenetrated wire segments. While margins may see temporary pressure in FY26 due to strategic price undercuts aimed at volume capture, we see this as an intentional and effective move to **consolidate market share** in a fragmented industry. From FY27E, operational efficiency at the **Dadri plant** and scale-up in **specialty wire volumes** will begin to materially reflect in financials.

FY28 will mark a key inflection year, with the commissioning of the **Sanand stainless steel rod facility**, enabling BWIL to deliver its **highest-ever EBITDA/tonne and margin profile**. From thereon, we expect a **sustainable double-digit EBITDA margin** to emerge by FY30E. Simultaneously, **RoCEs are expected to rise meaningfully from FY28E**, supported by margin-accretive segments like **steel cords** and **backward-integrated stainless wires**, both of which offer strong return profiles. The **steel cord segment**, in particular, is a high-potential, import-substitution play with ample headroom for capacity scaling in the medium term.

With **₹800 Cr capex completed over FY24–26**, and a planned **₹1,000–1,200 Cr** investment from FY25–FY29E, BWIL is undergoing its **largest capex cycle (~₹1,800–2,000 Cr)**—setting up the foundation for next-phase compounding. **New Capex will be towards high yielding segments & will be margin & RoCE-accretive.**

Supported by its strong 10-year execution track record (**19%/25%/36% CAGR in Revenue/EBITDA/PAT**), we believe BWIL is poised to expand its **revenue-based market share from ~6% to ~8% by FY28E**. We initiate coverage with a **BUY** rating and a **target price of ₹501**, implying a **30% upside from CMP**. (assigning 1.4x PEG from FY25–28E to arrive at the target).

Key Risks:

- ❖ **Raw Material Price Volatility:** Despite a cost-plus pricing model and ~80% RM hedging, sharp and sudden price swings in steel wire rods and zinc can affect profitability. Quality issues or delays in RM procurement remain operational risks.
- ❖ **Plant Ramp-Up & Operational Delays:** Growth depends on timely ramp-up of large facilities like Dadri and Sanand. Risks include equipment breakdowns, power outages, or lease-related uncertainties at older units.
- ❖ **High Working Capital & Leverage Risk:** The business is working capital intensive. Though gearing improved post-IPO, year-end procurement spikes and restrictive loan covenants could impact liquidity and operational flexibility.
- ❖ **Geographic & Market Expansion Challenges:** BWIL's presence is concentrated in North India. Expansion into new geographies or exports exposes it to established competitors, market unfamiliarity, and potential investment risks.
- ❖ **End-Market Cyclicity:** Demand slowdown in core sectors like auto, infra, and consumer durables could impact volumes, despite BWIL's diversified portfolio and low client/sectoral concentration.
- ❖ **Approval Risk in Value-Added Products:** Growth in high-margin wires like steel cords hinges on client approvals from key tyre OEMs—a long and uncertain qualification process.
- ❖ **Competitive Intensity:** The industry is fragmented with many unorganised players. Inability to counter pricing pressure or sustain differentiation could erode margins and market share.
- ❖ **Brand & IP Risks:** Sales could be affected by counterfeit products or misuse of BWIL's brand/IP. Past incidents highlight the need for robust brand protection mechanisms.
- ❖ **Regulatory & Contingent Liabilities:** Failure to comply with statutory regulations or adverse outcomes from contingent liabilities may negatively impact financials.

Peer Comparison – With Listed Peers....

Bansal margins are growing directionally upwards- highest ever done in FY25

EBITDA Margins	2018	2019	2020	2021	2022	2023	2024	2025
Bansal	3.9	3.5	4.5	5.5	4.8	4.4	5.9	7.7
Rajratan Global	9.67	10.63	14.17	16.85	20.34	18.09	14.34	13.58
DP Wires	8.39	7.75	8.21	7.11	6.63	4.56	5.03	4.16
Usha Martin	10.56	12.66	10.75	13.52	14.01	15.69	18.56	17.19
Bharat Wire ropes	10.38	7.76	11.24	12.97	15.14	23.57	26.38	21.38
Geekay Wires	4.77	3.74	5.84	6.99	3.81	6.70	8.85	4.76
Kritika Wires	5.03	6.32	2.54	1.98	3.23	3.09	3.03	1.20

Healthy double digit RoE's posted consistently by Bansal...

