Initiating Coverage

KSH International Ltd

BUY

Wiring India's Power Future — The Specialty Winding Wire Compounder

KSH International Limited ("KSH") (NSE: KSHINTL), is India's **second-largest magnet winding wire manufacturer** and its **largest exporter** with a capacity of 44,000 MT. KSH is the **only Indian manufacturer approved by PGCIL to supply winding wires for HVDC 400kV transformers** — a moat built over 5–7 years. It is expanding their capacity to 59,000 MT by Q4 FY27 in a staggered manner keeping Specialty: Standard stable at 65:35 and 40% capacity of CTC. EBITDA/ton compounding from INR28,000 (FY23) to INR66,000 (9M FY26), and a structural Power T&D supercycle, we expect KSH to achieve a revenue CAGR of 33% revenue reaching INR 4,584Cr in FY28E, with an EBITDA/PAT of INR 297Cr/INR 170Cr, resulting in an EPS of INR 25.10.

Investment Rationale — Synopsis

- **HVDC Regulatory Moat:** Sole Indian company PGCIL-approved for HVDC 400kV winding wire supply. 37 HVDC orders in hand; deliveries from Q4 FY26. Targeting HVDC 800kV approval next.
- **Power T&D Supercycle:** INR 9.15 lakh Cr T&D capex 2023–32; transformer market expanding ~44% CAGR to INR 72,600Cr by FY28. Five converging demand megatrends: Power T&D, Renewables, Data Centres, Railways, EVs.
- **25%/25%/29% Revenue/EBITDA/PAT CAGR (FY26–28E):** Capacity scaling 44,000 → 59,000 MT; volumes 23,424 MT (FY25) → ~47,000 MT (FY28E). EBITDA/ton stable at INR66,000 & an improving working capital cycle.
- **75% Specialty Mix — 3x Margin Premium over Standard:** Specialized wires carry 3x operating margins vs. standard wires. Structural mix shift toward higher-value products as power T&D demand accelerates.
- **Export Leadership — Geopolitical Dividend:** Largest winding wire exporter from India; ~30% revenue mix; exports across 24 countries. China low presence from US/EU/MEA specialty markets; KSH fills the vacuum.
- **PEEK Wires — Long-term Call Option:** Licensed HPW (European) patented PEEK wire technology for 800kV traction motors. Early stage but unique optionality; zero value in base case.

Valuation at a Glance

We value KSH International at **22x FY28E EPS of INR25.10**, arriving at a **Target Price of INR552 (~35% upside from CMP of INR410)**. The 22x multiple is at par to PWIL FY28E consensus PE, is a conservative multiple despite KSH's superior EBITDA/ton, sole HVDC approval, and 30% export revenue with structural geopolitical tailwinds. Revenue/EBITDA/PAT CAGR of 33%/34%/36% (FY25–28E) is underpinned by capacity doubling and improving working capital.

Key Financial Snapshot

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	1057	1390	1938	2938	3669	4584
Revenue YoY %		32%	39%	52%	25%	25%
EBITDA (₹ Cr)	50	71	123	190	238	297
EBITDA Margin %	**4.75%**	**5.17%**	**6.35%**	**6.50%**	**6.50%**	**6.50%**
PAT (₹ Cr)	27	37	68	102	132	170
PAT Margin %	**2.54%**	**2.70%**	**3.53%**	**3.47%**	**3.61%**	**3.72%**
EPS (₹)	**5**	**7**	**12**	**15**	**19**	**25**
P/E (x) @CMP	89	64	35	28	21	17
ROCE %	13%	14%	16%	14%	15%	16%
ROE %	14%	16%	23%	12%	14%	15%

Stock Data

CMP (INR)	410
Target	552
Upside (%)	35%
BSE code	544664
NSE code	KSHINTL
Bloomberg Code	KSHINTL:IN
Face Value	5
Market Capitalization	2,700
1M Average Volume	2,25,000
52-week H/L	420/330

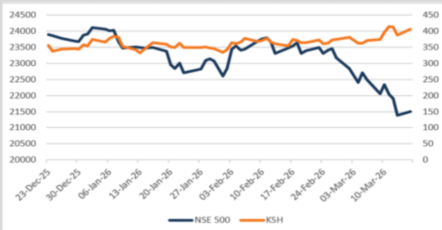
Shareholding Pattern (%)

Period	Dec'25
Promoters	74.58
FII	3.72
DII	13.09
Others	8.61

Estimates

Particulars	FY26E	FY27E	FY28E
EBITDA	190	238	297
PAT	102	132	170
PAT Margin	3.47%	3.61%	3.72%

Price Chart



Dikshi Jain
T (91) 22 6904 1539
E dikshi.jain@incredcapital.com

Contents

1. Investment Rationale

1.1 HVDC Regulatory Moat — Sole Approved Indian Supplier

KSH is the **only Indian manufacturer approved by PGCIL** to supply winding wires for HVDC 400kV transformers. This approval — built through rigorous product qualification, testing cycles and vendor audits — represents a near-impenetrable regulatory barrier. KSH has received **37 HVDC orders**, with deliveries commencing Q4 FY26 and scaling through FY27. Nine new HVDC lines of 33.25 GW capacity are planned by GoI — in addition to 33.5 GW already operational — as part of India's INR 9.15 lakhCr T&D capex plan (2023–32). KSH has further initiated the approval process for **HVDC 800kV transformers** — if achieved, this extends the moat by another voltage class commanding even higher per-unit value.

