Precision Wires India Limited

August 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	453.08	CARE A+; Stable	Reaffirmed
Short-term bank facilities	RBI	1,644.00	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

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

In the past five years ended FY26 (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 ~19%, while profit before interest, lease rentals, depreciation, and taxation (PBILDT) has improved at a CAGR of ~26%. In FY26, the company reported a 36% year-on-year (y-o-y) growth in TOI and a 71% y-o-y improvement in PBILDT driven by improvement in sales volume and favourable change in product mix towards higher value-added products. 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.

The company's financial risk profile continues to remain favourable marked by strong liquidity position and comfortable debt coverage metrics. Overall gearing (including acceptances) reported at ~1.55x, while debt to equity ratio remains strong at 0.21x as on March 31, 2026. PWIL has undertaken a capex towards backward integration through the commissioning of its captive copper rod facility at Valvada in FY26 and is undertaking a copper recycling/refining plant. The project has achieved financial closure being funded through a 60:40 debt-equity mix. The integrated value chain is expected to enhance raw material security, support the planned capacity expansion and expected to improve operating margins going forward. The recycling/refining facility is expected to partially meet the company's raw material requirement through captive production, while the use of recycled copper shall support the company's environment, social, and governance (ESG) metrics, operating competitiveness and business risk profile in the medium term. CARE Ratings Limited (CareEdge Ratings) expects moderation in the company's debt coverage metrics in the short-to-medium term. 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 ~₹292.70 crore as of March 31, 2026, of which ₹177.37 crore was parked in mutual funds.

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)/PBILDT to below 1.00x on a sustained basis.

Negative factors

- Deterioration of net debt (ND)/PBILDT above 3.50x on a sustained basis.
- Significant decline in revenue and profitability, resulting in lower than envisaged cash flow.
- Any significant time and cost overrun for the existing undergoing capex.

Analytical approach: Standalone

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.
[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Outlook: Stable

The business performance is expected to be stable, given the long-standing customer relationships and growth expected from addition of new capacity.

Detailed description of key rating drivers:

Key strengths

Well-established and experienced promoters having rich experience in copper winding wire industry

Promoted by the late Mahendra Mehta, PWIL has been engaged in the copper winding wire industry since 1989. He brought with him over six decades of experience in the copper winding wire business. The company is currently led by his sons, Milan Mehta (Chairman and Managing Director) and Deepak Mehta (Vice Chairman and Whole-Time Director), who represents the second generation of the promoter family. Associated with PWIL since 1989, Milan Mehta has over three decades of experience in managing technical and commercial aspects of the company's operations. He oversees the company's overall functioning, supported by a team of qualified and experienced professionals. Deepak Mehta has been associated with the company since its inception in 1989. He has extensive experience in procurement, logistics, and inventory management, particularly with respect to copper, the company's key raw material. He is also part of the company's team responsible for commodity and foreign exchange hedging. The third generation of the promoter family is also actively involved in the business. Nirbhay Mehta, who has been associated with the company for ~15 years, oversees day-to-day operations at the Silvassa winding wire units, while Arjun Mehta, who joined the company in 2023, leads the copper refining/recycling and copper rod projects.

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

PWIL continues to be a leading player in the organised copper winding wires industry, with a total estimated installed capacity of ~55,000 metric tonnes per annum (MTPA) as on March 31, 2026, and is expected to reach ~61,700 MTPA by FY27-end. The company caters to reputed original equipment manufacturing (OEM) companies in India and globally. By virtue of servicing these OEMs, the company has developed many long-term business relationships. These OEMs are majorly in power, auto, consumer durables, and industrial segments, 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 Limited, and Mitsuba India Private Limited, among others.

Backward integration to support profitability margins and competitiveness

PWIL has improved its backward integration through the commissioning of its captive copper rod facility at Valvada in FY26. The company is also implementing a copper recycling/refining plant. The project has achieved financial closure. The total capital expenditure of ₹240 crore is being funded through a 60:40 debt-equity mix, comprising a ₹144 crore term loan from HDFC Bank and an equity infusion of ~₹62 crore through preferential allotment in FY26. The integrated value chain is expected to improve raw material security.

The recycling facility is expected to partially meet the company's copper cathode requirement through captive production post expected commissioning by FY27-end. This is likely to improve cost efficiencies through the use of recycled copper and internal scrap generation. Consequently, CareEdge Ratings expect the company's operating competitiveness and profitability margins to improve in the medium term, while supporting its overall business risk profile.

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

For five years ended FY26, 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 TOI has grown at a CAGR of ~19%, while PBILDT has improved at a CAGR of ~26%.

In FY26, the company reported a 36% y-o-y growth in TOI, to ~₹5,463 crore against ₹4,030 crore in FY25, supported by volume growth and improved realisations. Finished goods volumes increased aided by higher capacity utilisation levels of 92% (against 89% in the previous year). The improvement was primarily driven by a favourable change in product mix towards higher value-added products. PBILDT improved by ~71% amounting to ₹309 crore compared to ₹181 crore in FY25, supported by increase in volumes and favourable product mix. The company operates as a converter, deriving revenue primarily from fixed conversion charges agreed upon with customers, insulating its margins from raw material price volatility, particularly copper. Entire orders are executed on a back-to-back basis.