RoE	2018	2019	2020	2021	2022	2023	2024	2025
Bansal	12%	17%	20%	25%	26%	21%	19%	12%
Rajratan Global	12%	16%	18%	22%	36%	25%	17%	13%
DP Wires	28%	34%	20%	30%	29%	32%	24%	10%
Usha Martin	19%	50%	-5%	11%	17%	17%	18%	15%
Bharat Wire ropes	0%	-45%	-156%	-4%	3%	11%	15%	10%
Geekay Wires	4%	9%	16%	14%	17%	33%	35%	25%
Kritika Wires	12%	11%	2%	1%	6%	8%	12%	11%

Healthy double digit RoCE's posted consistently by Bansal...

RoCE	2018	2019	2020	2021	2022	2023	2024	2025
Bansal	12%	15%	15%	15%	17%	15%	13%	13%
Rajratan Global	12%	16%	18%	22%	36%	25%	17%	13%
DP Wires	28%	34%	20%	30%	29%	32%	24%	10%
Usha Martin	4%	6%	10%	12%	15%	19%	20%	16%
Bharat Wire ropes	1%	0%	2%	1%	6%	15%	18%	14%
Geekay Wires	5%	6%	9%	7%	4%	14%	17%	6%
Kritika Wires	12%	13%	1%	0%	6%	7%	9%	3%

Industry Leading Asset turns for Bansal Wires

Asset Turnover	2018	2019	2020	2021	2022	2023	2024	2025
Bansal	11.90	11.26	10.20	19.43	18.36	16.26	8.41	4.46
Rajratan Global	2.36	2.51	1.78	1.83	2.55	2.16	1.91	0.85
DP Wires	6.83	29.16	18.32	27.19	24.90	38.27	27.31	18.53
Usha Martin	0.36	2.11	1.71	1.61	2.00	2.25	1.88	1.75
Bharat Wire ropes	0.28	0.40	0.43	0.42	0.70	0.98	1.01	0.96
Geekay Wires	3.74	5.78	3.85	2.89	4.07	4.89	4.12	3.17
Kritika Wires	6.46	6.77	4.08	6.93	11.45	13.16	13.13	18.26

*Note: DP Wires asset turns look larger only due to Ind-As transition & do not denote the actual picture

Source: ACE, Tijori, Screener

About the Company:

Incorporated in 1985, Bansal Wire Industries Ltd. (BWIL) is India’s second-largest steel wire manufacturer and the leading producer of stainless-steel wire. Backed by a rich legacy of over 87 years in trading and nearly four decades in manufacturing, BWIL has evolved from producing 102 tonnes of HB wire in its first month to an anticipated capacity scale-up to 670,000 tonnes by H1FY26. The company, along with its subsidiary BWI Steel Pvt. Ltd., offers a diversified portfolio of 3,000+ SKUs across three key segments—high carbon steel wires, low carbon/mild steel wires, and stainless steel & specialty wires.

BWIL caters to a wide spectrum of applications across sectors such as automotive, power and cable, infrastructure, fencing, agriculture, consumer durables, and general engineering. Its offerings include galvanized wires, cable armouring wires and strips, profile wires, and shaped/specialty wires, which are exported to over 50 countries, reflecting its growing global footprint.

The company is professionally managed, with a well-composed seven-member board, including four independent directors and two women members, ensuring governance compliance and strategic oversight. As per the FY24 annual report, the top-ten employees account for ~7.7% of the total compensation pool, broadly in line with governance best practices, while the executive director's remuneration remains within reasonable bounds. BWIL’s robust management, diversified product base, and scalable operations underpin its long-term growth trajectory in the wires industry.

