

Neutral

Rating: Neutral

Issue Offer

Fresh Issue of 1,09,37,500 equity shares aggregating to INR 4,200 Mn and Offer for sale of 75,52,083 shares aggregating up to INR 2,900 Mn making total issue size of INR 7,100 Mn.

Issue Summary

Price Band INR	365-384
Face Value INR	5
Implied Market Cap INR Mn.	26,017
Market Lot	39
Issue Opens on	Dec 16, 2025
Issue Close on	Dec 18, 2025
No. of share pre-issue	5,68,18,200
No. of share post issue	6,77,55,700
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

MUFG Intime India Pvt.Ltd.

Book Running Lead Managers

Nuvama Wealth Management Ltd.
ICICI Securities Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	98.40%	71.37%
Public & Others	1.60%	28.63%

Objects of the issue

- Repayment of certain company borrowings
- Purchase and setup of new machinery at 2 plants
- Purchase and setup of a rooftop solar power plant for power generation at our Supa Facility
- General corporate purposes.

Abhishek Jain

abhishek.jain@arihantcapital.com

022-422548871

Ronak Osthwal

ronak.osthwal@arihantcapital.com

KSH International Limited Incorporated in 1979, is India's third-largest manufacturer and largest exporter of magnet winding wires, serving power, renewables, railways, automotive, and industrial sectors with supplies to major entities like PGCIL, NTPC, NPCIL, and RDSO across 24 export markets. The company operates three manufacturing facilities in Maharashtra with a combined capacity of 29,045 MT, with a fourth facility under development in Supa expected to commence in Fiscal 2026. Its product range includes round enamelled copper/aluminium magnet winding wires, paper-insulated rectangular variants, continuously transposed conductors, and bunched paper-insulated copper magnet winding wires.

Investment Rationale:

Capital-Light Expansion with Capacity Scaling & Backward Integration: The company's fourth facility in Supa (operational from Sept 2025) combined with capacity expansion at existing units will scale production while improving unit economics. Strategic backward integration into copper rod manufacturing will mitigate raw material volatility and reduce input costs. With 1 MW solar capacity already operational and 3.2 MW planned, captive renewable energy generation will lower power costs a significant competitive advantage in a capital-intensive industry.

High Barriers to Entry with Strategic Certifications & Approvals: The industry's stringent pre-qualification requirements create sustainable competitive moats. KSH's ISO 9001:2015, ISO 14001:2015, IATF 16949:2016 certifications combined with approvals from government entities position it as a preferred supplier for long-tenure contracts. Long-standing relationships with 122 customers including BHEL, Siemens Energy, Hitachi Energy provide revenue visibility and cross-selling opportunities, evidenced by supplying multiple product categories to single customers.

Market Leadership with Strong International Footprint: KSH is India's largest exporter of magnet winding wires by revenue (INR 5,904 Cr in FY25, ~31% of total revenue) and third-largest manufacturer by capacity. The company has successfully penetrated 24 countries including USA, UAE, Germany, and Japan, with a dedicated sales network across Brazil, North America, and Europe. This geographic diversification reduces cyclical and mitigates region-specific economic risks while capitalizing on the "China Plus One" strategy.

Valuation and View:

KSH International is well-positioned to capitalize on secular growth drivers in electrification like EV penetration, renewable energy and power infrastructure modernization. The company's demonstrated execution track record (35.55% revenue CAGR, 59.83% PAT CAGR) combined with diversified customer base across 122 accounts and 24-country geographic footprint provides earnings visibility. Backward integration into copper rod manufacturing and captive renewable energy deployment will enhance operating leverage and provide pricing power in a cyclical commodity business. **At the upper price band of INR 384, the issue has an P/E ratio of 38.27x, based on Annualised EPS of INR 10.03 of FY25. We assign a "Neutral" rating for this issue.**

Particulars (INR Mn)	Q1FY26	FY25	FY24	FY23
Revenue	5,587	19,283	13,828	10,495
Growth (% YoY)	N.A	39.5%	31.8%	
EBITDA	403	1225	715	499
PAT	227	680	374	266

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

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Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800