- Winding wire OEM qualification takes 1–2 years; PGCIL/NTPC grid operator approval for each transformer class requires 3–5 additional years. KSH's full-spectrum approval has taken a long time to build and represents a near-irreplicable institutional position.
- Apar Industries has recently received approval for 765kV AC transformers but remains unqualified for HVDC 400kV winding wire supply — KSH's HVDC moat is singular among Indian manufacturers.

1.2 Structural Demand — Power T&D Supercycle

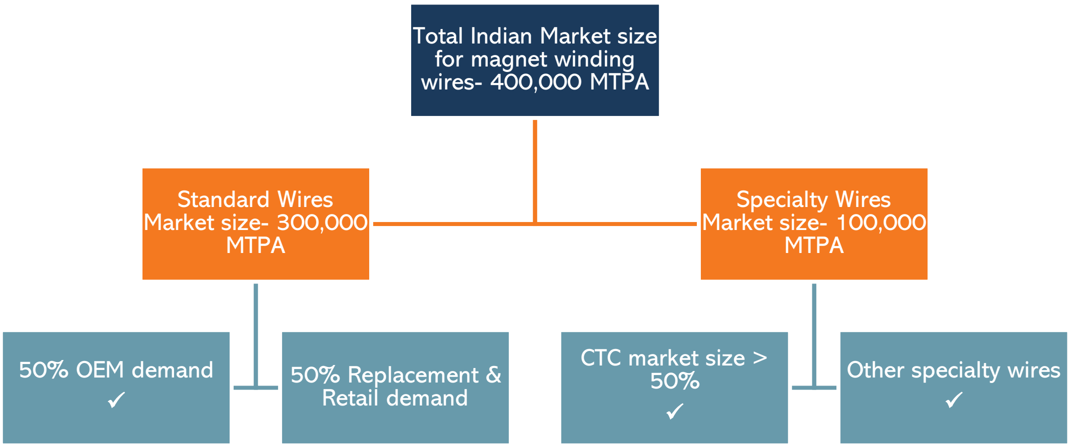
India is at the cusp of a multi-decade power infrastructure supercycle — not a cyclical uptick. The transformer market alone is expected to expand ~44% CAGR to INR 72,600Cr by FY28. Five megatrends are simultaneously driving demand for magnet winding wires:

- Power T&D: INR 9.15 lakhCr capex 2023–32; 33% expansion of India's transmission network to 648,190 ckm by FY32. Nine new HVDC lines (33.25 GW planned in addition to 33.5 GW operational). Smart meter rollout, BESS installations and FACTS deployment are further demand drivers.
- Renewables: 500 GW renewable energy target by FY30 (solar, wind, hydro, nuclear). Each GW of new capacity requires ~4–5 MVA of step-up transformer capacity — all requiring winding wire.
- Data Centres: India DC capacity expected to 3x to ~3 GW by FY28 and ~5 GW by FY30. AI GPU clusters consuming 107kW/rack (10x conventional servers) drive transformer demand and grid upgrades.
- Railways: INR 2.7 lakhCr railway capex in FY26 alone; INR 38.6 lakhCr NRP spend through 2050; 100% network electrification target (70,000 km). Traction motors, locomotives, EMUs — all winding wire dependent.
- EVs: EV traction motors require specialty magnet winding wires. India is at an EV demand inflection; 400kV traction motor adoption growing with 800kV motors on the horizon.

75% of KSH’s revenue is from Power, Renewables and Railways sector.

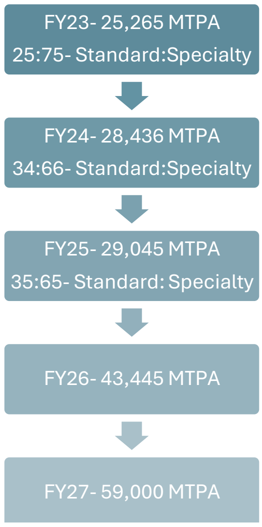
Industry sizing: The current market size for Magnet Winding wires in India is approximately 400,000 MTPA. The same is expected to grow at 5%. 75% of the demand is for standard wires and rest is for specialized wires. About 40% of the specialized wires demand is for CTC. The demand for CTC to go upto 100,000 MTPA in India, creating a large opportunity for players. For standard, the share for new demand and retail – replacement demand is 50:50. KSH only caters to the new demand coming from OEMs. OEMs are less price sensitive compared to the dealers, so KSH efforts are targeted to towards the sustained demand coming from the OEMs.

Currently, all Indian players producing CTC are increasing the capacity to capture the increasing demand led by the power T&D. After expansion, KSH’s capacity for CTC nearly doubles making them well positioned to cater the increased demand. Other players like Precision, Apar and Asta are also currently working to increase their capacity.



✓ - KSH international caters to these market

1.3 Capacity Expansion: 43,445 MT → 59,000 MT by Q4 FY27



Total capex of INR 340Cr (including INR 100Cr for land and building at Supa, Ahilyanagar) funds the full 30,000 MT expansion. Phase 1 commenced in Q3 FY26, taking total capacity to ~43,445 MT. The remaining 15,600 MT ramp-up is targeted by Q4 FY27 in phased tranches. **At 85% optimal utilisation, 59,000 MT capacity implies ~50,150 MT annual volumes — ~100% volume growth from FY25 levels to FY29.** Q3 FY26 volumes are already running at ~7,400 MT quarterly (annualised ~29,600 MT), supporting the 29,000 MT FY26 volume guidance. The Supa facility also has an additional 10,000 MT expansion buffer — providing headroom through FY30 without further land acquisition.