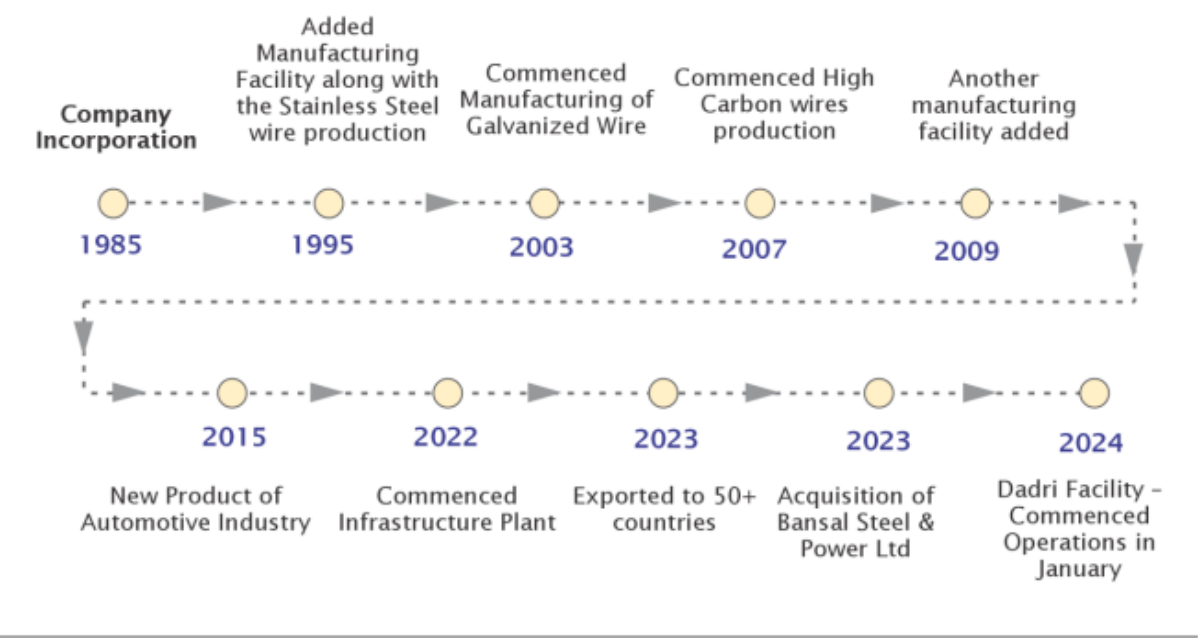
Diverse Product Portfolio

BWIL and its subsidiary BWI Steel Pvt. Ltd. manufacture over 3,000 Stock Keeping Units (SKUs) across three major wire segments, catering to a wide variety of applications:

Segment	Key Products	End-Use Industries
Low Carbon Wires	HB wires, galvanized wires, cable armouring, fencing wires	Infrastructure, power, agriculture, general engineering
High Carbon Wires	Spring wires, bead wires, rope wires, LRPC, spokes	Automotive, construction equipment, energy
Stainless Steel & Specialty Wires	SS wires, profile wires, hose/cord wires, kitchen-grade wires	Consumer durables, marine, kitchenware, export markets

Metric	FY85	H1FY26E
Monthly Production (tonnes)	102	~56,600
Annual Capacity (tonnes, approx.)	~1,200	6,70,000
SKUs	<10	>3,000
Export Presence	Nil	50+ countries

Company: Key Milestones



Bansal Group Structure

Name of the Company	Description
Bansal Steel & Power Ltd	High carbon wires, stainless steel and mild steel wires
Balaji Wires Private Ltd	Cable armouring wires, formed wires & galvanized steel core wires
Bansal High Carbon Private Ltd	High carbon wires & Mild steel wires
Bansal Aradhya Steel Private Ltd	Bead wires, wire rope & high carbon wires
Paramhans Wires Private Ltd	Aluminium alloy wires and copper-coated steel wires

About the KMP

BWIL is led by an experienced and strategically aligned management team with deep domain expertise across operations, finance, and technology—crucial for executing the company’s growth roadmap in a capital- and input-intensive industry like steel wires.

Mr. Arun Gupta – Chairman & Whole-Time Director

A founding member, Mr. Arun Gupta has been associated with BWIL since its inception in December 1985 and brings over 38 years of experience in the steel wire industry. He has played a central role in laying the foundation of the business and scaling operations over the decades. Mr. Gupta completed his secondary education at Dhanpatmal Virmani Sr. Sec. School, Delhi.

Mr. Pranav Bansal – Managing Director & Chief Executive Officer

Mr. Pranav Bansal has over nine years of experience in the steel wires sector and has been on the Board since 2018. He is actively involved in strategic planning, operations, and business execution. Under his leadership, BWIL has strengthened its market position and diversified into high-margin segments. His industry contribution has been recognised with the ‘Outstanding Contribution to the Wire and Cable Industry Award’, and he was recently featured in Tyre Trend Magazine (Dec’24–Jan’25 edition).

