

Company Overview

Incorporated in 1981, KSH International Limited is among India's leading manufacturers of magnet winding wires, ranking as the third-largest player in the country by installed production capacity as of FY25. The company is also the largest exporter of magnet winding wires from India in terms of export revenues. KSH commenced operations with a manufacturing facility at Taloja, Raigad, Maharashtra, and has since expanded its footprint to a multi-location manufacturing network. As of FY25, the company operates three manufacturing facilities with a combined installed capacity of 29,045 MT, comprising two units at Chakan, Pune, Maharashtra, and one unit at Taloja, Raigad, Maharashtra. Additionally, operations at its fourth manufacturing facility located at Supa, Ahilyanagar, Maharashtra commenced in September 2025. The Chakan facilities contribute approximately 85% of the company's total revenue. As of FY25, the company operates at a healthy overall capacity utilization of 85.9% across its three operational units. The company manufactures a comprehensive range of standard and specialized magnet winding wires, including round enameled copper and aluminum magnet winding wires, rectangular enameled copper and aluminum magnet winding wires, paper-insulated rectangular copper and aluminum magnet winding wires, continuously transposed conductors (CTC), and bunched paper-insulated copper magnet winding wires. These products are critical components used in transformers, motors, alternators, and generators, catering to a wide spectrum of end-use industries such as power generation, transmission and distribution, renewable energy, industrial equipment, railways, automotive applications including EVs and ICE vehicles, home appliances, and refrigeration and air-conditioning. KSH has built a diversified and high-quality customer base comprising leading domestic and multinational OEMs, including Bharat Heavy Electricals Limited, Hitachi Energy India Limited, Siemens Energy India Limited, and GE Vernova T&D India Limited. The company is also an approved supplier of insulated rectangular wires and CTC for select customers, with applications in high-voltage and extra-high-voltage infrastructure, including HVDC and 765 kV EHV transformers and reactors. With a well-established export presence, KSH derived 32.7% of its revenues from international markets in FY25.

Objects of the issue

Out of the total issue size of Rs. 710 crores, Rs. 290 crores comprise OFS.

The company proposes to utilise net proceeds (Rs. 420 crores) from the issue towards the following objects:

- ⇒ Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company;
- ⇒ Funding capital expenditure to be incurred on account of purchasing and setting up of new machinery for expansion at Supa facility and purchasing and setting up of new machinery at Unit 2 in Chakan;
- ⇒ Funding capital expenditure requirements of the company towards purchasing and setting up of a rooftop solar power plant for power generation at its Supa facility; and
- ⇒ General corporate purposes.

Investment Rationale

Strong manufacturing scale, advanced technology capabilities and shift towards high value segments underpin sustainable growth outlook

KSH International Limited benefits from a combination of large, strategically located manufacturing facilities, advanced technology adoption, and a strong focus on new product and process development, which collectively position the company for sustained and margin accretive growth. Its manufacturing footprint, concentrated in Maharashtra with proximity to Jawaharlal Nehru Port, Navi Mumbai, provides meaningful logistics and cost efficiencies while supporting a strong export franchise. Continuous investments in plant and equipment have enabled steady capacity expansion and high utilization levels, reflecting disciplined capital allocation and robust demand visibility. The company's facilities are supported by globally recognized quality, environmental and safety certifications, allowing it to cater to demanding domestic and international OEMs. KSH's technical expertise in supplying winding wires for large power transformers, including 400 kV, 765 kV and HVDC applications, underscores its capability in high criticality and high entry barrier segments. At the same time, focused

Issue Details

Offer Period	16th Dec. 2025 - 18th Dec. 2025
Price Band	Rs. 365 to Rs. 384
Bid Lot	39
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	1.8
Issue Size (Rs. in Cr.)	710
Face Value (Rs.)	5

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Nuvama Wealth Management Limited, ICICI Securities Limited
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Registrar	MUFG Intime India Private Limited
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	98.4%	71.4%
Public	1.6%	28.6%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

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investments in automation, precision engineering and advanced manufacturing processes enable micron level accuracy and consistent quality, which are essential for large and HVDC transformers as well as specialized motor applications. The company is further strengthening its product portfolio by expanding into higher value-added segments such as continuously transposed conductors and specialized enameled wires for EV, AC and BLDC motors, aligning with long term structural trends in power infrastructure, electrification, and electric mobility. With the commissioning of the Supa facility and increasing emphasis on premium, technology intensive products, KSH is well positioned to enhance its competitive positioning, diversify revenues, and drive sustainable improvement in profitability over the medium to long term.

