



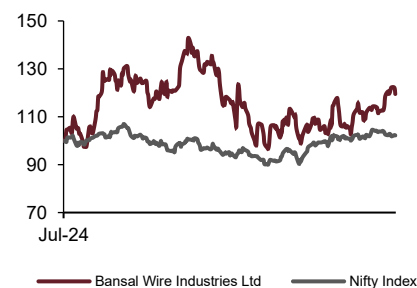
- **Key Positive Development:** After negative OCF for FY25 & burgeoning working capital, BWIL has generated ~100cr operating cash flow & with sharp focus on improving WC & operating efficiencies; **management guides for OCF to improve every quarter, every year going forward.**
- **Volume Guidance:** 30% volume growth for FY26 on a YoY basis
- **EBITDA per tonne :** ~7200 per ton( calculated post including other income) for Q1FY26; BWIL plans to take ~ 10% hit in margins (~6500 per ton guidance for FY26) to aggressively tap higher market share & lock higher volumes.
- **EBITDA Guidance:** ~10% YoY growth in absolute EBITDA despite margin pressure due to aggressive pricing
- **Capex for FY26/27** combined expected to be around 750 Cr with ~650 cr for the Sanand unit.

Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>490</b>	<b>20</b>

**Market data**

<b>Current price</b>	<b>Rs</b>	<b>408</b>
Market Cap (Rs.Bn)	(Rs Bn)	64
Market Cap (US\$ Mn)	(US\$ Mn)	741
Face Value	Rs	5
52 Weeks High/Low	Rs	503.95 / 323.15
Average Daily Volume	('000)	439
BSE Code		533179
Bloomberg		BANSALWI .IN

Source: Bloomberg

**One Year Performance**


Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	78.00	78.00
Public	22.00	22.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: Bloomberg

**Financial Summary**

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	24,130	24,660	35,072	42,005	53,361	64,733
EBIDTA	1,051	1,445	2,688	2,862	3,809	5,026
Margins (%)	4.4	5.9	7.7	6.8	7.1	7.8
Adjusted net profit	599	788	1,465	1,536	2,054	2,714
EPS (Rs)	3.8	5.0	9.3	9.81	13.1	17.3
P/E (x)	107	81	44	42	31	24
EV/EBITDA (x)	11	41	26	26	20	16
RoCE (%)	13.89%	12.29%	12.46%	10.22%	11.19%	14.57%
RoE (%)	21.21%	18.66%	11.54%	10.80%	12.62%	14.29%