Mr. Umesh Kumar Gupta – Whole-Time Director & Chief Operating Officer

With over nine years of operational experience in the steel wire industry, Mr. Umesh Kumar Gupta oversees plant-level execution and efficiency at BWIL. He was earlier associated with Bansal High Carbons Pvt. Ltd. and pursued a B.A. (Hons) in Hindi from Zakir Husain College (Evening), University of Delhi.

Mr. Ghanshyam Das Gujrati – Chief Financial Officer

A finance veteran with 27+ years of experience, Mr. Gujrati has been associated with BWIL since May 2010, and was elevated to CFO in August 2023. A Chartered Accountant and a commerce graduate from Banaras Hindu University, he brings significant financial acumen and control oversight, having previously worked in various senior finance roles.

Mr. Manoj Kumar Dave – Chief Technology Officer

Mr. Dave has been BWIL’s CTO since March 2016, and holds a B.E. in Metallurgy from Poona University. With over seven years of experience in metallurgy and wire process technology, he plays a key role in process innovation and quality control.

Manufacturing Facilities

Parameter	Facility I	Facility II	Facility III	Facility IV	Facility V
Location	B-35, Rajender Nagar Industrial Area, Mohan Nagar	B-3, Loni Industrial Area	B-5 and 6, Loni Industrial Area	Delhi-Rohtak Road, Asuadha, Bahadurgarh	Dadri
Area / State	Ghaziabad, UP	Ghaziabad, UP	Ghaziabad, UP	Haryana	UP
Year of Commissioning	1997	2007	2009	2019	2024
Land Area (sq. mts)	2,347.77	5,583.61	11,042.95	57,758.57	1,29,312

Dadri & Bahadurgarh Plant visit KTA's & Key Observations (in April'25):

**Key Highlights of the Plant:****Flexible Manufacturing Setup:**

BWIL's production capabilities and product mix are designed to be flexible, allowing them to shift or expand output across different sectors as per changing industry requirements. At the Dadri facility, the company has integrated advanced manufacturing technologies—such as straight-line machines (which reduce bends and enhance product stability) and high-speed furnaces/drawing lines. These upgrades improve throughput per line while lowering manpower and energy costs.

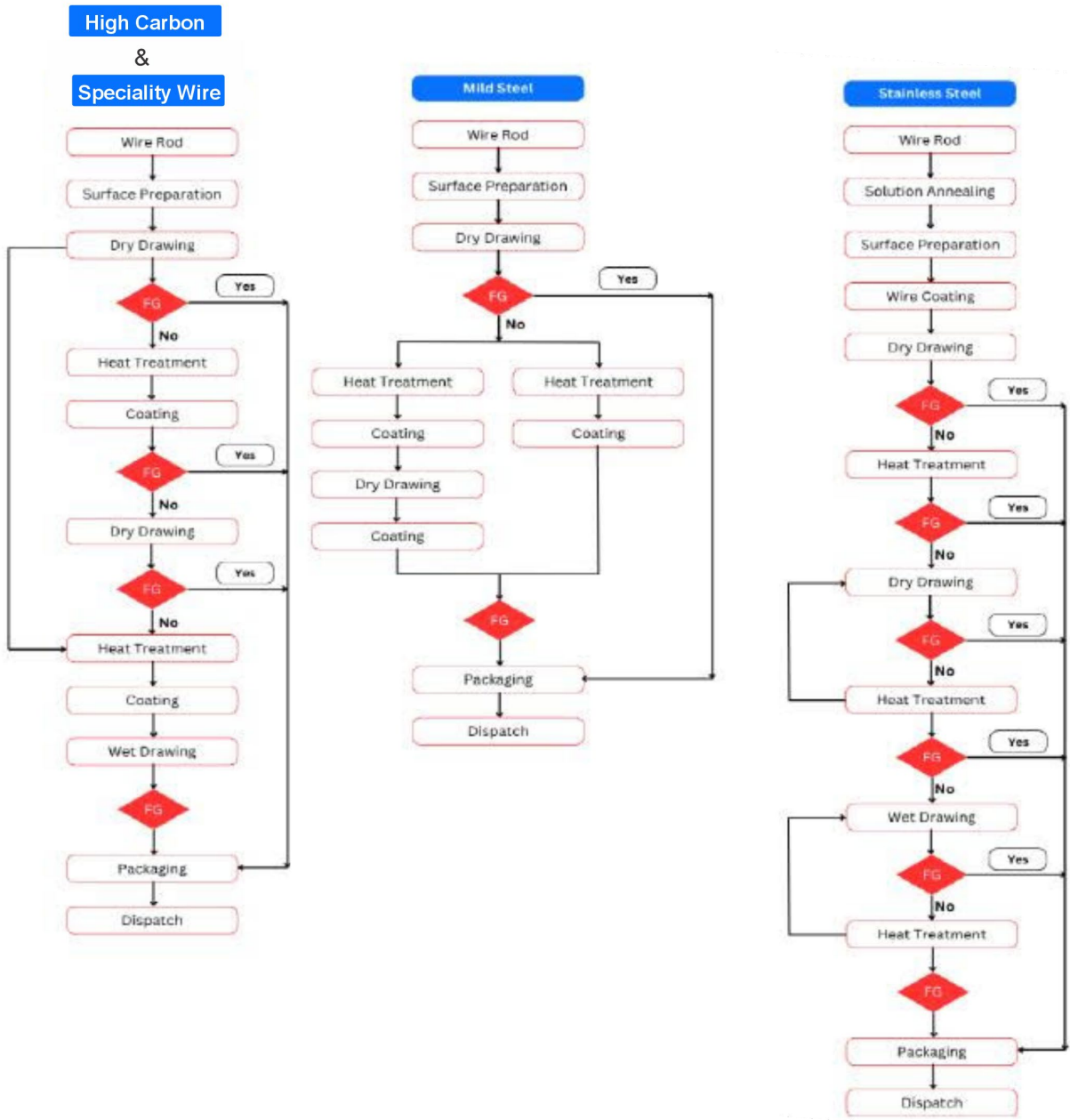
Automation-Led Efficiency:

