



SUBSCRIBE

IPO Report

01st Dec '25

Snapshot

Company is manufacturers of winding and conductivity products for a range of critical industries and applications. Company's product portfolio includes precision-engineered Enameled Wires, Enameled Copper Rectangular Strips, Paper Insulated Copper Conductors, Copper Busbar and Bare Copper Conductors, Specialised Winding Wires, PV Ribbon and Aluminum Paper Covered Strips, among others. Company's products are used in applications such as energy generation & transmission, electrical systems, electric motors, clean energy systems, electric mobility, and railways.

VALUATION

Company is bringing the issue at price band of Rs 48-52 per share at p/e multiple of more than 23x on post issue annualized Q1FY26 basis.

Company is among the top 5 manufacturers in winding and conductivity products industry in India .Company has de-risked business model with wide customer base, diversified portfolio of products and multiple end-user industries ..Company's presence in strategically located region along with diversified customer base and with longstanding relationships with customers and suppliers along with continuous financial performance & experienced professional management team Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	48-52
Opening date of the issue	03rd Dec '2025
Closing Date of the issue	05th Dec '2025
No of shares pre issue	16,00,00,000 Eq Shares
Issue Size	Rs 300.01 Cr
Fresh issue	Rs 274.00 Cr
Offer For Sale	50,01,000 Eq Shares
Face Value (Rs/ share)	Rs 1/share
Bid Lot	288

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer
Non-Institutional	15% of the offer
Retail	35% of the offer

Lead managers

Pantomath Capital Advisors Private Limited, IDBI Capital Markets & Securities Limited

Registrar to the issue

MUFG Intime India Private Limited

WHAT WE LIKE

Among the top 5 manufacturers in its Industry in India

Company is the 4th largest manufacturers in its industry in the Indian winding and conductivity product in terms of installed capacity. Company's current production installed capacity is 19,680 MT per annum. Considering the proposed capacity expansion in its subsidiary, *ceteris paribus*, company will be the 3rd largest manufacturer in India. As per the CareEdge Report, company have a 5.7% market share of installed capacity in its industry in FY25 in India which is expected to go up to 11.0% post proposed expansion.

De-risked business model with a wide customer base, a diversified portfolio of products and multiple end-user industries

the three months period ended June 30, 2025, and the last 3 Fiscals, company sold its products to over 318 customers, including over 19 international customers in more than 18 countries across 5 continents including the United States of America, Saudi Arabia, UAE, Australia, Canada, Egypt, Singapore, etc. None of company's customer singly contributed over 9 % of company's annual revenues, which has effectively de-risked company's business model from dependence on limited number of customers and insulates company's revenue potential due to its broad customer base.

Diversified customer base having longstanding relationships with customers and suppliers

Company's customers include Adani Wilmar Limited, Schneider Electric Infrastructure Limited, Transformers & Rectifiers (India) Limited, Electrotherm India Limited, Suzlon Energy Limited, TMEIC Industrial Systems India Private Limited, Atlanta Electricals Limited, Hammond Power Solution Private Limited, Lubi Industries LLP and Transfix India Private Limited, out of which many have been associated with company for over decades. Out of company's customers every year, company have a high level of repeat customers which helps company to reduce dependence and de-risk its revenues. For instance, company sold its products to 318, 458, 476 and 453 customers in the three months period ended June 30, 2025, and Fiscals 2025, 2024 and 2023 respectively, out of which 206, 341, 317 and 280 customers respectively were repeat customers. In value terms, company's repeat customers contributed 80.55%, 94.28%, 88.90% and 82.96% of company's revenue from operations in the three months period ended June 30, 2025, and Fiscals 2025, 2024 and 2023 respectively.



COMPANY BACKGROUND

Company is the 4th largest manufacturers in its industry with a 5.7% market share of installed capacity in FY25 in India as per the CareEdge Report. With plans to expand manufacturing capabilities and further diversify company's product range, the Company seeks to enhance its market position.