Source: Company

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## Q1FY26 Snapshot

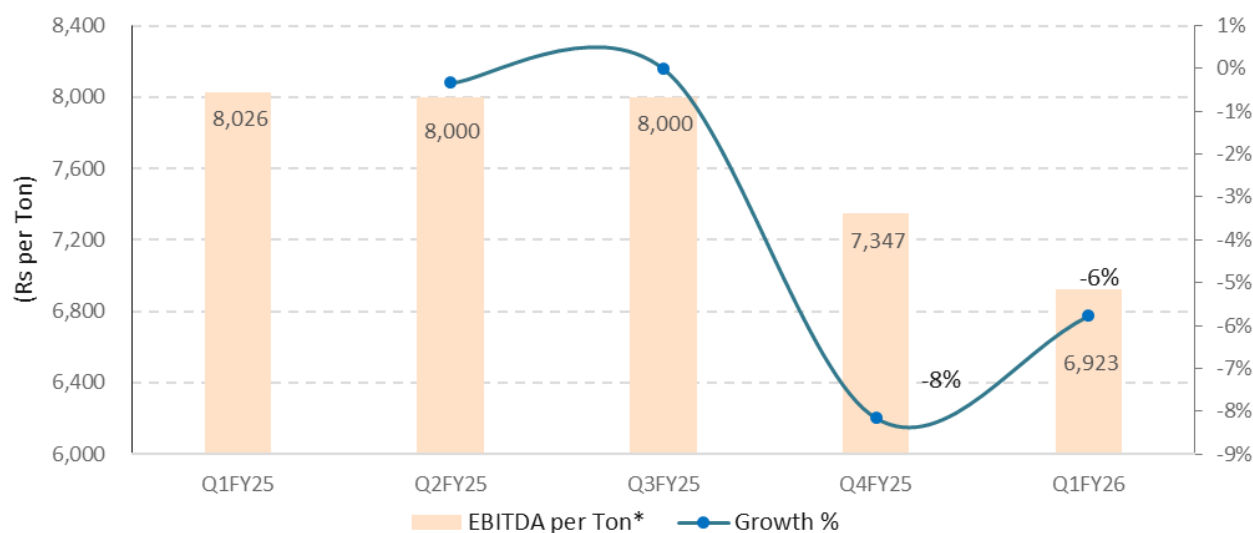
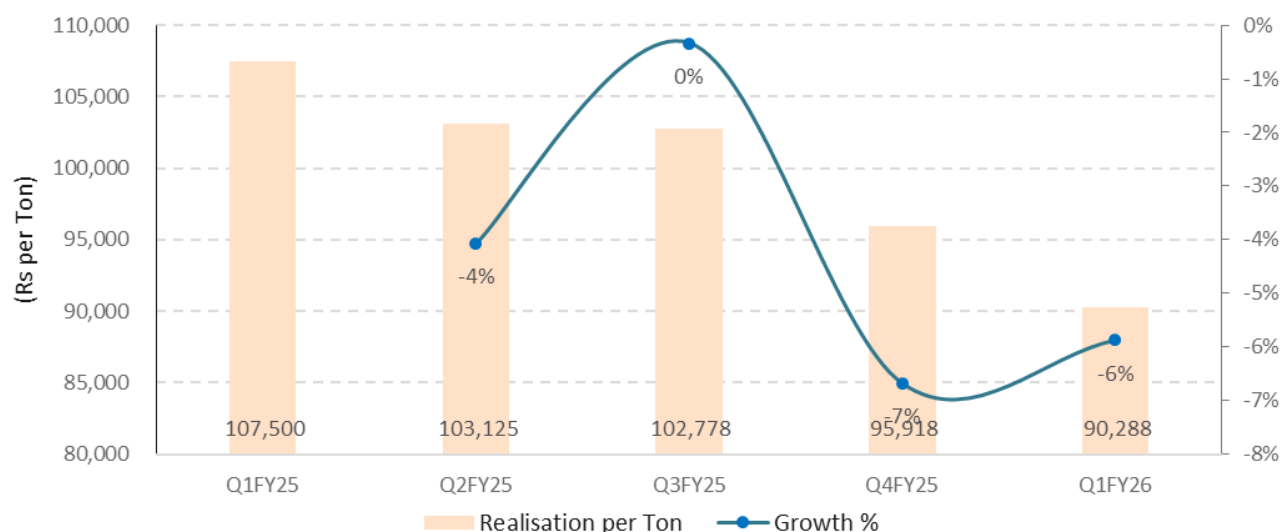
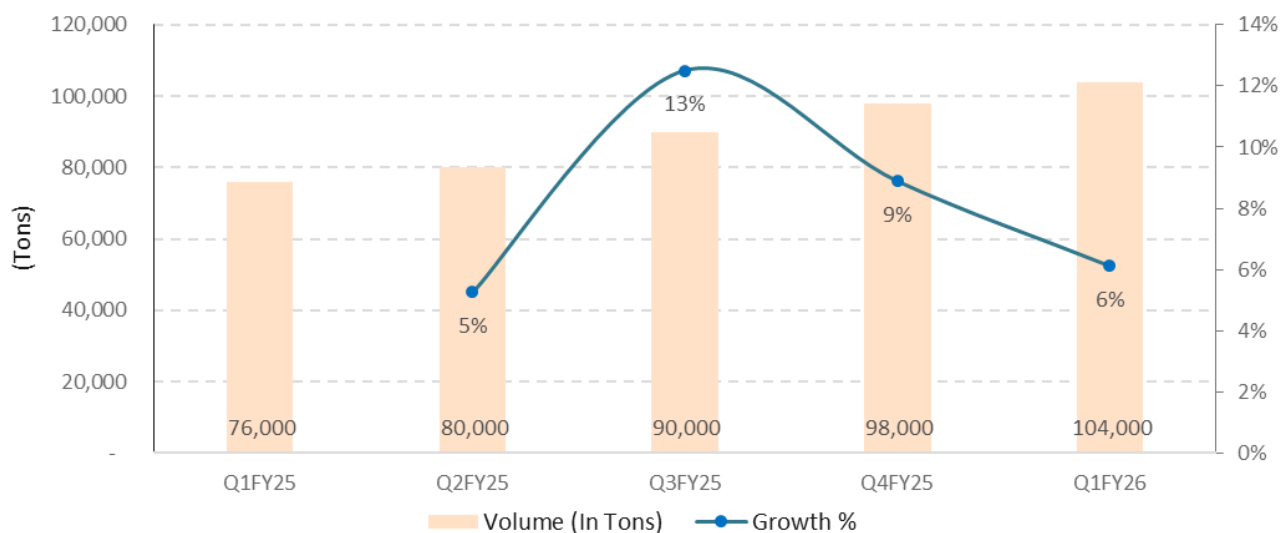
(Rs.Mn)	Q1FY25	Q1FY26	YoY Growth	Q4FY25	QoQ Growth
<b>Revenue from Operations</b>	8169	9391	15%	9,402	0%
Other Income	13	26	99%	27.92	-6%
Total Mfg Cost	6391	7301	14%	7,371	-1%
Employee Benefits Expense	302	387	28%	377	3%
Other Expenses	867	984	13%	934	5%
Total Expenses	7560	8672	15%	8,683	0%
<b>EBITDA (Excluding Other Income)</b>	609	719	18%	719	0%
Depreciation and Amortisation Expenses	55	125	128%	107	16%
EBIT / PBIT	554	594	7%	640	-7%
Finance Costs	122	120	-1%	132	-9%
<b>Profit before share in profit of associate &amp; tax</b>	446	500	12%	508	-2%
Exceptional items	1	0		-	
PBT after share of JV / Associates	446	500	12%	508	-2%
Tax Expense	130	108	-17%	177	-39%
<b>ETR%</b>	29%	22%		35%	
<b>Net Profit after Tax</b>	317	392	24%	331	18%
No. of shares	157	157		157	
Adj Earning Per Share	2.02	2.51	24%	2.12	18%
<b>Margins (%)</b>			(in Bps)		(in Bps)
Gross Margins	21.8%	22.3%	49	21.6%	66
EBITDA Margins (Excl Other Income)	7.5%	7.7%	20	7.7%	0
PAT Margins	3.9%	4.2%	30	3.5%	65
RM as a % to sales	78.2%	77.7%	-49	78.4%	-66
EE Cost as a % to sales	3.7%	4.1%	43	4.0%	11
Other exps as a % to sales	10.6%	10.5%	-14	9.9%	54

