



IPO Note

Bhadora Industries Limited

Recommendation: **AVOID**

Business - Bhadora Industries Limited is engaged in the business of manufacturing industrial cables which provide efficient electricity transmission and distribution solutions to the government discoms and EPC companies which cater to the diverse electrical connectivity needs of various industrial sectors.

Objects of the Issue –

Particulars	Amount
Part finance the cost of Capital Expenditure towards new manufacturing facility to expand production capabilities of cables	Rs. 22.32 Cr.
Working Capital Requirements	Rs. 20.00 Cr.
General Corporate Purposes	

Promoters Name –

Shashank Bhadora, Pradeep Bhadora and Anil Bhadora

Promoter Share Holding Pattern	
Pre Issue 92.42%	Post Issue 65.59%

Rationale for recommendation –

Bhadora Industries Limited was incorporated on Apr-29, 1986 and operates under the brand name “Vidhut Cables.” The company has a significant operating history with majority of revenue derived from Uttar Pradesh (32.70%) and Madhya Pradesh (25.01%) in FY25. It has high-capacity utilization in LT XLPE Power Cables and plans to expand into high-value segments like HT cables (up to 33 KV) through a new manufacturing unit. LT Aerial Bunched Cables contribute 75.48% of revenue in FY25. Revenue from EPC contracts has increased sharply, contributing 90.12% in FY25, reducing dependency on government DISCOMs. Revenue grew by 341.39% in FY24 and 35.28% in FY25, driven by EPC contracts. EBITDA and PAT margins expanded to 15.42% and 9.80% respectively in FY25, due to lower input costs and financing expenses. RoCE and RoE improved significantly to 62.68% and 51.51% respectively. Operating cash flows remained positive despite high receivables. Debt-to-equity, current and quick ratios indicate moderate leverage and stable liquidity. Customer concentration remains high, with top 10 customers contributing over 86% of revenue. Contingent liabilities stood at Rs. 821.34 Lakhs as of Mar-25. With moderate financials, unsatisfactory management depth and a post-issue P/E of 17.76 which appears slightly highly priced, we recommend to **AVOID** the IPO now. However, we suggest monitoring how the company addresses the highlighted concerns and consider investing if it is able to successfully overcome these issues, as it is well-established and well-positioned to benefit from the overall industry growth.

IPO Details

Opening Date	Aug 04, 2025
Closing Date	Aug 06, 2025
Allotment Date	Aug 07, 2025
Listing Date	Aug 11, 2025
Stock Exchange	NSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹97 - ₹103
Issue Size	₹55.62 Cr.
Fresh Issue	₹55.62 Cr.
Offer for Sale	-
Application Amt	₹ 2,47,200 (2,400 shares)

KPIs

(In Lakhs)

KPI's	FY 23	FY 24	FY 25
Revenue	1,844.03	8,139.32	11,011.18
EBITDA	103.56	678.78	1,698.08
Net Profit	18.06	495.51	1,078.67
RoCE	8.71%	55.02%	62.68%
ROE	3.47%	48.80%	51.51%
P/E	735.71	27.47	12.61

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	8.17	5.80
BVPS	15.87	11.26
P/E	12.61	17.76
P/BV	6.49	9.15
Mkt Cap (In Cr)	135.96	191.58

*Annualized

Lead Managers –

Unistone Capital Private Limited

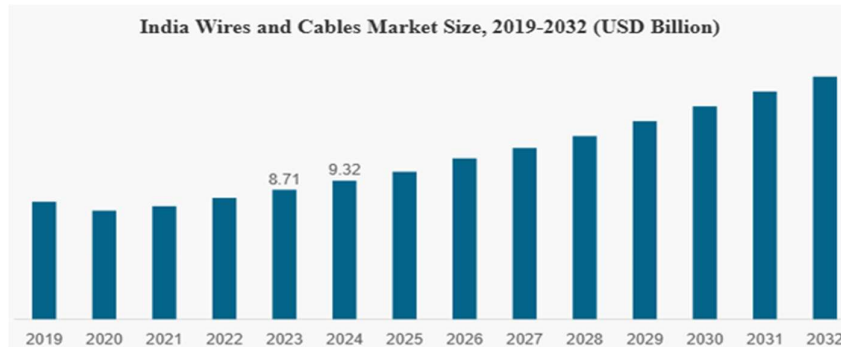
Registrar –

MUG Intime India Private Limited

Industry Overview –

Wire & cable is the backbone of the much-hyped electrical and electronics industry. The government's initiatives to boost the domestic manufacturing sector and infrastructure have paved the way for the wire & cable sector. India's ambitious renewable energy target, expansion of power transmission & distribution and increasing investments in real estate and transportation (roadways, metro, railways and airways) are some of the interesting developments that promise a bright future for the wire and cable industry. Some of the major trends defining the growth in demand of the wire and cable industry are: meeting the demand in view of the Revamped Distribution Sector Scheme (RDSS), surge in EV charging products & accessories and the rise of the export potential of the industry. This Industry is essential to the expanding number of infrastructure development projects, such as the construction and expansion of airports and the metro railway network.

