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Issue Detail	
Price Band (Rs)	Rs.51-Rs.54
Face Value (Rs)	10.00
Issue Size (Rs)	71.28 Cr
Issue Type	Book Built Issue IPO
Minimum lot	277 Shares
Issue Opens	September 29, 2023
Issue Closes	October 04, 2023
Listing on	BSE, NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	October 09, 2023
Unblocking of Funds	October 10, 2023
Credit of shares to Demat Account	October 11, 2023
Listing on exchange	October 12, 2023

Other Detail	
Book Running Lead Managers	Pantomath Capital Advisors Pvt Ltd
Registrar	Kfin Technologies Limited.

IPO Shareholding (%)		
Category	Pre-Issue	Post-Issue
Promoters	100%	69.8%
Public	0%	30.2%
Total	100%	100.00%

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Plaza Wires Limited

Company Background

Plaza Wires Limited was incorporated in 2006, Plaza Wires Limited is engaged in the business of manufacturing and selling wires, and selling and marketing LT aluminium cables and fast moving electrical goods (FMEG) under its flagship brand "PLAZA CABLES" and home brands such as "Action Wires" and "PCG".

Plaza Wires was originally incorporated as Navratna Wires. Its key products in the wires and cables segment include house wires, single & multicore round flexible industrial cables and industrial cables for submersible pumps & motors up to 1.1kv grade. The company also provides other wires and cable products such as LT power control cables, TV dish antenna co-axial cables, telephone & switchboard industrial cables, computer & LAN networking cables, close circuit television cables and solar cables, PVC insulated tape, and PVC conduit pipe & accessories, through third-party manufacturers.

As part of after-sales service for electric fans, the company has tied up with more than 20 service centres in Uttar Pradesh, Uttarakhand, Jammu and Kashmir, Punjab, Haryana and Tamil Nadu. In 2021, Plaza Wires expanded its product portfolio by launching miniature circuit breakers and distribution boards (DB) in the north and south Indian regions.

As of March 31, 2023, the company has over 1249 authorized dealers and distributors, 3 branch offices in Rajasthan, Uttarakhand, and Uttar Pradesh, 1 branch office cum godown at Maharashtra, 4 warehouses in Uttar Pradesh, Assam, Kerala and Delhi, and C&F agent in 1 state, viz. Punjab.

Issue Details

Fresh issue of equity shares aggregating upto Rs 71.28 Cr.

Issue Objectives

1. Funding the capital expenditure towards setting up a new manufacturing unit for house wires, fire-resistant wires & cables, aluminium cables, and solar cables to expand the product portfolio.
2. Funding the working capital requirements of the company.
3. General corporate purposes.

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (Rs. in Cr.)
QIB (Institutional)	75%	99,00,119	53.46
Non Institutional	15%	19,80,024	10.69
Retail	10%	13,20,016	7.13
Total	100%	1,32,00,158	71.28

Source: Company RHP, ACMIIL Research

Company Overview and Business Operations

PLAZA WIRES LIMITED is an ISO 9001:2015 and 14001:2015 certified company engaged in the business of manufacturing and selling of wires, and selling and marketing of LT aluminium cables and fastmoving electrical goods (“FMEG”) under the flagship brand “PLAZA CABLES” and home brands such as “Action Wires” and “PCG”. The business was started with a vision to create a niche in the domestic wire and cable industry with an approach to provide quantitative and qualitative products at competitive prices to customer for various socio-economic backgrounds. In 2021, company launched a line of house wire under the brand “Action Wires” for product at economical price range. According to the sources, PLAZA WIRES LIMITED is one of the growing manufacturers in the wires and cables industry in northern region in India, and provide extensive range of wires and cables. The product mix comprises different type of wires and cables, and FMEG such as electric fans, water heaters, switches and switchgears, PVC insulated electrical tape and PVC conduit pipe & accessories. According to sources, the wires and cables industry in India, in value terms, has grown at a compound annual growth rate (“CAGR”) of approximately 13.68% in the last five years to reach ₹788.00 billion in Fiscal 2021. From some sources, wires and cables industry in India is expected to expand at a CAGR of approximately 14.50% in value terms to reach approximately ₹1550.00 billion by Fiscal 2026.