- KSH maintains order visibility for one year forward for 80-85% capacity, despite no formal order book — exceptional demand predictability for a make-to-order business.
- Capacity is product-specific (Standard vs. Specialty not fungible); the ~35:65 Standard: Specialty split is maintained, preserving the margin profile as volumes scale.
- Wallet share with OEM clients is typically ~50% — KSH maintains deeply entrenched positions even where dual-sourcing is practiced, providing revenue stability.

1.4 EBITDA/ton — The Right Metric, and It's Improving

Copper constitutes ~80–82% of KSH's revenue but is a **complete pass-through** — procured back-to-back against firm OEM orders with zero commodity P&L exposure. Revenue growth thus reflects both volume and copper prices. **EBITDA/ton removes this noise and is the true measure of KSH's value creation.** The metric has expanded from ~INR 28,000/ton in FY23 to **INR 66,000/ton in 9M FY26 (+32% CAGR)**, driven by accelerating CTC and specialty wire mix. Specialty wires command 3x the EBITDA/ton of standard wires. Management guides steady-state EBITDA/ton of INR 66,000, with further upside as CTC volumes scale, HVDC deliveries commence and export pricing premium compounds.

Metric	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Volume (MT)	17,756	21,754	23,424	28,812	36,014	45,018
EBITDA (INR Cr)	50	71	123	190	238	297
EBITDA/ton (INR)	28,103	32,850	52,311	66,074	66,074	66,074
Specialty Mix	82%	78%	75%	75%	75%	75%

1.5 Export Leadership — Geopolitical Dividend

KSH generates ~30% of revenue from exports across 24 countries, making it the **largest winding wire exporter from India**. All exports are to power industry transformer OEMs. The geopolitical configuration of the global specialty wire market is structurally favourable: two Chinese manufacturers dominate global CTC capacity but are less preferred in US, EU and Middle East markets. KSH is cost-competitive in these geographies and benefits from growing tariff barriers. Top 5 export countries — **USA, UAE, Kuwait, Romania, Saudi Arabia** — generate ~22% of total revenue. KSH's ability to pass through US tariffs to customers provides effective P&L protection against trade policy changes.

Global Transformer Market Size*- The Transformer Market was valued at USD 57.25 billion in 2023, and is projected to reach USD 82.87 billion by 2029, rising at a CAGR of 6.36%. The APAC region leads the global transformer market, holding the largest revenue share of more than 35% in 2023. This dominance is driven by extensive investments in power infrastructure to support rapid industrialization, urbanization, and large-scale renewable energy projects such as solar and wind installations in countries like China, India, and Southeast Asian nations. Government initiatives promoting rural electrification and the integration of advanced transformer technologies further bolster the region's market position. In 2023, North America follows with more than 28% revenue share in the global transformer market, supported by efforts to modernize aging power infrastructure and implement smart grid technologies.

*(*Source- BusinessWire- "Transformer Market - Global Outlook & Forecast 2024-2029")*

Currently, Indian exports compared to global winding wire exports is at 2%, with rising demand globally, the opportunity is huge.

- China holds FTA cost advantages in SEA markets; KSH is cost-competitive in the US/EU/MEA geographies where Chinese players are less preferred — covering ~60–70% of global specialty transformer demand.
- Sam Dong ltd (a Korean Co.) and Asta ltd. supply to customers worldwide.
- European and Middle East transformer OEMs are actively seeking non-Chinese CTC/PICC suppliers; KSH's PGCIL qualifications provide internationally recognised supply credibility.
- Export orders carry a 5–7% pricing premium vs. domestic orders on a per-volume basis — directly contributing to EBITDA/ton outperformance.

1.6 Customer Quality & Repeat Business

90% of KSH's 120+ OEM customers are repeat buyers, and five of the Top 10 clients are 'vintage' clients with decade-long relationships. Power transformer OEMs face 12–18 month manufacturing cycles; switching winding wire suppliers mid-production creates type-test and audit obligations that are expensive. KSH is approved for **all classes of power transformer from 132kV through 400kV HVDC** — a breadth unmatched among Indian peers. Marquee clients include **BHEL, CG Power, Hitachi Energy, GE Vernova, Bharat Bijlee, Siemens, Toshiba**. Top 10 clients constitute ~50% of revenue, but KSH's 50% wallet share for most clients and 120+ OEM footprint provide robust portfolio diversification.

1.7 Improving Working Capital Cycle

Historically, KSH paid advances for copper due to insufficient scale to negotiate credit terms with suppliers — stretching working capital. As scale has grown (revenue: INR1,049 Cr FY23 → INR1,928 Cr FY25 → INR2,506 Cr FY26E), the company is actively working to extend payable days by **10–12 days by FY28**. This will reduce net working capital requirement, relieving balance sheet pressure and reducing short-term borrowing costs. We are expecting working capital days decline from ~80 days (FY25) to ~72 days by FY28E. Post peak capex (FY26), the D/E ratio also normalises materially.

Working capital to remain on the higher side compared to competitors because the entire order for a client is shipped together and not in parts. The entire order usually takes 15-20 days to execute, which keeps the inventory days high.

