

Precision Wires India Limited

November 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	346.08 (Enhanced from 219.22)	CARE A+; Stable	Reaffirmed
Short Term Bank Facilities	995.00 (Enhanced from 783.50)	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of Precision Wires India Limited (PWIL) continues to derive strength from the experienced promoters, its well-established market position, reputed clientele in the copper winding wires industry, favourable financial risk profile marked by comfortable debt protection metrics and strong liquidity position.

Over the past four years (FY21 to FY25 (FY refers to April 01 to March 31)), the company has reported a consistent improvement in its scale of operations and profitability, supported by consistent capacity augmentation and a progressive shift in product mix. The company's total operating income (TOI) has grown at a compound annual growth rate (CAGR) of around 24%, while profit before interest, lease rentals, depreciation, and taxation (PBILDT) has improved at a CAGR of around 22%. In FY25, the company reported a 22% year-on-year growth in TOI and a 22% year-on-year improvement in PBILDT driven by improvement in sales volume and favourable change in product mix towards higher value-added products. Further in H1FY26 the company reported an improvement in PBILDT by ~48% compared to H1FY25. The company operates on a conversion-based model, with fixed conversion charges and back-to-back order execution, which shields margins from copper price volatility. Entire orders are executed on a back-to-back basis.

The company's financial risk profile continues to remain favourable marked by strong liquidity position and comfortable debt coverage metrics. Overall gearing (including acceptances) has improved to 0.92x, while debt to equity ratio remains strong at 0.08x as on March 31, 2025. The company is undertaking a backward integration project to set up a copper recycling/refining unit in Zaroli, Gujarat. The facility will be used to manufacture copper wire rods for captive consumption. The project entails funding through a mix of debt and equity (60:40). The project is expected to improve PWIL's backward linkages, lower raw material costs, and enhance operating margins. Further in Q1FY26 the company has raised Rs.62 crore from preferential allotment to finance the upcoming capex. With significant capex being undertaken, CARE Ratings Limited (CareEdge Ratings) expects moderation in the company's debt coverage metrics over the short-to-medium-term period. However, with operationalisation of most of these capex plans and with accretion of profits to net worth, this is likely to improve going ahead. The company continues to maintain strong liquidity position, which is supported by cash and liquid investments of ~₹165.44 crore as of September 30, 2025, out of which ₹97.24 crore is parked in mutual funds (₹95.01 crore as on March 31, 2025).

However, rating strengths are tempered by lower operating margins due to relatively low value addition in its products and prevalent competition in the copper winding wire industry from unorganised players. While volatility in copper prices is completely passed on, the industry requires relatively higher working capital.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving overall gearing to below 0.50x on a sustained basis
- Improving total debt (TD) to PBILDT to below 1.00x on a sustained basis

Negative factors

- Increasing overall gearing above 1.25x on sustained basis
- Deterioration of TD/PBILDT above 3.50x on a sustained basis.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

Outlook: Stable

The business performance is expected to be stable given long-standing customer relationships and growth expected from addition of new capacity. The company's financial risk profile remains strong as term debt repayments can be comfortably met through internal accruals.

Detailed description of key rating drivers:
Key strengths
Well-established and experienced promoters having rich experience in copper winding wire industry

Promoted by Late Mahendra Mehta, PWIL is in copper winding wire industry since 1989. Mahendra Mehta had over six decades of experience in the copper winding wire industry. Currently, his son Milan Mehta (Chairman and Managing Director), a second-generation entrepreneur, who has been associated with PWIL since 1996, manages the company's overall operations. Milan Mehta has over three decades of experience in managing technical and commercial aspects of the company's operations. The company's daily operations are managed by a team of qualified and experienced professionals headed by Milan Mehta. Further the company's third generation, Nirbhay Mehta, is associated with the business for ~ 15 years, oversees daily operations, and Arjun Mehta, who joined in 2023, leads the copper recycling and refining project.

Established market position in copper winding wires industry catering to a reputed client base

PWIL continues to be leading player in the organised copper winding wires industry with a total installed capacity of 55,000 Metric Tonnes Per Annum (MTPA) as on June 30, 2025, and is expected to reach ~61,000 MTPA by June 30, 2026. The company caters to reputed original equipment manufacturing (OEM) companies in India and globally. By virtue of servicing these OEMs, the company has developed long-term business relationship. These OEMs are majorly in power, auto, consumer durables, transformers and construction industries, among others. PWIL also caters to retail/replacement demand through its branches and agents. Few of its major clients are, CG Power and Industrial Solutions Limited, Lucas TVS Ltd, Highly Electrical Appliances Ltd, and Mitsuba India Private Limited, among others.