Diversified global customer base, high repeat revenues and expanding international presence provide strong growth visibility

KSH International's long-standing relationships with a diversified domestic and global customer base provide strong revenue visibility and a resilient growth platform. The company serves a wide range of end use industries and has consistently maintained a broad customer base, with a high proportion of revenues derived from repeat customers (94.5%), reflecting deep integration into customer supply chains and sustained trust in product quality and reliability. Its recognition and acceptance by leading global OEMs reinforce its position as a preferred supplier for critical power and industrial applications and support its leadership as India's largest exporter of magnet winding wires by revenue. A well-diversified geographic footprint across 24 countries reduces dependence on any single market or customer and mitigates region specific economic risks. Going forward, the company's strategy to expand international presence, leverage China Plus One opportunities, increase wallet share through cross selling, and co-develop products with existing customers is expected to drive incremental volumes and higher value additions. These initiatives, supported by capacity expansion at the Supa facility and strengthening of the global sales network, position KSH to scale revenues sustainably while deepening customer relationships and enhancing long term competitiveness.

Valuation

KSH International Limited is a leading manufacturer and exporter of magnet winding wires with a strong presence across critical end use segments. The company operates in a niche, high entry barrier segment, supported by long standing customer relationships, global certifications, and approvals for high criticality applications. The company's strengths lie in its strong competitive moat, built on stringent certifications, long standing approvals from institutions, and deep relationships with leading domestic and global OEMs. High repeat customer contribution, diversified end market exposure, and leadership in exports provide revenue stability and reduce cyclicalities. KSH's advanced manufacturing capabilities, focus on automation and precision engineering, and ability to deliver customised, high-performance products further differentiate it from generic winding wire manufacturers. Ongoing capacity expansion, increasing emphasis on higher value-added products such as continuously transposed conductors and EV focused magnet wires, and planned backward integration initiatives are expected to support margin expansion and improve cost competitiveness over time. On the economic front, India's electric wires and cables market was valued at USD 19.7 billion in CY24, reflecting a CAGR of 6.1% from CY19 to CY24. The market is projected to reach USD 29.9 billion by CY28, expanding at a CAGR of 11.0% from CY24 to CY28. At the same time, the magnet winding wire industry is characterised by high barriers to entry due to stringent pre-qualification norms imposed by corporate buyers, government utilities, and international agencies. In this context, KSH's approvals from marquee institutions such as Power Grid Corporation of India for HVDC and 765 kV class transformers and reactors, NTPC for continuously transposed conductors, NPCIL for nuclear power transformer applications, and RDSO for railway traction transformers position the company to directly participate in large, long duration infrastructure programs. Financially, KSH has demonstrated a clear improvement in both profitability and return metrics, reflecting operating leverage, better product mix, and disciplined execution. The company reported CAGR growth of 35.6%/56.7%/59.8% in Revenue/EBITDA/PAT between FY23 and FY25, with EBITDA margins improving from 4.8% to 6.4%, indicating benefits from scale, higher value-added products, and operational efficiencies. Return ratios have shown consistent improvement alongside earnings growth during the same period. ROE has increased from 13.7% to 22.8%, while ROCE has improved from 12.9% to 16.3%, reflecting more efficient capital deployment and improving asset productivity as capacity utilisation rises. **At the upper price band of Rs. 384 per share, the company is trading at a P/E of 32.1x based on its FY25 earnings which is at a considerable discount compared to its peers. We, thus, recommend a "SUBSCRIBE" rating to the issue from a medium-to long-term perspective.**

