Bansal Wire Industries Ltd

Q2FY27 Result Update | Capital Goods

Bansal Wire Breaks Records, Sets New Growth Highs

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

23 October 2026

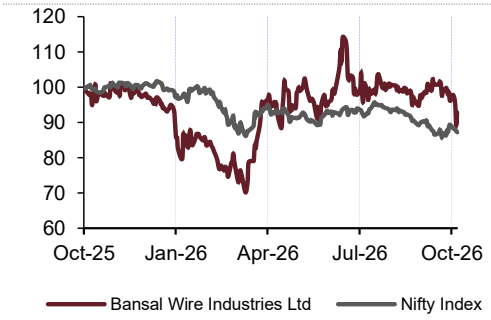
Bansal Wire delivered record quarterly volumes of **1.29 lakh tonnes** (+12% YoY, +15% QoQ) and record **EBITDA/tonne of ₹8,118**, driving EBITDA growth of 36% YoY to ₹104.6 crore. The strong performance was largely driven by favourable steel price pass-through timing: material cost/tonne declined 8% QoQ, while realisations fell only 3%, reversing the margin pressure witnessed in Q1 when the company absorbed a sudden steel price spike on previously booked orders. Importantly, H1 EBITDA/tonne averaged ~₹6,700, broadly flat YoY, indicating that the Q1 weakness and Q2 strength largely offset each other. While the cost-plus model continues to work as intended over the cycle, quarterly profitability may remain volatile until steel prices stabilise. We estimate **sustainable EBITDA/tonne of ~₹7,500**, below Q2's elevated level.

Capacity utilisation improved to 74% from 68% in FY26, driving operating leverage. Value-added products are gaining traction, with IHT wire commissioned, Steel Tyre Cord under customer evaluation and OHT capacity expansion underway. Operating cash flow for H1 FY27 stood at ₹339 crore, exceeding the ₹333 crore generated in the entirety of FY26, while working capital days declined to 49 from 75 over the last two quarters. Debt reduced by 40%, with total debt now around ₹300 crores and a 0.2 debt-to-equity ratio. Going forward, higher utilization and a richer product mix remain key drivers, with management prioritising investments in higher-margin products and shorter-payback projects, funded largely through internal accruals.

Rating	TP (Rs)	Up/Dn (%)
BUY	**74**	**24**
Market data		
Current price	**Rs**	**60**
Market Cap (Rs.Bn)	(Rs Bn)	47
Market Cap (US$ Mn)	(US$ Mn)	491
Face Value	Rs	1
52 Weeks High/Low	Rs	74.33 / 44.5
Average Daily Volume	('000)	5,987
BSE Code		544209
Bloomberg		BANSALWI.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Jul-26	Mar-25
Promoters	75.00	75.00
Public	25.00	25.00
Total	**100.00**	**100.00**

Source: Bloomberg

Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net sales	24,130	24,660	35,072	41,598	53,984	66,076
EBIDTA	1,051	1,444	2,664	3,101	3,954	5,064
Margins (%)	4.4	5.9	7.6	7.5	7.3	7.7
Adjusted net profit	599	721	1,465	1,639	2,066	2,878
Adjusted EPS (Rs)	0.8	1.0	1.9	2.1	2.6	3.7
P/E (x)	78	62	32	29	23	16
EV/EBITDA (x)	48	37	20	17	13	10
RoCE (%)	15%	12%	13%	13%	15%	18%
RoE (%)	21%	16%	12%	11%	13%	15%