The Dadri plant is highly automated, equipped with over 150 wire drawing machines. We believe this scale of automation, once fully utilised, will significantly boost BWIL's margins due to operational efficiency.

Cost-Effective & In-House Machinery Capabilities:

The plant features machinery from reputed global and domestic suppliers like Siemens, Wuxi Sunit, Assomac, Jiangsu Quenye Electrical, and Swaraj. Additionally, BWIL fabricates generic equipment (like furnaces and patenting machines) in-house, which reduces maintenance downtime. For complex equipment such as wire drawing machines, in-house assembly further helps save on installation time and cost.

Manufacturing Process Flow:

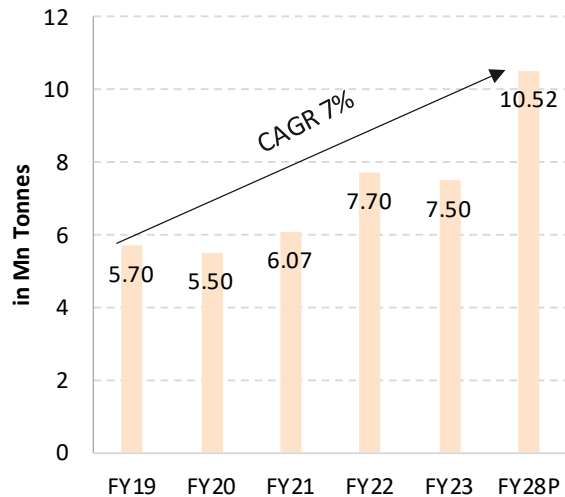


Industry Overview

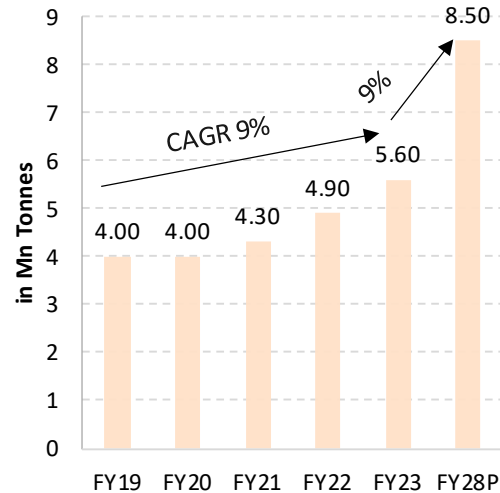
Wire & Wire Rod Industry Outlook – Positive Demand Momentum

Wire rod production market has grown at a 6.9% CAGR over FY19–23 expected to grow at a similar pace until FY28. while steel wire demand is expected to accelerate further with an 9% CAGR over FY23–28, driven by strong infrastructure, automotive, and industrial capex cycles.