1.8 PEEK Wires — Early-Stage Long-Term Call Option

PEEK (Polyether Ether Ketone) wires are ultra-high performance insulated conductors used in aerospace, oil & gas, medical devices and next-generation traction motors. PEEK wires are required for **800kV traction motors** — a product class India has not yet adopted (currently using 400kV motors). HPW is one of only two European manufacturers with patented PEEK wire technology. KSH has secured a **technology licence from HPW to indigenise this product in India**. While this is at an extremely early stage with no near-term revenue contribution, the strategic optionality is unique: India's railway electrification and EV scaling will eventually necessitate 800kV traction applications, and KSH would be the only domestic PEEK wire manufacturer. We ascribe **zero value** to PEEK in our base case — it is a free call option on India's next-generation traction motor.

2. Company Overview

2.1 Business Overview & Corporate History

KSH International Limited (NSE: KSHINTL) is a Pune, Maharashtra-based manufacturer of magnet winding wires, established in **1979** — 45 years of accumulated domain expertise. From a regional Maharashtra OEM supplier, KSH has grown to India's second-largest winding wire manufacturer by volume and its largest exporter, with 44,000 MTPA capacity across four facilities. The company operates on a pure B2B, OEM-only model — **no retail or replacement market exposure**. Copper (~80–82% of revenue) is procured back-to-back against firm OEM purchase orders, eliminating all commodity price risk at the P&L level. The company serves 120+ OEM customers with ~90% repeat buyers and ~50% wallet share per client.

2.2 Revenue Mix

Segment	% Revenue	Margin Profile	Key Applications
Specialty Winding Wires	~77%	3x operating margin vs. Standard; highest EBITDA/ton	Power T&D (HVDC 400kV, 132–400kV), Railways, Renewables, Export
— CTC (within Specialty)	>50% of Specialty	Highest margin sub-segment; ~3x standard	Power transformers 132kV–400kV HVDC; high-power density
Standard Winding Wires	~23%	Lower EBITDA/ton; competitive commodity segment	Industrial motors, BLDC (AC/refrigerators/fans), auto traction
Domestic Revenue	~70%	—	120+ Indian OEMs across power, auto, industrial sectors
Export Revenue	~30%	pricing premium vs. domestic	24 countries; USA, UAE, Kuwait, Romania, Saudi Arabia (top 5 = ~22% revenue)

2.3 Product Portfolio

KSH manufactures magnet winding wires — copper-insulated conductors used in electromagnetic windings from small household motors to giant HVDC transformers. Products span four main categories:

Product	Type	Key Properties	Technical Detail	End Applications
Continuously Transposed Conductors (CTC)	Specialty	Multi-strand transposed; minimises skin/proximity AC losses; compact, high heat dissipation	Multiple rectangular enamel-insulated strands continuously transposed — ensures even current distribution in AC transmission, reducing eddy current losses	Power transformers 132kV–400kV HVDC; HVDC converter transformers; high-power density applications
Paper Insulated Copper Conductors (PICC)	Specialty	Paper insulation for superior thermal and dielectric performance at high voltages	Kraft/crepe paper-wrapped copper conductors; insulation class up to H; precision dimensions	EHV/UHV transformers, large power reactors, railway traction motors
Rectangular Enamel Wires	Specialty	High fill factor; superior mechanical strength; multiple enamel grades (PEW, PEI, PAI)	Rectangular cross-section copper with precision enamel insulation; designed for high-density motor windings	Railway traction motors, EV motors, power transformers, industrial drives
Standard Round Enamel Wires	Standard	Universal; cost-efficient; wide gauge range (0.04–8.0mm); polyester/polyurethane/PAI enamel grades	Round copper wire with enamel insulation; most widely used winding wire class globally	Industrial motors, BLDC (AC/refrigerators/fans), auto traction motors, general industrial
PEEK Wires	Ultra-Specialty	PEEK polymer insulation; 800kV rated; aerospace/defence grade; extreme temp and chemical resistance	Licensed HPW (European) patented technology being indigenised; India currently uses only 400kV traction motors	800kV traction motors, aerospace, oil & gas, medical devices (pipeline — no current revenue)

2.4 Manufacturing Facilities

Two plants in Chakan, Pune; one plant in Taloja, Raigad; and the new Supa, Ahilyanagar facility (Phase 1 operational Q3 FY26). Supa will take total capacity to 59,000 MTPA by Q4 FY27 with scope for an additional 10,000 MT expansion. Lead times of 15–20 days.

Location	Standard	Specialty
Unit 1: Taloja – 4241 MT	-	4,241 MT
Unit 2: Chakan- 17,320 MT	2,694 MT	14,626 MT
Unit 3: Chakan- 7,484 MT	7,484 MT	-
Unit 4: Supa- 14,400 MT*	5,040 MT	9,360 MT

*Estimated split between Standard and Specialty wires

3. Peer Comparison

KSH's direct peers are Indian magnet winding wire manufacturers: Precision Wires India Ltd (PWIL), Apar Industries (winding wire division), Vidya Wires, and Asta India (unlisted). KSH stands apart from all of them on three dimensions: (1) **HVDC sole approval** — an unmatched regulatory moat; (2) **EBITDA/ton** —higher than standard-wire-heavy peers; and (3) **export leadership** — 30% revenue from 24 countries vs. minimal export exposure for peers.