Source: Company, Dalal and Broacha Research;
EPS and BVPS are Adjusted for split

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Q2 FY27 Result Summary

Particulars (INR in mn)	Q2FY27	Q2FY26	YoY%	Q1FY27	QoQ%
Revenue from Operations	**13,081**	**10,554**	**24%**	**11,679**	**12%**
Other Income	4	48	-91%	3	20%
Total Income	**13,086**	**10,602**	**23%**	**11,682**	**12%**
Cost of Goods Sold	9,965	8,023	24%	9,407	6%
Employee Benefit Expense	541	488	11%	469	15%
Other Expenses	1,529	1,275	20%	1,239	23%
Total Expenses	**12,035**	**9,786**	**23%**	**11,115**	**8%**
EBITDA	**1,046**	**768**	**36%**	**564**	**86%**
Depreciation	155	149	4%	152	2%
EBIT	**891**	**619**	**44%**	**412**	**117%**
Finance Cost	177	157	**13%**	155	**15%**
PBT	**718**	**510**	**41%**	**260**	**176%**
Exceptional Items	-0	0		-	
Tax Expense	189	127	49%	56	239%
Net Profit (Reported)	**529**	**383**	**38%**	**205**	**159%**
Net Profit (Adjusted)	**529**	**383**	**38%**	**205**	**159%**
EPS (Reported)	**0.68**	**0.49**	**38%**	**0.26**	**159%**
Margins			**Changes in bps**		**Changes in bps**
Gross Margins	23.8%	24.0%	-16	19.5%	436
EBITDA Margins	8.0%	7.3%	72	4.8%	317
PAT Margins	4.0%	3.6%	43	1.8%	229
Other Operational Matrix			**Changes in bps**		**Changes in bps**
Cost of Goods Sold	76.2%	76.0%	16	80.5%	-436
Employee Benefit Expense	4.1%	4.6%	-49	4.0%	11
Other Expenses	11.7%	12.1%	-39	10.6%	108
Other Operational Matrix			**YoY%**		**QoQ%**
Volume (MT)	1,28,867	1,14,609	12%	1,11,945	15%
Revenue per tonne (INR)	1,01,511	92,087	10%	1,04,327	-3%
EBITDA per tonne (INR)	8,118	6,699	21%	5,034	61%

Source: Company, Dalal and Broacha Research

Concall KTAs:

➢ Financial Performance & EBITDA/Tonne Outlook

- EBITDA/tonne guidance: Management expects EBITDA of ₹7,000–7,500/tonne for H2 FY27. Q2 EBITDA/tonne of ~₹8,100 included a one-time inventory gain of ~₹200/tonne.
- Drivers of margin improvement: Low-carbon wire contributed ~55% of volumes, at the lower end of the targeted 55–60% range, supporting a richer blended product mix. Within low-carbon wires, B2C products generate at least 50% higher EBITDA than the general B2B portfolio. B2C contributed 10-12% of Revenue in Q2 FY27 despite Q2 being a soft quarter for the segment.

➢ Volume Growth & Raw Material Availability

- FY27 volume guidance retained: Management remains confident of achieving 20% YoY volume growth in H2 FY27.
- Temporary supply constraints: Wire-rod availability has been affected as suppliers diverted capacity towards TMT bars, alongside breakdowns at certain suppliers. The issue affected production in October, but management expects it to be temporary.
- Inventory buffer: The company maintains approximately 1.5 months of inventory, which helped mitigate the supply disruption during September.