The key products in the wires and cables segment are building wires also known as house wires, single & multicore round flexible industrial cables and industrial cables for submersible pumps & motors up to 1.1kv grade. For other wires and cable products such as LT power control cable, TV dish antenna co-axial cables, telephone & switch board industrial cable, computer & LAN networking cable, close circuit television cables and solar cables, PVC insulated tape and PVC conduit pipe & accessories, company enter into informal arrangements with third-party manufacturers who manufacture products based on the requirements. The organization select and evaluate these third-party manufacturers based on certain criteria including the quality of products produced, reputation and delivery standards. Its products are compliant with various quality standards including Bureau of Indian Standards (“BIS”) and QCL Certification. In 2016 and onwards, entered into arrangements with third-party manufacturers and launched FMEG products such as electric fans, and water heaters. As part of after sales service for electric fans, company has tie ups with 20+ service centres in Uttar Pradesh, Uttarakhand, Jammu and Kashmir, Punjab, Haryana and Tamil Nadu. In 2021, expanded the product portfolio by launching miniature circuit breakers and distribution board (DB) in the north and south India region. They sell products through a variety of distribution channels depending on the geography and industry norms and trends. The Business model includes 1) dealer & distribution network to sell and promote products including sales through C&F agents. They select dealers & distributors based on their sales network, market reputation and financial strength including sales and 2) Securing government tenders for supply to government projects and 3) Direct sales to infrastructure projects.

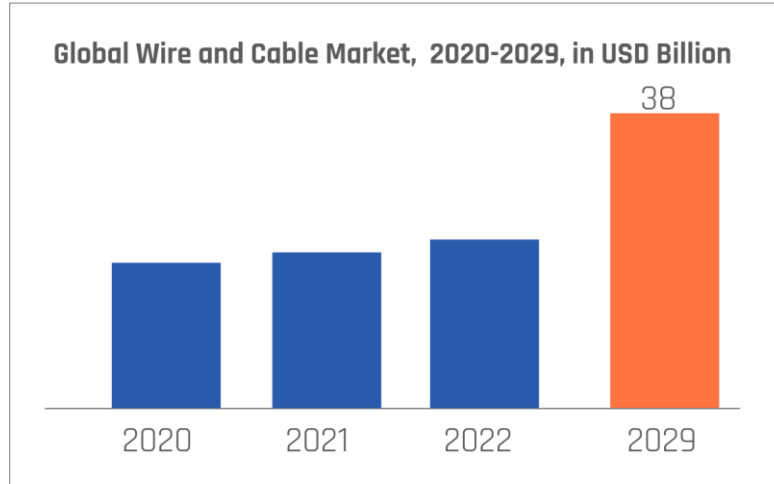
Existing Manufacturing Unit is located at Baddi, Himachal Pradesh. Company has installed production capacity of 12,00,000 coils per annum. Over the years, it had made investments, from time to time, in its manufacturing infrastructure to support the product portfolio requirements and reach. PLAZA WIRES LIMITED propose to setup the Proposed Manufacturing Unit with an additional installed capacity of 8,37,000 coils per annum and 8700 km per annum. With the Proposed Manufacturing Unit, company aim to expand its manufacturing capabilities and increase installed capacities to manufacture new products such as fire proof/ survival wires, LT aluminium cable and solar cable in addition to its existing products such as PVC insulated housing wires and cables. The current unit and its registered office is accredited with ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environment Management System) certifications.

Currently, Plaza Wires has a product mix comprising (i) Wires and Cables, (ii) FMEG products.