Wire Rod Market to grow at 7% CAGR from FY23-28P

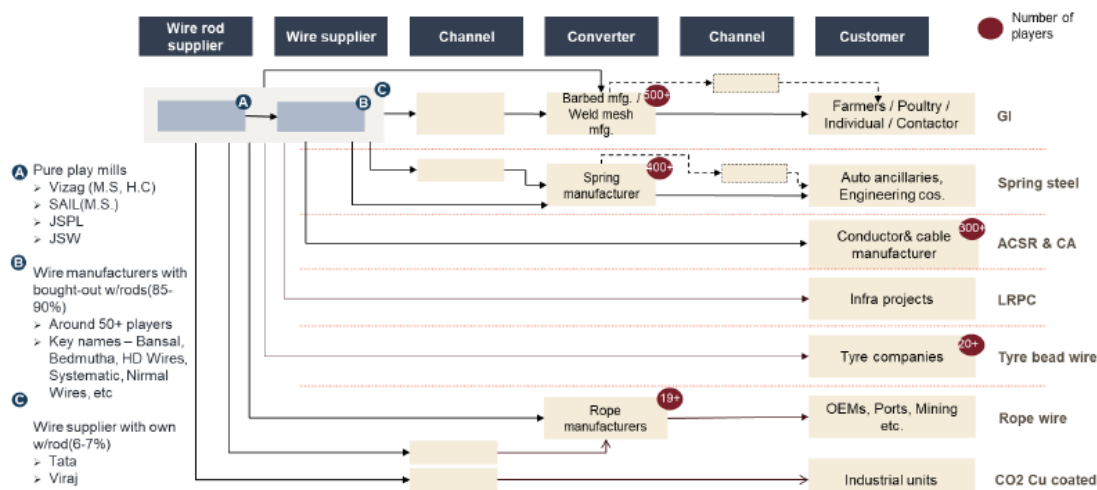


Steel Wire Market growing at 9% CAGR FY23-28P



Wire Value Chain – Fragmented Midstream, Consolidation Opportunity

The wire value chain begins with wire rod suppliers—ranging from pure-play mills (e.g., Vizag, SAIL, JSPL) to integrated players with captive rod capacity like Tata and Viraj. A large portion of the industry comprises wire manufacturers sourcing 85–90% of their rods externally, including BWIL and other mid-sized players. The value chain then diversifies into end-use applications through various converters and channels—serving sectors like agri fencing (barbed/GI wire), auto components (spring steel), power infra (ACSR/CA conductors), tyre (bead wire), and mining (rope wire). Notably, midstream converters remain fragmented, with several pockets (e.g., LRPC, rope wire, conductor cables) having 30–100+ players—highlighting scope for consolidation and margin gains through backward integration



Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	24,130	24,660	35,072	44,216	55,012	66,735
Total Raw material consumed	19,806	19,820	27,240	35,373	44,009	52,053
Employee Cost	600	735	1,437	1,510	1,736	2,257
Other Expenses	2,672	2,660	3,707	4,449	5,394	7,282
Operating Profit	1,051	1,445	2,688	2,884	3,872	5,143
Depreciation	91	135	300	418	468	643
PBIT	960	1,310	2,388	2,466	3,404	4,499
Other income	96	49	94	109	125	144
Interest	240	288	378	565	814	1,017
PBT (Before share of JV/associates)	816	1,071	2,104	2,009	2,715	3,626
Exceptional items	-	32	-	-	-	-
PBT	816	1,102	2,104	2,009	2,715	3,626
Provision for tax	216	314	639	502	679	906
PAT (From continuing operations)	599	788	1,465	1,507	2,036	2,719
PAT (From Discontinuing operations)	-	-	-	-	-	-
MI						
Reported PAT	599	788	1,465	1,507	2,036	2,719
Adjusted Profit	599	788	1,465	1,507	2,036	2,719