➢ Specialty Wires – Steel Tyre Cord, IHT & OHT

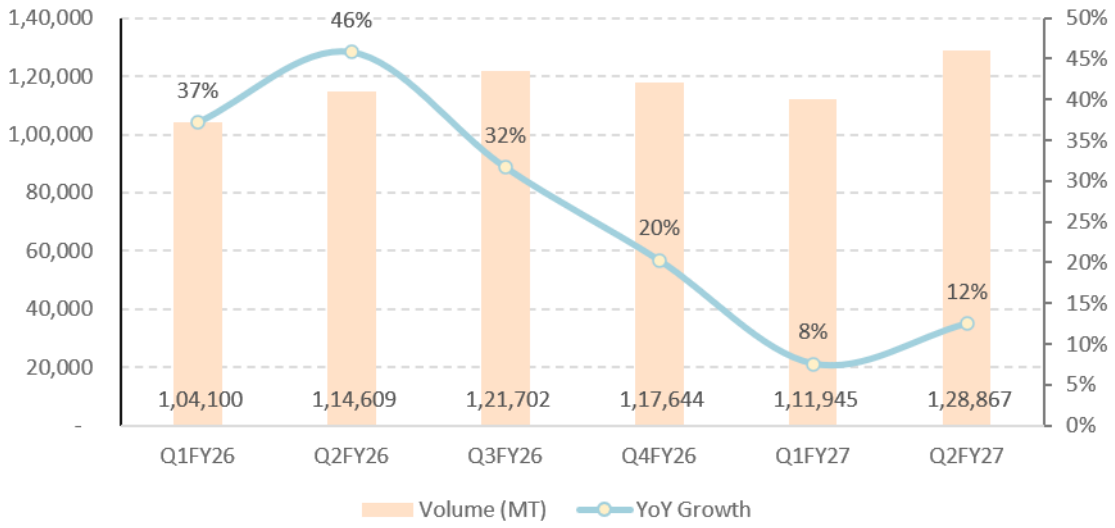
- Steel Tyre Cord – Customer approvals progressing: The company has received its first trial order, expects a further trial order from another customer and has initiated second-stage approvals with additional customers. Management expects at least one of three customer developments to convert into a meaningful opportunity within the next six months, with commercialisation potentially beginning in FY27.
- Gradual ramp-up: The first two quarters following commercialisation are expected to see a slower ramp-up. Management intends to avoid customer concentration, targeting no single customer to account for more than 20–25% of total sales.
- Large addressable market: Domestic steel tyre cord demand is estimated at 2.5–3.0 lakh tonnes, with a significant portion met through imports. Growth is supported by tyre industry expansion and increasing radialisation; Radialisation in the Indian truck and bus segment is currently ~60%, leaving significant headroom.
- IHT/OHT progress: IHT has achieved positive EBITDA. The additional 6,000-tonne OHT line is expected to be commissioned in Q3/Q4 FY27, taking combined IHT/OHT capacity to 15,000 tonnes. Management expects a positive contribution from these products.
- Specialty product profitability: Management indicated EBITDA potential of ₹15,000–20,000/tonne for IHT/OHT, materially above the current blended portfolio.
- Bead wire: Installed capacity is ~30,000 tonnes, although current effective capacity is ~10,000–15,000 tonnes due to pending balancing equipment. The company plans to focus more actively on the segment over the next 1–3 quarters. Management indicated a potential EBITDA range of ₹12,000–15,000/tonne.

➢ Capex, Capacity Expansion & Cash Generation

- Expansion plans on track: The company plans to add 60,000 tonnes of capacity at Dadri through brownfield expansion and is progressing with a 90,000-tonne greenfield facility at Sanand, Gujarat.
- Capacity outlook: Total manufacturing capacity is expected to increase from 6.8 lakh tonnes to ~8.3 lakh tonnes by the end of next year.
- Annual capex guidance: Management expects to continue investing ₹200–250 crore annually, largely funded through internal accruals.
- Cash generation: Management targets cumulative operating cash flow of ₹800 crore across FY27 and FY28.