Company (as on FY25)	Mkt Cap (INR Cr)	Revenue	EBITDA Margin %	EBITDA/ton	PAT Margin	RoCE %	RoE %	Working capital days	PE (TTM)
KSH International	2706	1928	6.35%	52,084	3.53%	16.60%	22.77%	80	41x
Ram Ratna Wires	2793	3677	4.22%	42,007	1.91%	17.27%	14.39%	18	32x
Precision Wires (PWIL)	5191	4015	4.13%	39,361	2.24%	24.32%	15.63%	25	42x
Apar Industries	37859	18,581	10.6%	-	5.18%	32.7%	19.5%	25	39x
Vidya Wires	1150	1186	3.84%	28,000	2.17%	24.50%	28.00%	35	25x

3.1 Detailed Competitive Positioning

Parameter	KSH International	Precision Wires	Apar Industries	Ram Ratna Wires	Vidya Wires	Asta India
Total Capacity (MTPA)	44,000 → 59,000	55,000 → 65,400	~12,000 → 21000(CTC+PICC)	~48,600	~19,680→37,680	~6,344
CTC Manufacturing	✓ (>50% specialty)	✓ (smaller share)	✓ (expanding)	✗	✓ (limited)	✓ (CTC-only)
PICC Manufacturing	✓	✓	✓	✗	✓ (Limited)	✓
HVDC 400kV PGCIL Approved	**✓ Sole Indian**	✗	✗	✗	✗	✗
Export Revenue	~30% (24 countries)	12%	31%	8%	14%	Parent exports
OEM-Only Business Model	100% OEM	OEM + Retail	OEM-focused	OEM + Retail	OEM + Retail	100% OEM
Specialty Wire Mix	~77%	~30%	~40%	✗	✓	~100% (CTC/PICC)
Listed	NSE/BSE	NSE/BSE	NSE/BSE	NSE/BSE	NSE/BSE	Unlisted (Parent listed on Frankfurt stock exchange)

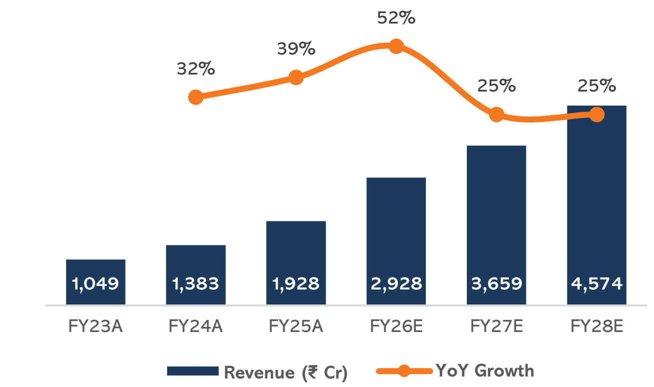
3.2 Why KSH's Valuation Premium is Justified?

Among the above listed peers, Precision Wires Industries Ltd ("PWIL") is pure-play competitor with 25%/75% of Specialty/Standard wires product mix, with 12% exports mix in revenue and supplied to Low Voltage ("LV") transformer players compared to KSH.

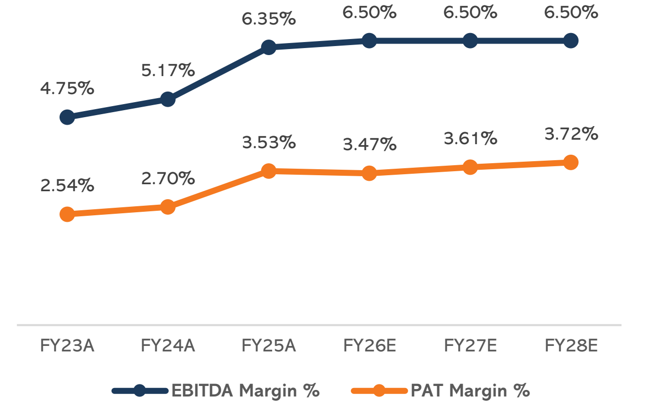
- **HVDC monopoly:** No other Indian winding wire manufacturer has PGCIL HVDC 400kV approval. This is a 5–7-year qualification barrier creating structural pricing power in the fastest-growing transformer sub-segment.
- **EBITDA/ton gap:** KSH's INR 66,000/ton is higher compared to PWIL (~INR39,361), Ram Ratna Wires (~INR42,000) and Vidya Wires (~INR28,909) — reflecting the specialty mix differential. This gap widens as CTC volumes scale with HVDC ramp.
- **Export premium:** KSH's 30% export revenue at pricing premium is unique among listed winding wire peers. China's exclusion from US/EU markets makes this structural, not cyclical.
- **Volume doubling runway:** Capacity 44,000→59,000 MT in a staggered manner at stable EBITDA/ton implies near-linear PAT growth through FY29.
- **Full-spectrum approval:** KSH is the only India player with approval across all kV classes of transformers from 220 to HVDC 400, compared to Vidya, Precision and Apar which are approved for selective HV or EHV classes of transformers. So, an OEM would likely prefer a vendor which can supply to all kV classes of transformers.

