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CM RATING 44 /100

# KSH International

## Manufacture winding wires

### Third largest manufacturer of magnet winding wires in India in terms of production capacity with strong clientle

KSH International, promoted by Kushal Subbayya Hegde, Pushpa Kushal Hegde, Rajesh Kushal Hegde, Rohit Kushal Hegde and Rakhi Girija Shetty, is a leading manufacturer of Insulated Rectangular & Round Magnet Winding wires and Continuously Transposed Conductors in India. Its products are critical components of capital goods such as transformers, motors, alternators and generators. The company market and sell its products through its brand 'KSH'.

Founded in 1981, the company is currently the third largest manufacturer of magnet winding wires in India in terms of production capacity in Fiscal 2025 and is also the largest exporter of magnet winding wires from India in terms of export revenues in Fiscal 2025. The company is one of largest Indian manufacturer of Continuously Transposed Conductors (CTC) and Shaped Insulated Magnet Winding Wires for Power Equipment, Renewable and Railways.

Its product portfolio include round enamelled copper/ aluminium magnet winding wires, paper insulated rectangular copper/ aluminium magnet winding wires, continuously transposed conductors, rectangular enamelled copper/ aluminum magnet winding wires and bunched paper insulated copper magnet winding wires.

KSH is a preferred supplier of Continuously Transposed Conductors used in HVDC, 765 KV and 1200 KV extra high voltage oil filled power transformer and reactor manufacturers across the globe.

In FY25, revenue from sales of specialized magnet winding wires accounted for 74.79% of revenue from operations and balance 25.21% is from standard magnet winding wires.

KSH provides customized solutions and manufactures Magnet Winding Wires and associated products as per customers specific requirements. Customers of the company are primarily OEMs i.e. manufacturers of Power Equipment (Transmission and Distribution), Railway Traction Transformers, Auto Electrical Components, High and Low Voltage Motors, Alternators for AC Generators, Wind Mill Generators, Turbo and Hydro Generators, Hermetic Compressor for Refrigeration and Air Conditioning, Switchgear, Renewables, Traction Motors for Electric Vehicles, Motors for Home Appliances, Pumps, etc.

Customers of the company include Bharat Bijlee Limited, Virginia Transformer Corporation, Bharat Heavy Electricals Limited, Georgia Transformer Corporation, Hitachi Energy India Limited, Siemens Energy India Limited, GE Vernova T&D India Limited, Hind Rectifiers Limited, Transformers and Rectifiers India Limited, Indo-Tech Transformers Limited, TBEA, Atlanta Electricals Limited, Toshiba Transmission & Distribution Systems (India) Private Limited, Meidensha Corporation, SGB-SMIT GmbH and Retrasib S.R.L., CG Power and Industrial Solutions Limited, Nidec Industrial Automation India Private Limited, Al Ahleia Switchgear Co. , Emirates Transformer & Switchgear Limited.

The company has a significant global footprint and as of Jun 30, 2025 is exporting its products to more than 24 countries including, amongst others, USA, UAE, Kuwait, Romania, Saudi Arabia, Germany, Oman, Spain, Bangladesh and Japan. Exports accounted for 39.17%, 37.91% and 32.70% of its revenue from operations in FY23, FY24 and FY25 respectively.

As end of Jun 30, 2025 the company operates three manufacturing facilities at two at Chakan (Pune, Maharashtra) and another one at Taloja (Raigad, Maharashtra) with a combined annual installed capacity of

29,045 MT. Additionally it has commissioned operations of Phase I of its fourth facility at Supa (Ahmednagar/Ahilyanagar, Maharashtra) in Sep 2025.

### **The issue, objects of the issue**

The offer comprises both fresh issue (issue of new shares of Rs 5 face value aggregating to Rs 420 crore) and offer for sale (of shares aggregating to Rs 290 crore) by promoter selling shareholders.

Of the net proceeds from fresh issue, the company propose to utilize Rs 225.977 crore towards prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company; Rs 87.017 crore towards expansion of capacity at its existing manufacturing plants at both Supa and Chakan; Rs 8.828 crore towards purchasing and setting up of a rooftop solar power plant for power generation at its manufacturing unit at Supa and balance for general corporate purposes.