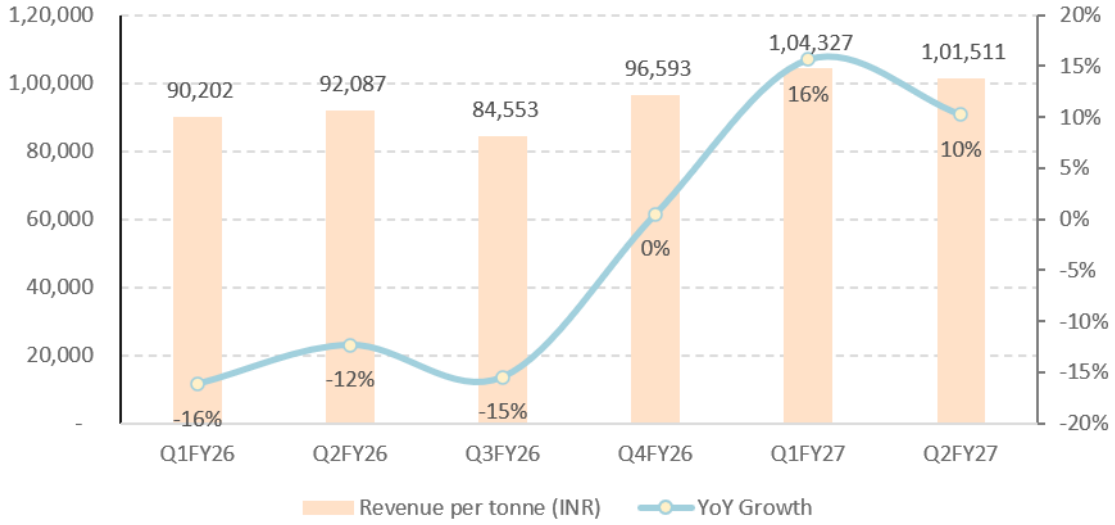
Quarterly Trend

Sales Volume (MT)



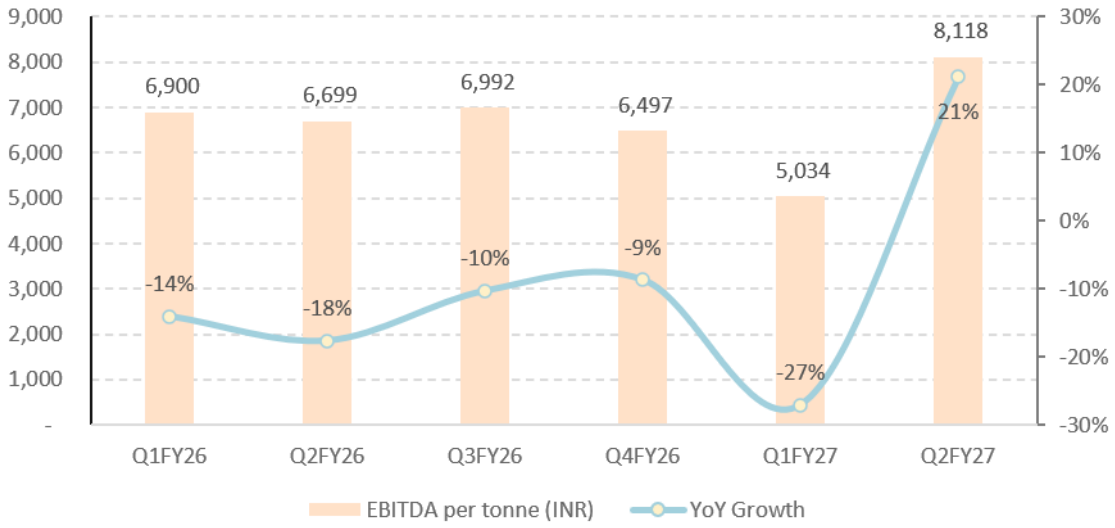
Source: Company

Realisation Per Ton*



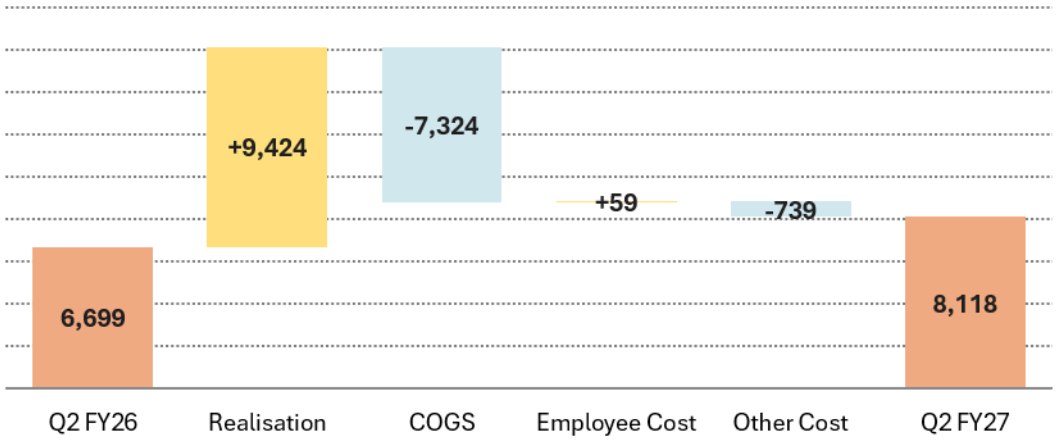
Source: Company, *For calculation of Realisation per ton & EBITDA per ton we have not considered other income.