Favourable debt protection metrics
The company's financial risk profile continues to remain favourable marked by strong liquidity position and comfortable debt coverage metrics. The company's overall gearing (including acceptances) has moderated to 1.55x, while debt to equity ratio remains comfortable at 0.21x as on March 31, 2026. The moderation in overall gearing resulted primarily due to increase in letter of credit (LC) acceptance (constitutes ~75% of the TD), since LCs are largely opened on a back-to-back basis against confirmed orders, increase in business volumes and raw material prices has directly resulted in higher LC utilisation and acceptances. Coverage metrics including the company's interest coverage ratio improved to 4.25x in FY26 (against 3.88x in FY25), owing to improvement in profitability in FY26 against FY25. 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, considering the high price, 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, mitigating full volatility of raw material prices. The company also derives part of its total sales from export, which is ~15%, exposing its operational performance to foreign exchange rate fluctuations. However, the company is able to partly mitigate this risk by natural hedging mechanisms.

Higher working capital requirements
The company's debt profile consists of working capital borrowings and term loan. The company majorly uses non-fund-based facility for buying its raw materials. Inventories held by PWIL has increased to ₹446 crore in FY26 (₹305 crore in FY25 and ₹287 crore FY24), considering increase in copper prices and increase in installed capacity. The company's trade receivables and trade payable (incl. LC acceptances) showed similar trends in FY24 (₹421 crore and ₹423 crore), FY25 (₹557 crore and ₹564 crore), and FY26 (₹925 crore & ₹1,081 crore). The company has efficient collection period, which reduced its dependence on fund-based utilisations. Average fund-based utilisations stood NIL for 12 months ended May 2026. 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: Adequate
PWIL has an adequate liquidity supported by cash and liquid investments of ~₹297.70 as of March 31, 2026, of which ~₹177.37 crore was parked in mutual funds (cash and liquid investments amounted ₹95.01 crore as on March 31, 2025). The company's average fund-based utilisation stood at nil for 12 months ending May 2026. The company has outlined a capex plan of ₹400-₹500 crore in 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 (1020KW) solar power system has been installed to enhance renewable energy usage and reduce dependence on conventional electricity sources. Total Scope 1 and Scope 2 emissions per rupee of Turnover was 0.09 tonnes INR in lakhs. **Energy consumption** Energy intensity per turnover was 0.48 GJ per INR in lakhs.
Social	**Safety standards: Adequate** 100% of employees are trained on safety measures and skill upgradation in FY26. Indicators like lost time injury frequency rate (LTIFR) is 0.00 per one million-person hours worked.
Governance	**Board independence:** PWIL has Board diversity policy, and its Board of Directors consist over 50% of non-executive and independent directors. There is separate Code of Conduct for Board Members and senior management personnel. Various policies, including whistle blower policy, are in place in line with the requirement. No material legal or regulatory non-compliances were reported, and ESG oversight is embedded at the board level in FY26.

Applicable criteria

Definition of Default
Non Ferrous Metal
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
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 rotating and static electrical equipment. PWIL has manufacturing facilities in Silvassa, Dadra Nagar Haveli and Palej, Gujarat, with a total installed capacity of ~55,000 MTPA as on March 31, 2026. PWIL is a leading player in the organised copper winding wires in India. The company caters to industries like power, auto, consumer durables, and industrial segments, among others.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abrig.)	Q1FY27 (UA)
Total operating income	4,029.95	5,463.43	Not available
PBILDT*	180.98	309.18	
Profit after tax (PAT)	90.04	155.27	
Overall gearing (x)	0.92	1.55	
Interest coverage (x)	3.88	4.25	

Abrig: Abridged; A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	186.00	CARE A+; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	20.00	CARE A+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	28-02-2033	247.08	CARE A+; Stable
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	1644.00	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 2026-2027	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
1	Non-fund-based - ST-BG/LC	ST	1644.00	CARE A1	1)CARE A1 (09-Jul-26)	1)CARE A1 (24-Nov-25)	1)CARE A1 (13-Jan-25)	1)CARE A1 (27-Mar-24)
2	Fund-based - LT-Term Loan	LT	247.08	CARE A+; Stable	1)CARE A+; Stable (09-Jul-26)	1)CARE A+; Stable (24-Nov-25)	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)
3	Fund-based - LT-Cash Credit	LT	186.00	CARE A+; Stable	1)CARE A+; Stable (09-Jul-26)	1)CARE A+; Stable (24-Nov-25)	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)
4	Fund-based - LT-Cash Credit	LT	20.00	CARE A+; Stable	1)CARE A+; Stable (09-Jul-26)	1)CARE A+; Stable (24-Nov-25)	1)CARE A+; Stable (13-Jan-25)	1)CARE A+; Stable (27-Mar-24)

LT: Long term; ST: Short term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Hitesh Avachat Director **CARE Ratings Limited** Phone: 912267543510 E-mail: hitesh.avachat@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Akshay Dilipbhai Morbiya Associate Director **CARE Ratings Limited** Phone: E-mail: akshay.morbiya@careedge.in Mandar Avachar Lead Analyst **CARE Ratings Limited** E-mail: Mandar.avachar@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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