

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA. INITIAL PUBLIC OFFERING OF EQUITY SHARES ON THE MAIN BOARD OF THE BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE), AND TOGETHER WITH BSE, THE 'STOCK EXCHANGES' IN COMPLIANCE WITH CHAPTER I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ('SEBI ICDR REGULATIONS').



BANSAL WIRE INDUSTRIES LIMITED

Our Company was originally incorporated as a private limited company under the name of 'Bansal Wire Industries Private Limited' on December 11, 1995, under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a resolution passed by our Board at its meeting held on September 5, 1995 and a special resolution passed by our Shareholders at their annual general meeting held on September 29, 1995, and the name of our Company was changed to 'Bansal Wire Industries Limited', and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued by the RoC on November 13, 1995. For further details of change in the name of our Company and the Registered Office, see 'History and Certain Corporate Matters' on page 251 of the Red Herring Prospectus of our Company dated June 27, 2024 filed with the Registrar of Companies, Delhi and Haryana at New Delhi ('RoC') ('Red Herring Prospectus' or 'RHP').

Registered and Corporate Office: F-3, Main Road, Shanti Nagar, Delhi-110022 | Telephone: 011-2365 1891/92/93 | Email: investors@bansalwire.com | Corporate Identity Number: U31300CL1985PLC022737
Contact Person: Sumit Gupta, Company Secretary and Compliance Officer | Website: www.bansalwire.com

OUR PROMOTERS: ARUN GUPTA, ANITA GUPTA, PRANAV BANSAL AND ARUN KUMAR GUPTA HUF

INITIAL PUBLIC OFFERING OF UP TO 14% EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ('EQUITY SHARES') OF BANSAL WIRE INDUSTRIES LIMITED (THE 'COMPANY' OR THE 'ISSUER') FOR CASH AT A PRICE OF ₹ 1 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH (INCLUDING A SHARE PREMIUM OF ₹ 1 PER EQUITY SHARE) ('ISSUE PRICE') AGGREGATING UP TO ₹ 7,450 MILLION (THE 'ISSUE'). THE ISSUE SHALL CONSTITUTE 100% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH. THE ISSUE PRICE IS 1 PER TIMES THE FACE VALUE OF THE EQUITY SHARES.

Bansal Wire Industries Limited is a steel wire manufacturing company in three broad segments, i.e., high carbon steel wire, mild steel wire (low carbon steel wire) and stainless steel wire.

The Issue is being made through the Book Building Process pursuant to Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Issue | Non-Institutional Portion: Not less than 15% of the Issue | Retail Portion: Not less than 35% of the Issue.

PRICE BAND: ₹243 TO ₹256 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH.

THE FLOOR PRICE IS 48.60 TIMES THE FACE VALUE OF THE EQUITY SHARES OF ₹ 5 EACH AND THE CAP PRICE IS 51.20 TIMES THE FACE VALUE OF THE EQUITY SHARES OF ₹ 5 EACH.

THE PRICE TO EARNINGS RATIO ('P/E') BASED ON BASIC AND DILUTED EPS FOR FISCAL 2024 FOR OUR COMPANY AT THE FLOOR PRICE IS 39.32 TIMES AND AT THE CAP PRICE IS 41.42 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 32.72 TIMES.

AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR THE SELLING SHAREHOLDER IS - NOT APPLICABLE | BIDS CAN BE MADE FOR A MINIMUM OF 58 EQUITY SHARES AND IN MULTIPLES OF 58 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated June 27, 2024, the above mentioned price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Issue Price' section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the 'Basis for Issue Price' section beginning on page 135 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ONLY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER.

In relation to the price band, potential investors should only refer to the price band advertisement for the Issue and should not rely on any media articles/ reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by our Company or by the BRLMs.

RISK TO INVESTORS

- Dependence on limited suppliers:** We rely substantially on our top 10 suppliers of the raw materials and work-in-progress goods which are used in our manufacturing processes, contributing 77.26%, 78.04% and 92.72% of our total supplies for the Fiscals 2024, 2023 and 2022, respectively.
- Geographical concentration of manufacturing facilities:** We have five manufacturing facilities located in Delhi NCR and the events impacting this particular geographical areas may disrupt our production and operations and could have an adverse effect on our business, results of operations, cash flows and reputation.
- Substantial working capital requirements:** For past three fiscals, i.e., Fiscal 2024, 2023 and 2022, we have working capital requirements of ₹ 2,049.26, ₹ 2,847.72 and ₹ 2,109.88 and may require additional financing to meet the working capital requirements. Substantial increase in our working capital requirements or our inability to obtain financing at favorable terms could have a material adverse effect on our results of operations, cash flows and financial condition.
- Risk in relation to raw material costs:** Our operations are dependent upon the price and availability of the raw material that is required for the production of steel and stainless steel wires. The following table sets forth the details of our total cost of materials for the periods indicated:

Particulars	For Fiscal		
	2024	2023	2022
Cost of Materials Consumed (₹ million)	20,166.55	19,985.03	17,727.46
Cost of Materials Consumed as a Percentage of Total Expenses (%)	85.31%	85.37%	83.35%

Increasing global demand for, and uncertain supply of, any such raw materials could disrupt us or our suppliers' ability to obtain such raw materials in a timely manner to meet our supply needs and may lead to increased costs.