Consistent improvement in scale of operations and profitability supported by favourable product mix

In the last four years (FY21-FY25), the company has reported a consistent improvement in its scale of operations and profitability, supported by consistent capacity augmentation and a progressive shift in product mix. The company's total operating income (TOI) has grown at a CAGR of ~24%, while profitability (PBILDT) has improved at a CAGR of ~22%.

In FY25, the company reported a 22% year-on-year growth in TOI, to ~₹4,030 crore against ₹3,317 crore in FY24, supported by both volume growth and improved realisations. Finished goods volumes increased by ~12%, aided by higher capacity utilisation levels of 89% (against 86% in the previous year). The improvement was primarily driven by a favourable change in product mix towards higher value-added products. PBILDT improved by ~21% amounting to ₹180.98 crore compared to ₹149.14 crore in FY24 supported by increase in volumes and favourable product mix. In H1FY26, the company reported an improvement in profitability by ~48% amounting to ₹129 crore compared to H1FY25 amounting to ₹87 crore. The company operates as a converter, deriving revenue primarily from fixed conversion charges agreed upon with customers, insulating its margins from volatility in raw material prices, particularly copper. Entire orders are executed on a back-to-back basis.

Capacity expansion towards backward integration

The company is undertaking a backward integration project to set up a copper recycling and refining plant at Zaroli, Gujarat, aimed at improving raw material security and cost efficiency. The facility will produce 99.99% pure copper cathodes through fire refining and electro-refining of copper scrap and unrefined inputs, which will then be used to manufacture copper wire rods for captive consumption. The project entails a capex of ₹240 crore, including ₹180 crore for plant and machinery and ₹21 crore for land, which has already been acquired. Construction has commenced, and machinery orders have been placed with suppliers. Funding is through a mix of debt and internal accruals (60:40), comprising a ₹144 crore term loan from HDFC Bank (₹125 crore initial sanction with a top up of ₹19 crore already applied) and remaining ₹96 crore through internal accruals. The project is expected to improve PWIL's backward linkages, reduce raw material costs, improve operating margins.

Favourable debt protection metrics

The company's financial risk profile continues to remain favourable marked by strong liquidity position and comfortable debt coverage metrics. Overall gearing (including acceptances) of the company has improved to 0.92x, while debt to equity ratio remains strong at 0.08x as on March 31, 2025. Coverage metrics including company's interest coverage ratio stood at 3.88x in FY25 (against 4.02x in FY24) and net debt/gross cash accrual (GCA) improved owing to improvement in profitability in FY25

against FY24. Going forward, CareEdge Ratings expects incremental debt considering capacity expansion plans and backward integration. However, the magnitude of debt in comparison to the envisaged debt, remains a key monitorable.

Key weaknesses

Relatively low value-adding products and prevalent competition in copper winding wire industry from unorganised players

PWIL is primarily in conversion of copper into winding wires. These wires are basic components in the supply chain for manufacturing of static and rotating electronic goods. As a result of low value addition in the winding wires industry, the company's PBIDLT margins remain in the range of 4%-6%. The company is merely a converter where it charges fixed conversion charges to its consumers. Increase in prices of its major raw material directly affects the company's margins. The sector is heavily fragmented with many small and medium players in the market, which leads intense competition in the industry. The company's long-standing relationships with its OEM customers mitigates the risk to a larger extent. Therefore, in the event of high price, the margins would be low and vice versa.

Exposure to volatility in copper prices and foreign exchange rates

Major raw material used in manufacturing is copper, which forms ~90% of total operating cost for the company. Around 85-90% of the company's raw material requirement is met indigenously and balance through imports. PWIL books raw material requirement on receipt of confirmed orders only. The company procures copper in back-to-back arrangement with suppliers against confirmed orders. The customer prices copper, basis the prevailing purchase price for PWIL in market and the company locks the price with its suppliers thereby, mitigating full volatility of raw material prices. The company also derives part of its total sales from export, which is around 12%, thereby exposing its operational performance to foreign exchange rate fluctuations. However, the company is able to partly mitigate this risk by various natural hedging mechanisms.