4. Story in Charts

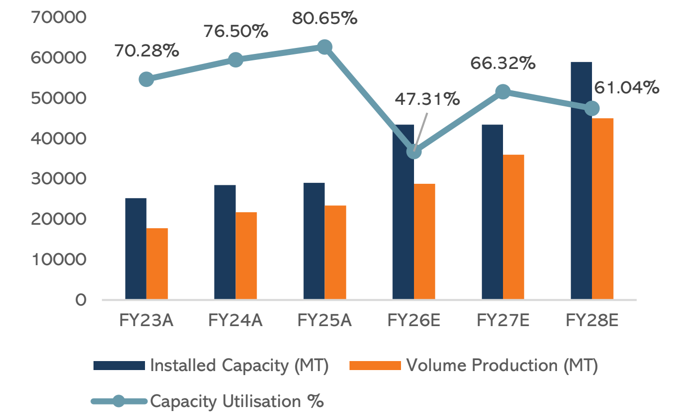
Revenue more than 4x from INR1,049 Cr (FY23A) to INR4,500+ Cr (FY28E), 25% CAGR from FY26-28E



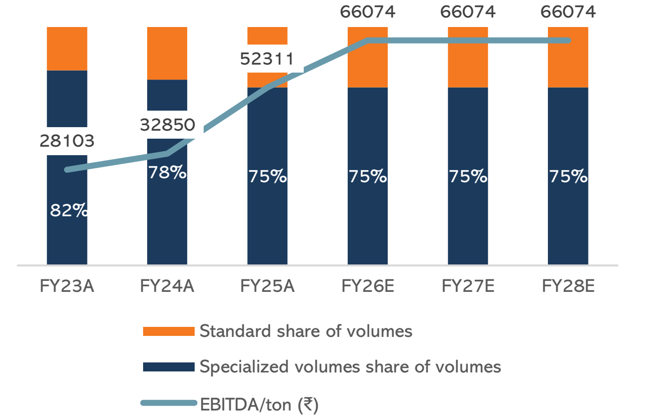
Improving EBITDA and PAT margin historically, expected to remain stable from FY25- FY28E, an upward surprise will be positive.



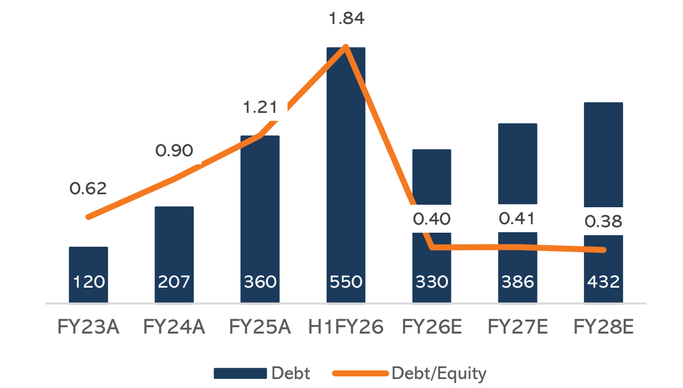
KSH's installed capacity nearly doubles from ~29,000 MT (FY25A) to ~59,000 MT (FY28E)



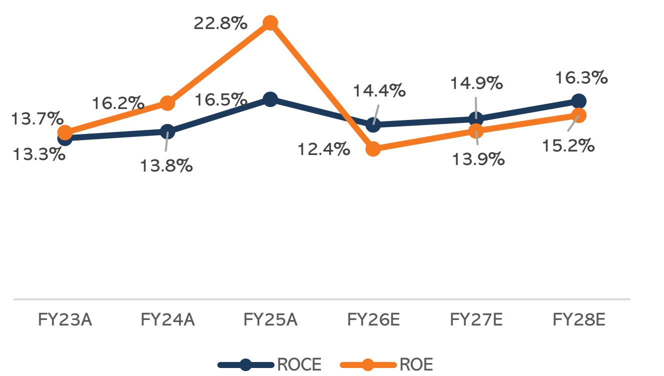
Specialty wire mix stable, driving EBITDA/ton conservatively expected to remain flat at INR 66,074 onwards



Debt peaked in H1 FY26 before the IPO proceeds-led repayment of INR225.9 Cr sharply deleveraged the balance sheet.



RoCE and RoE both peaked in FY25A before dipping due to the Supa capex cycle diluting the asset base, then recovering steadily FY28E as utilization increases.



5. Valuation Thesis

5.1 Base Case: 22x FY28E P/E → Target Price INR552

We initiate coverage on KSH International with a **BUY** rating and a 12-month Target Price of **INR 552**, based on **22x FY28E EPS of INR25.1**. Our FY28E estimates are built on:

- **Revenue of INR4,584 Cr (FY28E):** Volume ~45,018 MT (~76% utilisation of 59,000 MT) at a stable EBITDA/ton of ~INR 66,074. Revenue growth of 52/25/25% in FY26/27/28E respectively.
- **EBITDA margin of 6.5% (INR298 Cr FY28E):** Driven by CTC/HVDC volume ramp, operating leverage on fixed costs, and WC improvement. EBITDA/ton stable at INR66,074+ as volumes scale.
- PAT of INR170.2 Cr (3.7% margin) at 25% effective tax rate; EPS INR25.1 on 6.78 Cr diluted shares.

Multiple rationale: The 22x FY28E P/E is justified by: (1) 33/34/36% Revenue/EBITDA/PAT CAGR from FY25-FY28E; (2) HVDC sole approved vendor - creating structural pricing power; (3) highest EBITDA/ton in the winding wires universe and expected to be stable — KSH is an under-valued compounder. Upside re-rating on higher utilization of volumes and improving EBITDA/ton. The 22x multiple is at par with PWIL's FY28E consensus PE.