EBITDA Per Ton*



Source: Company, *For calculation of Realisation per ton & EBITDA per ton we have not considered other income.

EBITDA / Tonne Bridge: Q2 FY26 to Q2 FY27* (INR per tonne)



Source: Company, *For calculation of EBITDA per ton we have not considered other income.

Valuation & Outlook

Bansal Wire is India's second-largest steel wire maker and the largest in stainless steel wire. It has spent the last three years building capacity ahead of demand, and it is now starting to fill it. Capacity has grown from 262,000 tonnes in FY24 to 680,000 tonnes today, led by the new Dadri plant, one of the largest single-location wire facilities in the country. Utilisation has risen to 74%, and Q2 FY27 volumes were a record 128,867 tonnes. Revenue has nearly doubled in four years, from ₹2,198 crore in FY22 to ₹4,160 crore in FY26. Much of that growth came from taking share from unorganised players, as auto, infrastructure, power and appliance customers move to suppliers that offer consistent quality and a full product range. The next phase is already underway:

- Dadri adds 60,000 tonnes by Q4 FY27.
- A new oil-hardened and induction-hardened spring wire line adds 15,000 tonnes in the same period.
- The Sanand plant adds 90,000 tonnes in FY28.

Together these take capacity to 830,000 tonnes. Management expects about 20% annual EBITDA growth over FY27–28. As fixed costs are spread over more tonnes, profit per tonne should hold around ₹7,500 for FY27, with room to rise in the future as the mix shifts towards high-carbon, stainless and specialty wire.

The second part of the story is a business that is maturing financially while opening a new growth area. After two years in which capacity building consumed cash, operating cash flow turned from -₹541 crore in FY24 to +₹333 crore in FY26. Management targets ~₹800 crore over FY27 and FY28 while keeping capex at ₹200–225 crore a year, so growth from here can largely be funded internally and debt can come down. Simultaneously, the commercialisation of IHT wire, the ramp-up of OHT wire and the development of steel tyre cord, brass-coated hose wire and other specialty products should improve product mix and EBITDA per tonne. These initiatives expand the company's addressable market and reduce reliance on conventional wire products. It would gradually change Bansal from a volume-led converter into a specialty wire company. Spare capacity being filled, a self-funding balance sheet and a credible route into high-value products make Bansal one of the clearest structural growth stories in Indian steel processing.

Valuation: At CMP of INR 59.6, the stock is trading at P/E of 16x on FY 28e EPS. We value the stock at 20x P/E on FY 28e EPS, deriving a **TP of INR 73.5**. We maintain a **BUY Rating** with the stock having an upside of ~23% from the current price levels.

Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue from Operations	**24,130**	**24,660**	**35,072**	**41,598**	**53,984**	**66,076**
Cost of Goods Sold	19,806	19,820	27,240	31,887	41,837	50,878
Employee Cost	600	735	1,437	1,839	2,133	2,560
Other Expenses	2,672	2,661	3,731	4,771	6,059	7,574
EBITDA	**1,051**	**1,444**	**2,664**	**3,101**	**3,954**	**5,064**
Depreciation	91	135	300	572	748	825
EBIT	**960**	**1,309**	**2,364**	**2,530**	**3,206**	**4,239**
Other income	96	49	94	133	33	38
Interest	240	288	355	564	485	441
PBT (Before share of JV/associates)	**815**	**1,070**	**2,104**	**2,099**	**2,754**	**3,837**
Exceptional items	-	32	(1)	(30)	-	-
PBT	**815**	**1,102**	**2,103**	**2,069**	**2,754**	**3,837**
Provision for tax	216	349	639	460	689	959
Reported PAT	**599**	**752**	**1,464**	**1,609**	**2,066**	**2,878**
Adjusted Profit	599	721	1,465	1,639	2,066	2,878