Market Size - The global cable industry is presently experiencing a notable surge, with projections indicating a substantial increase in market value from ~\$250 billion in FY 2022-23 to an estimated \$410 billion by FY 2029-30. The India wires and cables market size was valued at USD 9.32 billion in 2024. The market is projected to grow from USD 10.01 billion in 2025 to USD 17.08 billion by 2032, exhibiting a CAGR of 7.94% during the forecast period.



Outlook - The global wire and cable market is projected to grow at a 5.2% CAGR, reaching US\$ 321.5 billion by 2034, driven by demand for high-performance, durable and fire-resistant products. Technological advancements and rising applications across industrial and communication sectors are expected to fuel this steady growth.

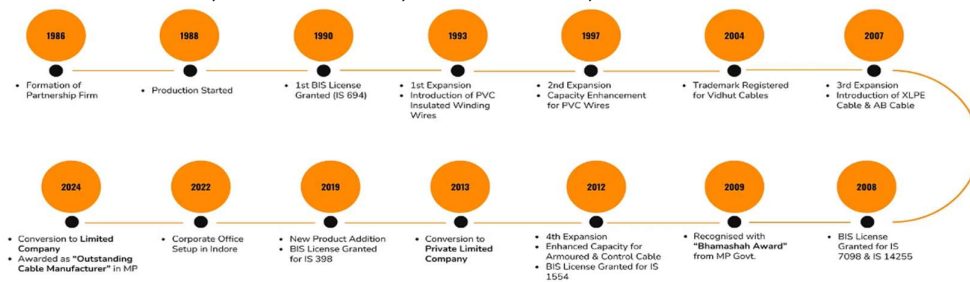
(source : RHP)

Business Overview -

Bhadora Industries Limited is engaged in the business of manufacturing industrial cables which provide efficient electricity transmission and distribution solutions to the government discoms and EPC companies which cater to the diverse electrical connectivity needs of various industrial sectors. They operate under the brand name of "Vidhut Cables". They started with production of Polyvinyl Chloride (PVC) cables and later expanded range to include Low Voltage (LV) cables, LT Aerial Bunched Cables, Cross-Linked Polyethylene (XLPE) cables. These products are designed for specific functions in electricity transmission and distribution. The company was originally incorporated as Partnership Firm in name of 'M/s Bhadora Industries' on Apr-29, 1986.

The company's manufacturing facility is equipped with efficient machinery like RBD (Rod Breakdown), Skip Stranding cum Armouring Machines, Stranding Cum Armouring Machines and Laying Cum 48 Bobbin Armouring Machine etc, used for drawing, laying, armouring and in other cable manufacturing process. As on date of RHP, the company has Order Book of Rs. 8,504.00 Lakhs.

Company's Products – LT Aerial Bunched Cable, LT Power Cables, LT Service Cable, PVC Power Cables and XLPE Power Cables
Company's Journey –



- The company's majority of revenue is derived from Madhya Pradesh and Uttar Pradesh contributing 25.01% and 32.70% of total revenue respectively in FY25.
- The company has high capacity utilization in LT XLPE Power cable, moderate in LT PVC Service cable and LT AB Cable and under-utilization in LT PVC Power cable.
- The company plans to establish a new manufacturing facility at new proposed unit (Unit-II) for the production of high-value segments products like XLPE cables and HT cables including medium voltage covered conductors (MVCC) up to 33 KV & HT Power Cables up to 33 KV.

Recommendation: AVOID

- The company's majority of revenue is contributed by LT Aerial Bunched Cables contributing 75.48% of total revenue and other products i.e., LT PVC Power Cables, LT XLPE Power Cables and LT Service Cables contributing 0.42%, 14.08% and 10.02% of total revenue respectively in FY25.

Business Strategies -

- The company plans to set up a new manufacturing plant.
- The company aims to increase geographical presence and expand customers in EPC segment.