Since its incorporation in the year 1981, company have expanded its business, scale of operations and delivered variety of products, creating company's position in the winding and conductivity products. From time to time, company have made investment, in its manufacturing facilities to expand company's installed capacity up to the current level of 19,680 MT per annum. Further, company propose to increase installed capacity to 37,680 MT per annum by installing additional 18,000 MTPA in its new manufacturing unit at Narsanda, Taluka Nadiad- 387 345, Gujarat, India ("**Proposed Project**") under company's wholly owned subsidiary company, ALCU Industries Private Limited, which is 15 kms from company's existing operating facilities. Company's capacity utilisation has improved from 70.31% in Fiscal 2023 to 94.51% during the three months period ended June 30, 2025. Company's production volumes have grown by 29.23% in the last 3 fiscals, from 13,415 MT in Fiscal 2023 to 17,338 MT in Fiscal 2025.

Company is pre-approved suppliers with Power Grid Corporation of India Limited. Company is a UL approved company which enables it to export enameled copper/aluminium wire (also known as magnet wire) to the United States of America. Company's operations are located in Anand, Gujarat, which has logistics convenience through various major seaports of the state like Hazira and Mundra which company use for exporting its products as well as importing company's raw materials.

Over the years of its operations, company have developed relationships with its customers including Adani Wilmar Limited, Atlanta Electricals Limited, Schneider Electric Infrastructure Limited, Transformers & Rectifiers (India) Limited, Electrotherm India Limited, Hammond Power Solution Private Limited, Lubi Industries LLP, Suzlon Energy Limited, TMEIC Industrial Systems India Private Limited and Transfix India Private Limited, out of which many have been associated with company for over decades.

OBJECTS OF OFFER

The Offer comprises the Fresh Issue of Equity Shares, aggregating up to ₹ 2,740.00 million by company and the Offer for Sale of up to 5,001,000 Equity Shares, by the Promoter Selling Shareholders. The Offer comprises the Fresh Issue and the Offer for Sale.

Fresh Offer

Company proposes to utilize the Net Proceeds towards funding the following objects:

- Funding capital expenditure requirements for setting up new project in company's subsidiary viz. ALCU;
- Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by Company; and
- General corporate purposes.

RISKS

Over 80% of company's revenues from operations was derived from supplies to power & transmission, general engineering, and electrical sector in the three months period ended June 30, 2025, and last 3 Fiscals. Any slowdown in these sectors may impact company's business.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	Q1FY26
Total Revenue (A)	10114.35	11860.73	14863.91	4117.58
Total Expenditure (B)	9755.98	11405.58	14221.73	3930.92
EBIDTA	358.37	455.15	642.18	186.66
EBIDTA Margin	3.54	3.84	4.32	4.53
Other Income	42.83	24.60	50.58	13.32
Depreciation	27.29	26.96	28.30	8.67
EBIT	373.91	452.79	664.46	191.31
Interest	83.39	109.15	113.51	31.86
PBT	290.52	343.64	550.95	159.45
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	290.52	343.64	550.95	159.45
Exceptional	0.00	0.00	0.00	0.00
PBT	290.52	343.64	550.95	159.45
Tax	75.48	86.27	142.23	38.90
PAT	215.04	257.37	408.72	120.55
NPM	2.13	2.17	2.75	2.93
ROE%	21.48	20.47	24.57	6.76
EPS	1.34	1.61	2.55	0.75
Eq Cap	40.00	40.00	160.00	160.00
Net Worth	998.60	1,255.38	1,663.63	1,783.72

(Source: RHP)



DISCLAIMER

HEM Securities Limited ("Research Entity or HSL") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services, merchant banking services, Portfolio Management Services and other related activities. Broking services offered by HEM Securities Limited are under SEBI Registration No.: INZ000168034.

This Report has been prepared by HEM Securities Limited in the capacity of a Research Analyst having SEBI Registration No. INH100002250 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. This should not be construed as invitation or solicitation to do business with HSL. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject HSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. HSL reserves the right to make modifications and alterations to this statement as may be required from time to time. HSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. HSL is committed to providing independent and transparent recommendation to its clients. Neither HSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

HSL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Investments in securities market are subject to market risks, read all the related documents carefully before investing.