Product Mix	Product details
Wire & Cables	Building cables, Power Cables, Communication Cables, Flexible single/Multi core cables, other cables
FMEG	Electric fans, water heaters, switches and switchgears, PVC insulated electrical tapes, PVC conduits pipe and accessories

Industry Overview

The global wire and cable market was valued at \$191.6 billion in 2022 and is expected to reach \$351.3 billion by 2032 and is poised to grow at a compound annual growth rate (CAGR) of 6.30% during the forecast period 2023 to 2032. The chart below shows the growth of the global wire and cables market from 2020 - 2029 in USD:



Source: Company RHP, ACMIIL Research

Indian wire and Cable Industry market

The C&W industry is expected to grow to ₹1,033bn in FY23, boosted by increased infra spends by the government. Demand for building wires and power cables would be spurred by government schemes such as Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya scheme) and Power for All, focusing on electrification of rural households and T&D efficiencies, as well as an increase in cabling demand from commercial establishments and public utilities. Growth in Renewable energy capacities will drive demand for solar cables and elastomeric cables used in windmill applications. In Tier I cities, increase in demand and the lack of open spaces to setup towers, coupled with rising demand from infra projects like metro has swelled the demand for Extra High Voltage (EHV) underground cables.

Growing share of organized players

The Indian cables and wires industry has been gradually moving from a largely unorganized sector comprising smaller regional players towards an organized sector comprising pan-India branded market players across all categories. Furthermore, an increase in technological and product complexities, growing marketing and branding activities by leading cable manufacturers, and the entry of newer players have all led to an increase in the proportion of the industry's revenue generated by the organized sector. The shift from unorganized to organized is more significant in specific categories such as LV power cables and building wires. At an overall level, the organized players accounted for an ~66% share of the cables and wires industry's production in FY18. Industry expects the share of organized players to grow to ~74% by FY23E on account of GST rollout, improved efficiency and cost structure (reducing the price gap between the organized and unorganized sectors) and the economies of the pan-India distribution network.

Key Industry Demand Driver

Not only in India but across the globe Industrial and domestic users are the mainstay of the cable and wire market. The industrial users mainly comprise of power, telecommunication, cement, steel, railways and Housing sectors. Most of their demand is addressed by the organized sector. However, if household demand is in talk, then it is still being met largely by un-organized sector. Though there has been a shift in the preferences and the domestic consumers too are becoming quality conscious and there is a steady shift towards high end cables thereby benefiting the organized sector.

The cable industry can be broadly segmented into extra high voltage power cables greater than 66KV, medium voltage power cables up to 33KV and Low voltage power cables up to 1 KV, instrumentation and control cables, light duty cables, fibre optic cables, copper telephone cables, elastomer rubber cables and specialty cables, each of these is an industry itself.

Cables and wires demand drivers

Power Cables

- Investments in power transmission and distribution (~42% growth in FY19- FY23)
- Capacity addition in solar and wind energy
- Smart Cities Mission

Building wires

- Affordable housing scheme
- Growing nuclear families
- Investments in commercial and residential infrastructure (~35% growth in FY19-FY23)

Elastomeric and Flexible Cables / Wires

- Automobile industry growth and increasing investments in railways for electrification
- Growing demand for household appliances and automobiles due to revival in per capita income
- Increased construction activity supported by growing infrastructure projects

Control and Instrumentation Cables

- Industrial capex rising across industries such as auto, steel, oil and gas, and power.
- Investment expenditure by Indian Railways and in other mass transit systems
- Increased focus on automation in manufacturing and processing to monitor and control quality

Switchboard and telecom Cables

- Service and industrial sector growth increasing the need for data cables
- Intercom and Security system penetration in residential buildings
- Smart cities project
- Surge in internet users, with internet penetration as a percentage of total households reaching 60% by fiscal 2023.

Superior Quality product in housing wires led to higher margins for organized players

The electrical wires segment (largely housing) has witnessed a sharp transformation over the last several years. Involvement of customer in purchases of electrical has risen sharply. Electrical fault is one of the major causes of residential fires and its potential hazard is increasing as more electrical appliances are found in each household unit nowadays. With an increase in fire accidents caused by electrical faults, consumer preference towards branded manufacturers has been on the rise.