FINANCIAL SNAPSHOT							
Key Performance Indicators				Key Ratios			
(Amt in Lakhs)							
Particulars	FY23	FY24	FY25	Particulars	FY23	FY24	FY25
P&L Statement				Per Share Data			
Total Income	1,880.85	8,327.48	11,069.32	Diluted EPS	0.14	3.75	8.17
Total Expenses	1,858.10	7,658.34	9,622.14	BV per share	31.51	61.54	15.87
EBITDA	103.56	678.78	1,698.08	Operating Ratios			
EBIT	81.51	653.93	1,664.03	EBITDA Margins	5.62%	8.34%	15.42%
PBT	22.75	669.14	1,447.18	PAT Margins	0.98%	6.09%	9.80%
Tax Expenses	4.69	173.63	368.51	Inventory days	189.27	37.29	32.62
Net Profit	18.06	495.51	1,078.67	Debtor days	91.63	54.84	72.37
Balance Sheet				Creditor days	94.16	26.06	17.77
Total Equity	519.97	1,015.49	2,094.18	Return Ratios			
Liabilities				RoCE	8.71%	55.02%	62.68%
Non-Current Liabilities	415.36	173.02	560.61	RoE	3.47%	48.80%	51.51%
Current Liabilities	1,077.32	1,398.16	2,221.36	Valuation Ratios (x)			
Total Liabilities	1,492.68	1,571.18	2,781.97	EV/EBITDA	13.24	2.68	2.02
Assets				Market Cap/Sales	0.92	0.21	1.23
Non-Current Assets	300.69	315.14	940.27	P/E	735.71	27.47	12.61
Current Assets	1,711.97	2,271.51	3,935.90	Price to Book Value	3.27	1.67	6.49
Total Assets	2,012.66	2,586.65	4,876.17	Solvency Ratios			
Cashflow Statement				Debt/Equity	1.95	0.93	0.94
Operating Cashflow	122.29	280.83	233.67	Current Ratio	1.59	1.62	1.77
Investing Cashflow	56.77	-36.80	-729.97	Quick Ratio	0.70	1.03	1.33
Financing Cashflow	-212.41	-238.52	744.63	Asset Turnover	0.92	3.15	2.26
				Interest Coverage Ratio	0.85	3.78	6.05

Financial Analysis -

- **Revenue from Operations** - The company's top line increased by 341.39% in FY24 and 35.28% in FY25, primarily driven by increase in EPC contracts.
- **EBITDA and PAT Margins** - The company's EBITDA margin has improved from 5.62% in FY23 to 15.42% in FY25 and PAT margin from 0.98% to 9.80% over the same period, primarily contributed by decrease in material COGS, finance cost and other expense as a percentage of revenue.
- **RoCE and RoE** - The company's RoCE and RoE have been increased significantly from 8.71% to 62.68% and 3.47% to 51.51% respectively from FY23 to FY25, primarily attributed by increase in operating profits.
- **Operating cashflow** - The company has maintained positive operating cashflow over the years, even though company is having considerable amount of trade receivables.
- **D/E ratio** - The company's debt-to-equity ratio has been moderate indicating moderate financial leverage.
- The company's current and quick ratios have been stable, indicating enhanced short-term liquidity and financial stability.
- **Net profit** - The company's net profit has been increasing primarily attributable to company's strategic shift in private sector's EPC contracts from traditionally low margin government contracts which provided better margins due to more flexible pricing and less stringent budgetary constraints compared to government sectors' project.

Outlook - The overall financials of the company appear moderate, with certain areas requiring improvement to ensure long-term stability and sustainability.

Lead Manager -

The lead manager of the issue is Unistone Capital Private Limited. The lead manager has managed 24 IPOs in last 3 years, among them 21 IPOs have opened in premium and 3 IPOs have opened in discount to its issue price on their respective listing date.

Risk Factors -

- The company has contingent liabilities amounting to Rs. 821.34 Lakhs as of Mar-25.
- The company operates in an industry characterized by high customer concentration, top 10 customers contributing 88.95%, 89.79%, and 86.92% of total revenue in FY23, FY24 and FY25 respectively.
- The company has been reducing supplier concentration over the years, top 10 suppliers contributing 93.72%, 79.57% and 78.82% of total purchases in FY23, FY24 and FY25 respectively.
- The company has increased revenue from EPC Contracts, contributing 47.11%, 74.10% and 90.12% of total revenue in FY23, FY24 and FY25 respectively and remaining is contributed by Government Discoms.
- The company operates in a highly competitive industry driven by number of factors including technological advancements, customer preferences, pricing, quality, regulatory requirements and regional market dynamics.

Key Management

- Shashank Bhadora is the Chairman and Managing Director of the company. He has over 7 years of limited experience in the industrial cable manufacturing industry. There is an evidence of dual chairmanship in the company.
- Pradeep Bhadora and Anil Bhadora are the Executive Directors of the company, each have over 35 years of experience in the cable industry.
- The Non-Executive Independent Directors are qualified but have limited experience in their respective fields.
- The company's Chief Financial Officer possess 6 years of limited experience in accounting and finance fields and Company Secretary and Compliance Officer brings 4 years of experience in secretarial and compliance field.

Outlook – The overall management of the company appears unsatisfactory, as most key personnel possess limited experience, while the experienced executive directors are approaching retirement.

Peer Analysis

Particulars	Bhadora Industries Limited			Dynamic Cables Limited			DCG Cables & Wires Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	0.98%	6.09%	9.80%	4.62%	4.90%	6.28%	3.06%	8.74%	6.30%
EBITDA Margin	5.62%	8.34%	15.42%	9.81%	10.47%	10.84%	6.53%	15.95%	13.34%
RoCE	8.71%	55.02%	62.68%	30.43%	32.26%	26.47%	17.90%	50.88%	17.60%
RoE	3.47%	48.80%	51.51%	17.48%	17.65%	17.33%	10.90%	36.73%	10.25%
EPS (INR)	0.14	3.75	8.17	4.70	8.58	14.01	1.27	6.72	4.46
P/E	735.71	27.47	12.61	17.67	21.64	19.77	-	-	15.07

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