Source: Company, Dalal and Broacha Research

## Concall Highlights:

- **Volumes** – Highest ever volumes achieved of ~104000 tonnes in Q1FY26 vs 76000 tonnes in Q1FY25(+36% YoY) & 98000 tonnes in Q4FY25 (+6% QoQ)
- Split between BSPL, Dadri, etc: BSPL produced ~23000 tons in Q1FY26, Dadri unit contributed ~25% of the total volumes in Q1 & balance achieved by the other 4 mfg units in Ghaziabad.
- **Volume-related Guidance ahead** – The management is confident of achieving atleast a 30% jump in volumes achieved in Q4FY25 by the end of Q4FY26 i.e. touching a run-rate of ~126000/127000 tonnes by the last quarter in FY26. ( implies a 6-7% improvement in volumes can be expected sequentially for the next 2-3 quarters)
- **Utilisation** – Currently at a consol level BWIL runs at a 74% utilization level; with new capacity of 60,000 tonnes each coming live in Q2 & Q3 respectively – we do expect utilization levels to drop to ~65-70% for the full year FY26, inspite of absolute volumes to grow on sequential basis until Q4.
- **Realisations** for the quarter for Q1FY26 ~90,000-91,000 per tonne basis our calculations. On a YoY basis we see this has taken almost a ~20% dip in price levels
- **EBITDA Per tonne** for Q1FY26 ~7200 per tonne basis our calculations.
- **Absolute EBITDA growth**- Due to the aggressive pricing strategy of reducing margins to capture higher volume growth & more market share – BWIL guides for a 10% growth at absolute EBITDA level on a YoY basis for FY26 inspite of ~30%+ volume growth target.
- **Cash Flow, Working Capital** – Biggest positive in Q1FY26 is the positive OCF of ~100 cr generated by BWIL in Q1FY26, which has come through sharp focus on reducing working capital & inventory levels. BWIL has hired a special 10-member team to streamline & bring efficiency in RM & procurement related activities & functions. Going forward management is confident that OCF & WC days ( inventory & debtor Days) will see improvements on a QoQ as well as a YoY basis.
- **RoCE:** To see slight improvements on account of better WC efficiencies but we expect the same to be offset by the margin dip taken to garner higher market share. Overall we expect RoCE to increase substantially once they have their backward integration unit in Sanand ready & by that time we also expect production in specialty wires unit to have scaled up to a decent level by FY28.
- **Sanand – Backward Integration** plant is on track with the equipment related orders already begin. Overall 650 Cr capex spread over FY26 & FY27, expected to be incurred to get the Sanand plant ready by Sep-27 (Q3FY28).
- **Specialty Wires- Steel Cords/ IHT-OHT/ Hose Wires**- With a total capacity of 20k tonnes currently at Dadri & additional 10k tonnes for IHT & OHT wires to be put up by Q3FY28. Hose wires currently being produced in the unit at 20% utilization ( to be scaled up to 35-40% by end of FY26) & 50%+ utilization levels by FY27. Additional approvals for hose wires expected by the end of Q2. Steel cords their flagship products- samples already rolled out to customers – response & inquiries from customers very positive & supportive since BWIL plans to be the 1st domestic entity to foray into this area to substitute China imports. Commercial production for steel cords expected to be started by Q3FY27 onwards. IHT & OHT wires production also expected to start by end of Fy26.
- **Capacity Addition** of 120k tonnes in next 2 quarters (60k tons each in Q2 & Q3) to increase total BWIL capacity from current 550k Tons to 670k Tons by the end of FY26.
- **A total of ~750 cr Capex** for FY26/FY27 planned mainly for Sanand backward integration plant (~650 Cr) & maintenance & upgradation capex (~100 cr).
- **Exports** in Q1FY26 of 72 cr (~7.6% of total revenue)