Source: Company, Dalal & Broacha Research

Balance Sheet (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity capital	91	637	783	783	783	783
Reserves	2,734	3,586	11,907	13,524	15,590	18,467
Net worth	**2,825**	**4,224**	**12,690**	**14,307**	**16,372**	**19,250**
Minority Interest	-	388	-	-	-	-
Non Current Liabilites	**2,060**	**3,214**	**2,038**	**1,967**	**1,730**	**1,580**
Current Liabilites	**2,605**	**4,811**	**6,949**	**8,895**	**9,625**	**10,619**
TOTAL EQUITY AND LIABILITIES	**7,491**	**12,636**	**21,677**	**25,169**	**27,728**	**31,449**
Non Current Assets						
Fixed Assets (incl. CWIP and Intangibles)	1,534	4,413	8,708	10,444	11,695	12,871
Other Non Current Assets	504	506	275	166	166	166
	2,037	**4,918**	**8,983**	**10,610**	**11,861**	**13,037**
Current Assets						
Current investments	227	26	42	49	49	49
Inventories	2,439	3,136	6,385	7,078	8,135	9,051
Trade Receivables	2,524	3,575	4,756	5,942	5,916	6,879
Cash and Cash Equivalents	7	18	17	21	299	965
Other current assets	257	962	1,495	1,468	1,468	1,468
Asssets Held for sale	-	-	-	-	-	-
	5,453	7,718	12,695	14,558	15,866	18,412
TOTAL ASSETS	**7,491**	**12,636**	**21,677**	**25,169**	**27,728**	**31,449**

Source: Company, Dalal & Broacha Research

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
CF from Oper. activities	**1,025**	**(5,407)**	**(1,533)**	**3,331**	**2,988**	**3,219**
CF from Inv. activities	(872)	(4,959)	(4,442)	(2,230)	(1,966)	(1,962)
CF from Fin. activities	(150)	10,385	5,974	(1,097)	(744)	(591)
Cash generated/(utilised)	3	18	(1)	4	278	666
Cash at start of the year	-	-	18	17	21	299
Cash at end of the year	7	18	17	21	299	965
Balance sheet	3	18	17	21	299	965

Ratios	FY23	FY24	FY25	FY26	FY27E	FY28E
OPM	4.36%	5.86%	7.60%	7.46%	7.33%	7.66%
NPM	2.5%	3.0%	4.2%	3.9%	3.8%	4.4%
Tax Rate	26.51%	31.70%	30.38%	22.22%	25.00%	25.00%
Growth Ratios (%)						
Net Sales	10%	2%	42%	19%	30%	22%
Operating Profit	-1%	37%	85%	16%	27%	28%
PBT	4%	35%	91%	-2%	33%	39%
PAT	5%	26%	95%	10%	28%	39%
CFO/EBITDA Ratio	98%	-374%	-58%	107%	76%	64%
CFO/PAT Ratio	171%	-719%	-105%	207%	145%	112%
Per Share (Rs.)						
Net Earnings (Adjusted EPS)	0.77	0.96	1.87	2.06	2.64	3.68
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 (Adjusted BVPS)	3.61	5.89	16.21	18.28	20.92	24.59
Valuation Ratios						
P/E(x)	77.8	62.0	31.8	29.0	22.6	16.2
P/B(x)	16.5	10.1	3.7	3.3	2.8	2.4
EV/EBIDTA(x)	48.1	37.0	19.8	16.8	13.0	10.0
Return Ratios (%)						
ROE	21%	16%	12%	11%	13%	15%
ROCE	15%	12%	13%	13%	15%	18%

Source: Company, Dalal & Broacha Research

EPS and BVPS are Adjusted for split

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