Higher working capital requirements

The company's debt profile consists of working capital borrowings and term loan. The company uses LC for procurement of raw materials resulting in overall gearing (including the acceptances) of the company at 0.92x as of March 31, 2025. LC usage is expected to increase modestly with the increase in the operational capacity. The company majorly uses non-fund-based facility for buying its raw materials. However, inventories held by PWIL has increased to ₹360.81 in FY25 from ₹287.36 crore FY24 considering increase in copper prices and increase in installed capacity. The company's trade receivables showed similar trends for FY23 (₹459.35 crore), FY24 (₹421.18 crore) and FY25 (₹556.62 crore). The company has efficiently collected its receivables, which reduced its dependence on fund-based utilisations. Average utilisations stood below 10% for 12 months ended September 2025. The company procures inventory only when it has a confirmed order from its customer, maintaining an extremely cautious approach. Working capital requirement is expected to increase modestly due to increase in the installed capacity going forward.

Liquidity: Strong

PWIL has a strong liquidity supported by cash and liquid investments of around ~₹165.44 as of September 30, 2025 out of which ~₹97.24 crore is parked in mutual funds (cash and liquid investments amounted ₹95.01 crore as on March 31, 2025). The company's average fund-based utilization stood at 1.07% during the past twelve months ending September 2025. Further in Q1FY26 the company has raised Rs.62 crore from preferential allotment to finance the upcoming capex. The company has outlined a capex plan of Rs.300 crore over the next three years, being funded through a mix of debt and equity/internal accruals in a 1.5:1 ratio.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Particulars	Risk factors
Environmental	GHG emissions and renewables: Moderate Enameling machines are equipped with catalytic combustion and heat recirculation Systems, which result in reduction of Green House Gas Emissions. A 1020KW (775KW) solar power system has been installed to enhance renewable energy usage and reduce dependence on conventional electricity sources. Total Scope1 and Scope2 emissions per rupee of Turnover was 0.12 tonnes INR in lakhs. Energy consumption Energy intensity per turnover was 0.59 GJ per INR in lakhs.
Social	Safety standards: Adequate 100% of employees are trained on safety measures and skill upgradation in FY25. Indicators like lost time injury frequency rate (LTIFR) 0.15 per one million-person hours worked.
Governance	Board independence: 50% of the board comprises of non-executive and independent directors.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Non Ferrous Metal](#)

[Financial Ratios – Non financial Sector](#)

[Rating of Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Cables - Electricals

Incorporated in 1989, PWIL manufactures copper winding wires, continuously transposed conductors (CTC) and paper insulated copper conductors (PICC) which are used in manufacturing of rotating as well as static electrical equipment. PWIL has a manufacturing facility located at Silvassa, Dadra Nagar Haveli and Palej, Gujarat with a total installed capacity of 55,000 metric tonne per annum (MTPA) as on June 30, 2025. PWIL is a leading player in the organized copper winding wires in India. The company caters to various industries like power, auto, consumer durables and transformers, construction, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	3,316.80	4,029.95	2352.97
PBILDT	149.14	180.98	129.28
PAT	72.85	90.04	62.69
Overall gearing (times)	1.02	0.92	1.00
Interest coverage (times)	4.02	3.88	4.06

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	110.00	CARE A+; Stable
Fund-based - LT-Cash Credit		-	-	-	20.00	CARE A+; Stable
Fund-based - LT-Term Loan		-	-	June 2033	216.08	CARE A+; Stable
Non-fund-based - ST-BG/LC		-	-	-	995.00	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - ST-BG/LC	ST	995.00	CARE A1	-	1)CARE A1 (13-Jan-25)	1)CARE A1 (27-Mar-24)	1)CARE A1 (05-Jan-23)
2	Fund-based - LT-Term Loan	LT	216.08	CARE A+; Stable	-	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)	1)CARE A; Positive (05-Jan-23)
3	Fund-based - LT-Cash Credit	LT	110.00	CARE A+; Stable	-	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)	1)CARE A; Positive (05-Jan-23)
4	Fund-based - LT-Cash Credit	LT	20.00	CARE A+; Stable	-	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)	1)CARE A; Positive (05-Jan-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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