## Quarterly Charts



Source: Company, \*For calculation of Realisation per ton & EBITDA per ton we have not considered other income which basically consists of export related forex gains.

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## Valuation & Outlook

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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 **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 through 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.**

At CMP of 409, the stock trades at 42x/31x/24x - FY26/FY27/FY28e EPS, we maintain a **BUY** rating and a **target price of ₹490**, implying a **20% upside from CMP**. (assigning 1.4x PEG from FY25-28E to arrive at the target~32x Sep-27 EPS. From FY26-28E we estimate the EPS to grow at 32% CAGR).

## Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	24,130	24,660	35,072	42,005	53,361	64,733
Total Raw material consumed	19,806	19,820	27,240	33,184	42,422	50,168
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
<b>Operating Profit</b>	1,051	1,445	2,688	2,862	3,809	5,026
Depreciation	91	135	300	418	468	643
PBIT	960	1,310	2,388	2,444	3,341	4,383
Other income	96	49	94	109	125	144
Interest	240	288	378	505	726	908
PBT ( Before share of JV/associates)	816	1,071	2,104	2,048	2,739	3,618
Exceptional items	-	32	-	-	-	-
PBT	816	1,102	2,104	2,048	2,739	3,618
Provision for tax	216	314	639	512	685	905
PAT (From continuing operations)	599	788	1,465	1,536	2,054	2,714
PAT (From Discontinuing operations )	-	-	-	-	-	-
MI						
Reported PAT	599	788	1,465	1,536	2,054	2,714
<b>Adjusted Profit</b>	599	788	1,465	1,536	2,054	2,714

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	13,443	15,498	18,211
<b>Net worth</b>	<b>2,825</b>	<b>4,224</b>	<b>12,690</b>	<b>14,226</b>	<b>16,280</b>	<b>18,994</b>
Minority Interest	-	388	-	-	-	-
<b>Non Current Liabilities</b>	<b>2,060</b>	<b>3,214</b>	<b>2,038</b>	<b>4,269</b>	<b>7,496</b>	<b>8,366</b>
<b>Current Liabilities</b>	<b>2,779</b>	<b>5,109</b>	<b>6,955</b>	<b>8,500</b>	<b>9,218</b>	<b>10,972</b>
<b>Other Liabilities( associated with discontinued operations/ assets held for sale )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>7,664</b>	<b>12,935</b>	<b>21,684</b>	<b>26,995</b>	<b>32,994</b>	<b>38,332</b>
<b>Non Current Assets</b>	<b>2,037</b>	<b>4,918</b>	<b>8,984</b>	<b>12,593</b>	<b>15,669</b>	<b>17,576</b>
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
<b>Current Assets</b>	<b>5,627</b>	<b>8,016</b>	<b>12,700</b>	<b>14,402</b>	<b>17,324</b>	<b>20,756</b>
Current investments	225	-	-	-	-	-
Inventories	2,439	3,136	6,385	6,923	8,060	10,665
Trade Receivables	2,524	3,579	4,762	5,192	6,594	7,288
Cash and Bank Balances	8	18	17	593	812	764
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	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>7,664</b>	<b>12,935</b>	<b>21,684</b>	<b>26,995</b>	<b>32,994</b>	<b>38,332</b>