Industrial expansion and strong GDP growth driving power demand

Multiple drivers (industrial expansion, growing per-capita incomes) are leading to growth in power demand. This is set to continue in the coming years.

- India is set to become a global manufacturing hub with investment across the value chain.
- Power consumption of India stood at 133.26 billion units (BU), higher than 114.48 BU in June 2021. The peak power demand met, which is the highest supply in a day, rose to 223.23 GW in June 2023.
- India expects annual electricity demand to reach 1,874 billion units during the year ending March 2027, there will be an average 7.2% annual growth from demand of 1,320 billion units in 2021/22.
- Future investment will benefit from strong demand fundamentals, policy support and increasing Government focus on infrastructure.
- India's per capita electricity consumption was 1255 kWh in 2021-22, which is around one-third of the global average of per capita electricity consumption.
- The industry sector accounted for the highest share of energy consumption across India in fiscal year 2021, at 41 percent.
- Share of non-fossil fuel-based generation capacity in the total installed capacity of the Country likely to increase from 42% as of October 2022 to more than 64% by 2029-30. Indian power sector is undergoing a significant change that has redefined the industry outlook.

Competitive Strengths

Product portfolio focused on various customer segments and markets

The domestic wire and cable industry complements the product development which has allowed to develop a portfolio of a variety of products. The product portfolio consists of various types of wires & cables, and of late, diversify and evolve in FMEG products. The product mix comprising (i) Wires and Cables, (ii) FMEG products such as electric fans, water heaters, Switch and switch gears, PVC insulated tape and PVC conduit pipe & accessories. Key wires and cables products include building wires also known as house wires, flexible cables and flexible/single multi core cables and submersible cables, flexible & control cables, LT power control cable, TV dish antenna coaxial cables, telephone & switch board industrial cable, computer & LAN networking cable, close circuit television cables and solar cables.

Distribution network

The key strengths to enhance customer reach and increase retail presence is dealer and distribution network. The distribution network in India comprised over 1249 authorized dealers and distributors, 3 branch offices in Rajasthan, Uttarakhand and Uttar Pradesh, 1 branch office cum godown at Maharashtra, 4 warehouses in Uttar Pradesh, Assam, Kerala and Delhi and C&F agent in 1 state, viz. Punjab for financial year ended on March 31, 2023.

Experienced Management and dedicated employee base

Mr. Sanjay Gupta, Chairman & Managing Director and Promoter, has been instrumental in managing expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. Board of Directors also includes individuals who carry industry experience with business exposure in customer, sales and marketing and finance matters. The management team has experience in key areas such as production, sales and marketing, and finance. In particular, they have led the process through which has created value through operational growth, building brand recognition and loyalty and identified new business opportunities by launching new products and diversifying the customer base.

Key Business Strategies

Setting up the Proposed Manufacturing Unit to widen product portfolio and increase capacity

To cater to the growing demand from existing customers and to meet requirements of new customers, company intend to, and are in the process of, expanding manufacturing capacities for existing products and also intend to add manufacturing capacities for new product line such as fire proof / survival wires, LT aluminium cables and solar cables that are in the process of developing and commercializing.

Enhance position in Wires and Cables Industry

The Indian wires and cables market is expected to grow at a CAGR of approximately 15% to reach an estimated ₹1,033 billion by Fiscal 2023, due largely to government initiatives in power and infrastructure such as increased infrastructure expenditure by the Government which will boost demand for wires and cables, growth in fire survival cables supported by metro, airport and commercial real estate projects and Smart Cities Missions investment in underground cables, an increase in industrial investment, a rise in consumer spending and an increase in exports of wires and cables from India.

Expand the dealer network in existing markets and enter new geographical markets

The company's focus on deepen penetration in existing markets and thereby increase the domestic presence by expanding the distributors and dealers network. As a business strategy, it intend to expand the dealers network in different cities as there are untapped opportunities in these cities to capitalise to grow the business operations. Further company is yet to fully penetrate domestic markets in the southern India such as Karnataka, Telangana, Puducherry and other states in Central and Eastern India including states of Odisha, Jharkhand, Arunachal Pradesh, Mizoram, Sikkim and Nagaland.