- Substantial indebtedness:** As at May 31, 2024, our borrowings, on a consolidated basis, were ₹ 7,802.35 million. If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness which could have a material adverse effect on our business, reputation, results of operations and financial condition.
- Dependence on steel wires market:** We derive most of our revenue from operations from the manufacture and sales of steel wires. Our revenue from operations for Fiscals 2024, 2023 and 2022 constituted as follows:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Revenue from operations from steel wires (in ₹ million)	24,447.19	23,939.39
Revenue from operations from steel wires out of total revenue from operations (in %)	99.14%	99.21%	99.25%

Our business and financial condition is heavily dependent on the performance of the steel wires market India and globally, and we are exposed to fluctuations in the performance of these markets. If demand for steel wires in India decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.

- Product Concentration:** More than 50% of our product portfolio is comprised of Stainless-Steel Wires. Our business and financial condition is heavily dependent on the performance of the Stainless-steel wires market India and globally, and we are exposed to fluctuations in the performance of these markets. If demand for stainless-steel wires in India decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.
- Market concentration in North India:** We are present in 22 states and six union territories but majority our revenue from operations are from northern and western states of India with 65.61%, 67.78% and 64.80% of revenue from operations generated from Delhi, Haryana, Maharashtra and Uttar Pradesh in Fiscal 2022, 2023 and 2024, respectively.
- Extensive government regulations:** We are subject to various laws and extensive government regulations and if we fail to comply, obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required in the ordinary course of our business, including environmental, health and safety laws and other regulations, which could subject our Company to enforcement actions and penalties and our business financial condition, results of operations and cash flows may be adversely affected.
- We have in the past, experienced negative cash flows:** We experienced the cash flows, both positive and negative, set forth in the table below for the specified periods:

Particulars	(Amount in ₹ million)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash generated / (utilised) in operating activities	(5,369.35)	1,025.20	(115.42)
Net cash generated / (utilised) in investing activities	(4,959.29)	(872.49)	(191.79)
Net cash generated / (utilised) from financing activities	10,346.78	(149.98)	304.84
Cash and cash equivalents at the end of the year	18.13	7.10	4.38

- Negative operating cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans.** As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.
- Risk Related to our brands:** We have three registered trademarks and two copyrights which are currently used by us. While we have applied for the registration of six trademarks in India, all such trademarks including the logo of our Company, are not registered, and registration of these trademarks is pending. Third parties could imitate our brand name or pass off their own products as ours, including registering trademarks that may be confused with ours, producing similar products or counterfeit or pirated products.
- Inability to maintain our distribution network in India:** Our Company has a presence in both, domestic and international markets and are exporting our products in several countries. We engage in sale of our products in India and abroad through a network of dealers. The details of revenue contribution from our dealers in the Fiscals 2024, 2023 and 2022 is set forth below:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	in ₹ million	As a percentage of revenue from operations	in ₹ million	As a percentage of revenue from operations	in ₹ million	As a percentage of revenue from operations
Revenue contribution from dealers	3,195.51	12.96	1,180.89	4.89	1,549.23	7.05

If we fail to maintain our distribution network and attract additional dealers to our distribution network, our sales and market share may decline which would have a material adverse impact on our business, financial condition, results of operations and cash flows.

- Weighted Average Cost of Acquisition of all shares transacted in the last three years, 18 months and one year**

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in Rs.)
Last one year preceding the date of the Red Herring Prospectus	Nil	NA	Nil
Last eighteen months preceding the date of the Red Herring Prospectus	Nil	NA	Nil
Last three years preceding the date of the Red Herring Prospectus	0.26	948.62	0.00-18.00*

*Represents cost of Bonus shares and gift which are issued/acquired at nil consideration

- The 2 BRLMs associated with the Offer have handled 42 public issues in the past three financial years, out of which issues closed below the Offer price on listing date:**

Name of BRLMs	Total Issues	Issues closed below IPO Price as on listing date
SBI Capital Markets Limited*	20	9
DAM Capital Advisors Limited*	16	6
Common Issues of above BRLMs	6	3
Total	42	18

*Issues handled where there were no common BRLMs.

BID/ISSUE PROGRAMME

BID/ISSUE OPENS TODAY

BID/ISSUE CLOSES ON: FRIDAY, JULY 5, 2024*

*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

An Indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	On Friday, July 5, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 9, 2024
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about Tuesday, July 9, 2024
Credit of the Equity Shares to depository accounts of Allottees	On or about Tuesday, July 9, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, July 10, 2024

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (IST))
Bid/Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) - For RBIs other than QIBs and NBIs	Only between 10.00 a.m. and up to 5.00 p.m. IST

Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST

Modification/ Revision/cancellation of Bids

Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RBIs	Only between 10.00 a.m. and up to 5.00 p.m. IST

*UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date.

*QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

Continued on next page...