5.2 Sensitivity Analysis

FY28E EPS ↓ / P/E Multiple →	18x	22x (Base)	25x
Bear: INR23.18 (Low volume growth)	417	510	580
Base: INR25.10(our estimate)	452	552	628
Bull: INR28.34	510	623	709

5.3 Key Risks to Our Thesis

Risk	Description	Mitigation
New Competitor PGCIL Approval	A competitor achieving PGCIL/NTPC HVDC winding wire approval is the primary long-term risk — would compress KSH's HVDC pricing power.	5–7 year qualification timeline; No competitor has initiated process. Monitor PGCIL vendor list.
Customer Concentration	Top 10 customers = ~50% revenue. Loss of any major client (BHEL, CG Power, Hitachi) would be material.	90% repeat rate; 120+ OEM base; vintage relationships; 50% wallet share provides partial captivity.
Supa Ramp Execution	Phase 2–3 commissioning (15,600 MT) through Q4 FY27 carries execution risk.	Phase 1 commissioned Q3 FY26; management has on-schedule track record.
Export Headwinds	US tariff changes, MEA geopolitical disruption, or trade policy shifts could impair ~30% of revenue.	24-country diversification; tariff pass-through to customers; China exclusion from US/EU structurally protective.
WC Normalisation Delay	Payable days improvement slower than guided extends balance sheet pressure into FY28.	Structural to business model; scale advantage growing; FY26 capex peak already behind.
Power Sector Slowdown	75% of revenue from power sector — any disruption impacts demand.	Government capex-driven demand structurally protected

6. Summary of Financials

6.1 Profit & Loss Statement

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from Operations	1,057	1,390	1,938	2,938	3,669	4,584
YoY Growth %	0.00%	31.60%	39.39%	51.56%	24.91%	24.93%
Raw Material Costs	937	1232	1714	2598	3248	4060
Employee Expenses	24	34	40	60	75	94
Manufacturing & Other Exp.	39	46	52	78	98	123
EBITDA	50	71	123	190	238	297
EBITDA Margin %	4.75%	5.17%	6.35%	6.50%	6.50%	6.50%
Depreciation	8	11	14	25	39	44
EBIT	42	61	109	166	199	254
Interest Expense	13	18	28	40	33	37
Other Income	7	8	10	10	10	10
PBT	35	51	90	136	176	227
Tax (25%)	9	13	22	34	44	57
PAT	27	37	68	102	132	170
PAT Margin %	2.54%	2.70%	3.53%	3.47%	3.61%	3.72%
EPS (INR)	4.68	6.57	11.96	14.99	19.48	25.10

6.2 Balance Sheet

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
PPE + CWIP	119	149	244	447	428	424
Other NC Assets	4	6	26	26	26	26
Total NC Assets	**123**	**155**	**270**	**472**	**453**	**449**
Inventories	109	133	211	320	400	501
Trade Receivables	109	159	224	337	421	526
Cash & Equivalents	7	18	11	90	178	258
Other Current Assets	11	18	29	44	55	69
Total Current Assets	**236**	**327**	**475**	**792**	**1055**	**1353**
Total Assets	**359**	**483**	**745**	**1264**	**1508**	**1803**
Equity Share Capital	6	6	28	34	34	34
Other Equity	188	225	270	786	918	1088
Total Equity	**194**	**231**	**298**	**820**	**952**	**1122**
LT Borrowings	8	34	116	20	20	20
Other NC Liabilities	16	13	10	10	10	10
ST Borrowings	117	180	260	326	382	428
Trade Payables	20	18	33	50	98	167
Other Current Liabilities	5	6	27	38	46	56
Total Liabilities	**166**	**252**	**447**	**444**	**556**	**681**
Total Liabilities & Equity	**359**	**483**	**745**	**1264**	**1508**	**1803**

6.3 Cash Flow Statement

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
CFO (Operating)	**62**	**-17**	**-10**	**-53**	**75**	**100**
PBT	35	51	90	136	176	227
D&A add-back	22	28	40	55	62	71
WC changes	13	-83	-119	-210	-119	-140
Taxes paid	-9	-12	-21	-34	-44	-57
CFI (Investing)	**-20**	**-39**	**-118**	**-217**	**-10**	**-30**
Capex	-22	-40	-120	-107	-140	-40
Other Income	2	1	0	10	10	10
CFF (Financing)	**-41**	**67**	**123**	**350**	**23**	**9**
Net Borrowings	-29	84	150	-30	56	46
IPO Proceeds	0	0	0	420	0	0
Interest Paid	-12	-16	-27	-40	-33	-37
Net Cash Change	**1**	**11**	**-5**	**79**	**88**	**80**
Closing Cash	**4**	**16**	**11**	**90**	**178**	**258**