Strengthen the brand value

Consistent efforts to popularise the brands "Plaza Cables", "Action Wires" and "PCG" and enhance the brand visibility by undertaking various marketing initiatives and gradually increasing the advertising and publicity expenses in line with the growth in business operations.

Maintain and expand valued relationships with dealers and distributors

The Company has built relationships with dealers and distributor across the segments through offering products matching to their requirements and specifications. This is the result of continued efforts that have been able to supply products to the various industries such as telecom, IT, power, residential project, real estate, governments.

To use technology to further optimize sales & marketing operations

The wire and cable industry is rapidly evolving, and has mobile application technology driven loyalty program for "Electricians & Retailers". This mobile application for the electrician and retailers would enable the registered electrician and retailers to stay updated with all the products of brand, with digital catalogue. Through the application, the registered user will be updated of launch of new products, reward history, incentive/gift status etc. This application provides rewards and offers to the registered electricians & retailers among other benefits. These technological initiatives implemented by company will continue to assist in increasing efficiency and productivity.

Revenue Mix

Particulars (₹ Cr)	FY21		FY22		FY23	
	Revenue	% to Revenue	Revenue	% to Revenue	Revenue	% to Revenue
Wires and cables	131.28	87.50%	165.9	92.27%	171.6	94.06%
- Aluminum cable	8.96		12.77		16.9	
- Copper wire & cable	122.33		153.13		154.71	
FMEG Products	5.6	3.73%	3.73	2.07%	2.91	1.57%
- Fans and Appliances	5.57		3.01		2.37	
- MCBs and isolators	0.03		0.72		0.64	
Other Products	13.16	8.77%	10.16	5.63%	7.98	4.33%
- PVC pipe	4.89		4.46		4.36	
- Tape	0.9		1.15		1.34	
- Others	7.38		4.56		2.18	
Total	150.04	100.00%	179.79	100.00%	182.49	100.00%

Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (Rs. in Cr.)	FY21	FY22	FY23
Share Capital	3.82	30.55	30.55
Net Worth	39.48	45.52	53.08
Revenue from Operations	145.38	176.77	182.49
EBITDA	10.86	13.19	15.70
EBITDA Margin (%)	7.47%	7.46%	8.60%
Net Profit for the period	4.24	5.95	7.51
Net Profit Margin (%)	2.91%	3.37%	4.11%
EPS - Basic (₹) & Diluted (₹)	1.39	1.95	2.46
RONW (%)	10.75%	13.08%	14.15%
ROCE (%)	11.62%	13.90%	15.57%

Source: Company RHP, ACMIIL Research

Comparison with Listed Peers FY23

Name of the company	Basic EPS	Diluted EPS	PAT%	RONW%	PE Ratio	NAV per share	Total Income (in Cr.)
Plaza Wires Limited	2.46	2.46	4.11	14.15	[•]	17.37	182.60
Cords Cable Industries Ltd-	5.52	5.52	1.37	4.53	16.65	123.15	527.65
Ultracab (India) Ltd	0.61	0.61	7.22	24.3	24.18	3.35	107.67
V-Marc India Limited	4.58	4.58	4.18	13.11	25.55	34.97	249.85
Dynamic Cables Limited	14.09	14.09	4.62	17.48	32.22	80.6	671.75
Paramount Communications Limited	2.4	2.4	5.88	16.19	23.75	15.2	812.72

Source: Company RHP, ACMIIL Research

Risks and concerns

- Delay in schedule of implementation may subject the Company to risks related to time and cost overrun which may have a material adverse effect on their business, results of operations and financial condition.
- Inadequate or interrupted supply and price fluctuation of its raw materials and packaging materials could adversely affect their business.

ACMIIL Retail Research Products

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Budget Report	Stock Basket
Weekly Derivatives Synopsis	Mutual fund model portfolios
Rollover Snapshot	Portfolio Doctor
Rollover Analysis (Monthly)	

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