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>PBT (excluding JV/Associates)</b>	<b>816</b>	<b>1,102</b>	<b>2,103</b>	<b>2,048</b>	<b>2,739</b>	<b>3,618</b>
Add: Dep. & Amort.	91	135	300	418	468	643
Add: Interest Expenses	240	288	378	505	726	908
<b>Operating profit before working capital change</b>	<b>1,147</b>	<b>1,525</b>	<b>2,781</b>	<b>2,971</b>	<b>3,934</b>	<b>5,170</b>
<b>(Inc)/Dec in</b>						
Working capital adjustment	190	(1,289)	(3,150)	(533)	(2,648)	(2,830)
<b>Gross cash generated from operations</b>	<b>1,337</b>	<b>236</b>	<b>(370)</b>	<b>2,438</b>	<b>1,285</b>	<b>2,339</b>
Direct taxes paid	(311)	(314)	(639)	(512)	(685)	(905)
Others	-	(5,291)	(501)	(48)	(39)	(10)
<b>CF from Oper. activities</b>	<b>1,025</b>	<b>(5,369)</b>	<b>(1,510)</b>	<b>1,878</b>	<b>561</b>	<b>1,425</b>
<b>CF from Inv. activities</b>	<b>(872)</b>	<b>(4,959)</b>	<b>(4,442)</b>	<b>(4,007)</b>	<b>(3,500)</b>	<b>(2,500)</b>
<b>CF from Fin. activities</b>	<b>(150)</b>	<b>10,347</b>	<b>5,950</b>	<b>2,705</b>	<b>3,158</b>	<b>1,027</b>
<b>Cash generated/(utilised)</b>	<b>3</b>	<b>18</b>	<b>(1)</b>	<b>576</b>	<b>219</b>	<b>(48)</b>
Cash at start of the year	4	-	18	17	593	812
Cash at end of the year	8	18	17	593	812	764
Balance sheet	7	18	17	593	812	764

Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E
OPM	4.36%	5.86%	7.66%	6.81%	7.14%	7.76%
NPM	2.47%	3.19%	4.16%	3.65%	3.84%	4.18%
Tax Rate	26.51%	28.50%	30.38%	25.00%	25.00%	25.00%
<b>Growth Ratios (%)</b>						
Net Sales	9.76%	2.20%	42.22%	19.77%	27.04%	21.31%
Operating Profit	-1.21%	15.99%	86.06%	6.49%	33.08%	31.95%
PBT	4.37%	35.15%	90.77%	-2.60%	33.76%	32.09%
PAT	4.61%	31.48%	85.75%	4.93%	33.76%	32.09%
CFO/EBITDA Ratio	0.98	-3.72	-0.56	0.66	0.15	0.28
CFO/PAT Ratio	1.71	-6.81	-1.03	1.22	0.27	0.53
<b>Per Share (Rs.)</b>						
Net Earnings (EPS)	3.83	5.03	9.35	9.81	13.12	17.33
Cash Earnings (CPS)	4.54	6.09	11.26	12.48	16.11	21.44
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	90.87	103.99	121.32
Free Cash Flow	560	(8,383)	(6,104)	(2,122)	(2,939)	(1,075)
<b>Valuation Ratios</b>						
P/E(x)	106.84	81.26	43.75	41.69	31.17	23.60
P/B(x)	18.45	12.34	5.05	4.50	3.93	3.37
EV/EBIDTA(x)	10.96	40.53	26.23	25.55	20.16	15.67
Div. Yield(%)	-	-	-	-	-	-
FCFF Yield(%)	7.52	(16.08)	(9.53)	(3.31)	(4.59)	(1.68)
<b>Return Ratios (%)</b>						
ROE	21.21%	18.66%	11.53%	10.80%	12.62%	14.29%
ROCE	13.89%	12.29%	12.46%	10.22%	11.19%	14.57%

Source: Company, Dalal and Broacha Research



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