6.4 Key Ratios

Ratio / Metric	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profitability Ratios						
EBITDAM%	4.75%	5.17%	6.35%	6.50%	6.50%	6.50%
EBITM%	3.97%	4.38%	5.63%	5.65%	5.44%	5.54%
PAT%	2.54%	2.70%	3.53%	3.47%	3.61%	3.72%
EPS (INR)	5	7	12	15	19	25
P/E (x) @ INR381	87	62	34	27	21	16
RoCE %	13.28%	13.82%	16.49%	14.39%	14.87%	16.32%
RoE %	13.74%	16.17%	22.79%	12.40%	13.87%	15.17%
Operating Ratios						
Inventory Turn (x)	8.6	10.2	10.0	9.8	9.0	9.0
Asset Turn (x)	2.9	4.7	4.4	4.0	4.0	4.2
Fixed Asset (x)	8.5	10.4	9.6	8.6	9.5	10.8
Liquidity Ratios						
Current Ratio	2	2	1	2	2	2
NWC Days	68	72	75	80	76	72
Solvency Ratios						
Net Debt-Equity (x)	0.62x	0.9x	1.2x	0.4x	0.41x	0.38x
Interest Coverage	3.1	3.4	3.9	4.1	6.1	6.9

6.5 Shareholding Pattern

Shareholder Category	Dec'25
Promoter & Promoter Group	74.6%
Foreign Institutional Investors (FII/FPI)	3.7%
Domestic Institutions (MF/AIF/Insurance)	13.1%
Public / Retail / Others	8.6%
TOTAL	100%

6.6 Key Management Personnel

Name	Designation	Background & Contribution
Mr. Kushal Hegde	Chairman & Executive Director	Bachelor's in art, Bombay University; associated with the company since inception with 45+ years in strategy & management
Mr. Rajesh Kushal Hegde	Managing Director	B.Sc. Mechanical Engineering (Michigan Tech) + M.S. (Oklahoma State); associated since 1996 with 28+ years driving strategy formulation & management
Mr. Rohit Kushal Hegde	Non-Executive Director	MBA (Sheffield Hallam) + Executive Master in Change (INSEAD); associated since 2000 with 24+ years in strategy formulation & management
Mr. Sandesh Bhagwat	Chief Executive Officer	MBA (Narsee Monjee) + B.E. (Vivekanand Education Society's Institute of Technology); associated since January 2023; previously with Toyo Engineering, Tyco Electronics, Ingersoll Rand, LAPP India & Leoni Cable Solutions
Mr. Amod Joshi	Chief Financial Officer	CA (ICAI) + B.Com (Pune University) + Senior Management Programme (IIM Ahmedabad) + Diploma in IFRS (ACCA, UK); associated since August 2017 overseeing finance management; previously with S.R. Batliboi & Co. and BSR & Co. Chartered Accountants

6.7 Key Milestones

Year / Period	Milestone
1979	KSH International founded in Pune, Maharashtra. Commenced manufacturing standard magnet winding wires for industrial OEMs.
1980s–90s	Expanded to Paper Insulated Copper Conductors (PICC). Began supplying power transformer OEMs including BHEL and CG Power. Established the OEM-only business model.
Early 2000s	Commenced Continuously Transposed Conductor (CTC) manufacturing — technically complex product requiring precision transposition machinery and multi-year PGCIL qualification.
FY16–FY20	Expanded to Taloja (Raigad) plant. Secured 400kV AC transformer winding wire PGCIL approval. Established India's largest winding wire export position (~30% revenue, 24 countries).
FY24	Revenue INR1,383 Cr (+31.8% YoY). EBITDA/ton INR34,000. PGCIL HVDC 400kV winding wire qualification achieved — KSH becomes sole Indian approved supplier. Landmark regulatory milestone. Supa, Ahilyanagar facility land acquired and planning commenced. Total capex plan of INR340 Cr approved
FY25	Revenue INR1,928 Cr (+39.4% YoY); PAT INR68 Cr (+84% YoY). EBITDA/ton ~INR52,000. Supa Phase 1 construction commenced. KSH listed on NSE/BSE Main Board.
Q3 FY26	Supa Phase 1 commissioned — total capacity ~46,400 MT. 37 HVDC 400kV orders received cumulatively; supply commencing Q4 FY26. EBITDA/ton INR66,000 in 9M FY26. PEEK wire HPW technology licence secured.
Q4 FY26E	First HVDC 400kV winding wire deliveries. Supa Phase 2 construction underway. FY26 volume guidance: ~29,000 MT (+23.8% YoY).
Q4 FY27E	Expansion completed, capacity at 59000MT

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as “IRSPL”). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted “Incred Equities” as its trademark for use in this report.

The term “IRSPL” shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. While every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which is believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made (information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short-term views, etc.) that are inconsistent with and reach a different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

Research Analyst or his/her relative(s) or InCred Research Services Private Limited or our associate may have any financial interest in the subject company.

Research Analyst or his/her relatives or InCred Research Services Limited or our associates may have actual or beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report.

Research Analyst or his/her relative or InCred Research Services Private Limited or our associate entities may have any other material conflict of interest at the time of publication of the Research Report.

In the past 12 months, IRSPL or any of its associates may have:

a) Received any compensation/other benefits from the subject company,
b) Managed or co-managed public offering of securities for the subject company,
c) Received compensation for investment banking or merchant banking or brokerage services from the subject company,
d) Received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company

We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Research Analyst may have served as director, officer, or employee in the subject company.

We or our research analyst may engage in market-making activity of the subject company.

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based on any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.

Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

InCred Research Services Private Limited

Research Analyst SEBI Registration Number: INH000011024

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05th floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

Recommendation Framework

Stock Ratings	Definition:
Buy	The stock's total return is expected to exceed 20% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Sell	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.