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Key Risks

- ⇒ The power sector contributes a significant portion of the company's operating revenue, accounting for 74.8% in FY25, 75.2% in FY24 and 79.1% in FY23. Any downturn or demand weakness in the power sector could adversely impact the company's business and financial performance.
- ⇒ KSH derives a significant portion of its revenue (>70%) from the sale of specialized magnet winding wires. Any reduction in demand for its key products would have a material adverse effect on its business.
- ⇒ The company's manufacturing facilities are located in Maharashtra which exposes its operations to potential geographical concentration risks arising from local and regional factors which may adversely affect its operations.

Valuation & Return Ratio (post-issue)	FY23	FY24	FY25
EPS	4.7	6.6	12.0
P/E (x)	82.1x	58.4x	32.1x
Book Value (in Rs. Cr.)	194	231	299
P/BV (x)	13.4x	11.3x	8.7x
ROE	13.7%	16.2%	22.8%
ROA	7.4%	7.7%	9.1%
CMP (in Rs.)	384	384	384

KSH International Limited

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Revenue from operations:	1,049	1,383	1,928	559
Total revenue from operations	1,049	1,383	1,928	559
Expenses				
Cost of material consumed	945	1,251	1,742	509
(Increase)/decrease in inventories of finished goods and work-in-progress	-8	-20	-27	-16
Employee benefits	24	34	40	11
Other expenses	39	46	52	13
Total operating expenses	1,000	1,311	1,806	518
EBITDA	50	71	123	40
Depreciation & amortization	8	11	14	3
EBIT	42	61	109	37
Finance costs	13	18	28	7
Other income	7	8	10	4
PBT	35	51	90	34
Current tax	8	13	24	9
Deferred tax	0	0	-1	2
Total Tax	9	13	22	11
Net Profit	27	37	68	23
Diluted EPS	4.7	6.6	12.0	4.0

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Cash Flow from operating activities	62	-17	-10	14
Cash flow from/(used in) investing activities	-20	-39	-118	-30
Net cash flows (used in) / from financing activities	-41	67	123	11
Net increase/(decrease) in cash and cash equivalents	1	11	-5	-5
Cash and cash equivalents at the beginning of the period	3	4	16	10
Cash and cash equivalents at the end of the period	4	16	10	5

Source: RHP, BP Equities Research

KSH International Limited

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Assets				
Non-Current Assets				
Property plant & equipment	98	133	127	125
Capital work in process	9	7	108	143
Intangible assets	2	1	1	1
Right of use assets	7	6	5	4
Financial assets	0	0	0	0
(i) Other financial assets	2	2	4	4
Other non-current assets	4	6	26	15
Total Non-Current Assets	123	155	270	292
Current Assets				
Inventories	109	133	211	229
Financial assets	0	0	0	0
(i) Trade receivables	109	159	224	231
(ii) Cash & cash equivalents	4	16	10	5
(iii) Other bank balances	3	2	1	1
(iv) Other financial assets	0	0	0	0
Other current assets	11	18	29	35
Total Current Assets	236	327	475	501
Total Assets	359	483	745	793
Equity and Liabilities				
Equity share capital	6	6	28	28
Other equity	188	225	270	293
Total Equity	194	231	299	321
Liabilities				
Non-Current Liabilities				
Financial liabilities				
(a) Borrowings	8	34	116	126
(b) Lease liabilities	7	5	3	2
Provisions	1	1	1	1
Deferred tax liability (net)	8	8	6	8
Total Non-Current Liabilities	23	47	126	137
Current Liabilities				
Financial liabilities				
(a) Current borrowings	113	172	244	253
(b) Lease liabilities	2	3	3	3
(c) Trade payables	20	18	33	40
(d) Other financial liabilities	3	5	13	8
Current provisions	1	0	1	1
Other current liabilities	4	3	21	19
Current tax liabilities (Net)	1	2	5	9
Total Current Liabilities	142	204	320	334
Total Liabilities	166	252	446	472
Total Equity and Liabilities	359	483	745	793

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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