Balance Sheet (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	91	637	783	783	783	783
Reserves	2,734	3,586	11,907	13,414	15,451	18,170
Net worth	2,825	4,224	12,690	14,197	16,234	18,953
Minority Interest	-	388	-	-	-	-
Non Current Liabilities	2,060	3,214	2,038	4,269	7,496	8,366
Current Liabilities	2,779	5,109	6,955	8,621	9,286	11,054
Other Liabilities(associated with discontinued operations/ assets held for sale)	-	-	-	-	-	-
TOTAL LIABILITIES	7,664	12,935	21,684	27,087	33,015	38,373
Non Current Assets	2,037	4,918	8,984	12,593	15,669	17,576
Fixed Assets	1,155	2,294	6,928	7,509	8,041	13,398
Goodwill	-	-	-	-	-	-
CWIP	379	2,119	1,780	4,780	7,280	3,780
Long term loans & Advances	479	483	-	-	-	-
Non-current assets tax (net)	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Other Financial Assets	-	11	73	70	80	90
Other Non Current Assets	25	12	203	233	269	309
Current Assets	5,627	8,016	12,700	14,494	17,346	20,797
Current investments	225	-	-	-	-	-
Inventories	2,439	3,136	6,385	7,286	8,308	10,994
Trade Receivables	2,524	3,579	4,762	5,465	6,798	7,512
Cash and Bank Balances	8	18	17	49	381	251
Other bank balances	-	26	41	50	50	50
Short Term Loans and Advances	425	1,161	217	239	263	289
Other Financial Assets	-	0	0	0	0	0
Other current assets	6	96	1,278	1,406	1,546	1,701
Assets Held for sale	-	-	-	-	-	-
TOTAL ASSETS	7,664	12,935	21,684	27,087	33,015	38,373

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
JV/Associates)	816	1,102	2,103	2,009	2,715	3,626
Add: Dep. & Amort.	91	135	300	418	468	643
Add: Interest Expenses	240	288	378	565	814	1,017
working capital change	1,147	1,525	2,781	2,993	3,997	5,286
(Inc)/Dec in						
Working capital adjustment	190	(1,289)	(3,150)	(1,048)	(2,518)	(2,918)
operations	1,337	236	(370)	1,945	1,479	2,369
Direct taxes paid	(311)	(314)	(639)	(502)	(679)	(906)
Others	-	(5,291)	(501)	(48)	(39)	(10)
CF from Oper. activities	1,025	(5,369)	(1,510)	1,395	761	1,452
CF from Inv. activities	(872)	(4,959)	(4,442)	(4,007)	(3,500)	(2,500)
CF from Fin. activities	(150)	10,347	5,950	2,644	3,071	918
Cash generated/(utilised)	3	18	(1)	32	332	(130)
Cash at start of the year	4	-	18	17	49	381
Cash at end of the year	8	18	17	49	381	251
Balance sheet	7	18	17	49	381	251

Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E
OPM	4.36%	5.86%	7.66%	6.52%	7.04%	7.71%
NPM	2.47%	3.19%	4.16%	3.40%	3.69%	4.07%
Tax Rate	26.51%	28.50%	30.38%	25.00%	25.00%	25.00%

Growth Ratios (%)

Net Sales	9.76%	2.20%	42.22%	26.07%	24.42%	21.31%
Operating Profit	-1.21%	15.99%	86.06%	7.32%	34.25%	32.81%

PBT	4.37%	35.15%	90.77%	-4.43%	35.13%	33.54%
PAT	4.61%	31.48%	85.75%	2.96%	35.13%	33.54%
CFO/EBITDA Ratio	0.98	-3.72	-0.56	0.48	0.20	0.28
CFO/PAT Ratio	1.71	-6.81	-1.03	0.93	0.37	0.53

Per Share (Rs.)

Net Earnings (EPS)	3.83	5.03	9.35	9.63	13.01	17.37
Cash Earnings (CPS)	4.54	6.09	11.26	12.30	16.00	21.48
Payout ratio	0%	0%	0%	0%	0%	0%
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Book Value per share (BVPS)	22.17	33.14	81.06	90.69	103.69	121.06
Free Cash Flow	560	(8,383)	(6,104)	(2,605)	(2,739)	(1,048)

Valuation Ratios

P/E(x)	100.57	76.49	41.18	40.00	29.60	22.16
P/B(x)	17.37	11.62	4.75	4.25	3.71	3.18
EV/EBITDA(x)	10.55	38.41	24.83	24.24	18.97	14.69
Div. Yield(%)	-	-	-	-	-	-
FCFF Yield(%)	7.99	(17.08)	(10.13)	(4.32)	(4.54)	(1.74)

Return Ratios (%)

ROE	21.21%	18.66%	11.53%	10.61%	12.54%	14.35%
ROCE	13.89%	12.29%	12.46%	10.33%	11.42%	14.93%

Source: Dalal& Broacha Estimates

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