### **Strength**

One of the leading manufacturers of magnet winding wires in India with a comprehensive suite of products used across multiple end use industries. Brand 'KSH' has developed a strong brand recall and reputation in the industry over the years.

Have a proven track record necessary certifications and accreditations in an industry which has high barriers to entry. It is an approved supplier of insulated rectangular wires and CTC for certain entities, used in High Voltage Direct Current ("HVDC"), 765 kV extra high voltage ("EHV") transformers and reactors.

Diversified customer base both domestically as well as globally and have long standing relationship with its customers. In fiscal ended Mar 2025, the company had about 122 customers. About 94.54% of its operating revenue in Fiscal 2025 was generated from repeat customers (i.e. those who were customers in Fiscal 2024 as well).

Have large, strategically located, manufacturing facilities with focus on advanced technologies and new product and process development.

### **Weakness**

Top 10 customers contributed to 53.97%/52.54%/ 57.10% in 3mFY26, FY25 and FY24 respectively.

A significantly large portion of its revenue from operations i.e. 74.79%/75.17% is attributable to power generation/T&D industry.

Have experienced negative cash flows from operating activities in the past.

Operate in a competitive industry with single digit operating margin.

All manufacturing facilities of the company are located in the state of Maharashtra.

Exchange rate fluctuations may adversely affect the business, financial conditions, cash flows and results of operations.

### **Valuations**

Re-stated standalone sales stood higher by 39% to Rs 1928.29 crore in FY 2025. With the OPM expanding by 120 bps to 6.4%, the growth of OP was 71% to Rs 122.53 crore. Finally the PAT was up by 82% to Rs 67.99 crore.

Sales were Rs 558.71 crore and PAT was Rs 22.68 crore in the quarter ended June 2025.

On an expanded equity (at the upper price band) the EPS for FY2025 was Rs 10. The P/E at the upper price band works out to 38.4 times the FY2025 EPS. The company quotes at a P/BV of 3.5 times. The company trades at EV/sales 1.6 times on FY2025 sales.

As of October 31, 2025, total borrowings of the company stood at Rs 519.425 crore. The company proposes to utilize Rs 225.977 crore of the net proceeds from fresh issue towards prepayment of the borrowing. Repayment of Rs 225.977 crore will bring the borrowings down to Rs 293.53 crore (translates to about 56.5% of current debt of Rs 519.425 crore) resulting in lower interest outgo and boosting the net-profit substantially. The FY 2025 EPS works out to Rs 11.4 if 43.5% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 33.7 times.

In comparison, Precision Wires and Ram Ratna Wires quote at a PE of 38.6 times and 37.8 times, respectively, of their EPS of TTM period ended September 2025. The recently quoted Vidya Wires quotes at a PE of 26.9 times of its FY25 EPS.

Though not an apple-to-apple comparison, Apar Industries quotes a PE of 38.6 times of its EPS for TTM period ended September 2025.

KSH International : Re-stated Financials				
	2303 (12)	2403 (12)	2503 (12)	2506 (3)
Sales	1049.46	1382.82	1928.29	558.71
OPM (%)	4.8	5.2	6.4	7.2
OP	49.90	71.46	122.53	40.28
Other income	7.14	7.68	9.90	3.89
PBIDT	57.04	79.14	132.43	44.18
Interest	13.37	17.57	28.00	7.31
PBDT	43.66	61.57	104.43	36.86
Depreciation	8.19	10.95	14.00	3.33
PBT	35.47	50.62	90.43	33.53
EO Exp	0.00	0.00	0.00	0.00
PBT after EO	35.47	50.62	90.43	33.53
Tax	8.86	13.27	22.44	10.85
PAT	26.61	37.35	67.99	22.68
EPS (Rs)*	3.9	5.5	10.0	13.4
* on post IPO fully diluted equity (on upper price band) of Rs 33.88 crore. Face Value: Rs 5				
EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate database				

KSH International : Issue Highlights	
Fresh Issue (Rs crore)	420
Offer for sale (Rs crore)	290
Price band (Rs.) **	
Upper	384
Lower	365
Post-issue equity (Rs crore)	
in Upper price band	33.88
in Lower Price Band	34.16
Post-issue promoter (including promoter group) stake (%)	71.37
Minimum Bid (in nos.)	39
Issue Open Date	16-12-2025
Issue Close Date	18-12-2025
Listing	BSE, NSE
Rating	44/100