

KSH International Ltd

Plugged into the High Voltage Growth



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उच्च वोल्टेज वृद्धि से जुड़ा हुआ



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BUY @Cmp 451
Target: INR 589 in 24 months
Upside Potential: 31%

Plugged into the high-voltage growth

Business Model: KSH International manufactures magnet winding wires and conductors used in transformers, motors, generators, EVs, and industrial equipment. The company primarily supplies customized winding solutions to OEMs across power, renewable energy, automotive, and industrial sectors, with revenue driven by product sales.

KSH International (KSH) has carved a strong niche in specialised winding wires, which contribute nearly 75% of its revenue, enabling superior realizations and stronger pricing power. With 13.7% domestic market share and leadership in magnet wire exports, the company is well positioned to benefit from the global surge in power transmission and transformer demand.

Revenue is projected to rise from INR 1,928 Cr in FY25 to INR 4,633 Cr by FY28E, implying a 34% CAGR, supported by

- **Capacity Expansion:** Supa plant Phase I (12k MT online Sep 2025) and Phase II (FY27) boost total to 59k MT.
- **Niche CTC Focus:** 75% revenue from high-margin specialized wires (HVDC/765kV), with PGCIL/RDSO approvals enabling pricing power.
- **Export Leverage:** 35-40% revenue from global OEMs (Siemens, ABB) via 'China+1', insulating domestic cyclicality.
- **Demand Tailwinds:** Grid upgrades, RE integration (613 GW non-fossil by FY32), EV transformers driving 47% 9M FY26 revenue growth to INR 2,089

Over the same period, EBITDA is expected to grow from INR 123 Cr to INR 298 Cr (34% CAGR) while net profit is projected to increase from INR 68 Cr to INR 191 Cr (41% CAGR), fueled by operating leverage from higher utilization (80%+). Premium product mix (75% specialized wires) is expected to drive EBITDA per ton expanding to INR 68000 per ton by FY28E, reflecting cost efficiencies and stronger pricing power in niche HVDC segments.

KSH plans minimal future capex post-IPO, focusing on Phase II Supa expansion (INR 130-140 Cr remaining, self-funded via cash flows) and minor machinery upgrades, with no major new greenfield projects announced through FY28E. Balance sheet is expected to remain healthy after aggressive post-IPO deleveraging (INR 226 Cr repaid Dec 2025, D/E down to 0.42x), prioritizing internal accruals for growth.

Valuation Call: We initiate coverage on the stock for a price target of INR 589 representing a potential upside of 31% from the CMP of INR 451 over the next 24 months. **Risk to our estimate:** Volatility in copper prices, demand slowdown, and margin pressure due to raw-material cost pass-through delays could impact KSH International's revenue and profitability projections.

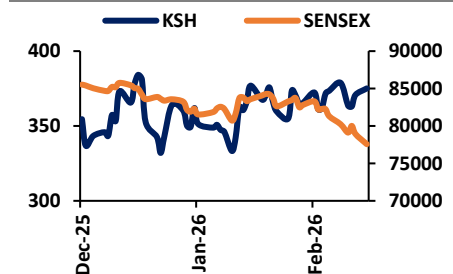
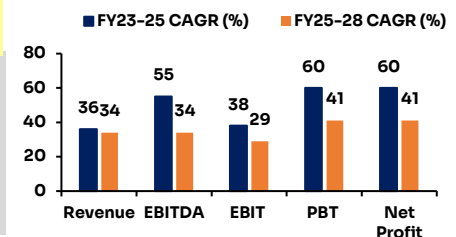
Industry Cables

Scrip Details

Face Value (INR)	5.00
Market Cap (INR Cr)	2,713
Price (INR)	473
No of Sh. O/S (Cr)	6.78
1M Avg Vol (000)	585.09
52W H/L (INR)	485/330
Dividend Yield (%)	0.00

Shareholding (%) Dec 2025

Promoter	74.58
Institution	16.81
Public	8.61
TOTAL	100.0

Price chart

Financial Growth

Key consolidated financial data (INR cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA Margin (%)	Net Margin (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	1,382.8	72.0	37.4	5.2	2.7	5.5	34.1	16.2	14.5	85.8	47.2
FY25	1,928.3	123.1	68.0	6.4	3.5	10.0	44.1	22.8	16.9	47.1	28.9
FY26E	2,931.6	186.9	105.9	6.4	3.6	15.6	59.7	26.2	22.6	30.3	18.9
FY27E	3,659.6	227.5	136.4	6.2	3.7	20.1	79.8	25.2	25.2	23.5	15.3
FY28E	4,633.0	298.5	191.4	6.4	4.1	28.3	108.1	26.1	29.9	16.7	11.3

Source: Ventura Research & Company filings

Why Invest in KSH international?

KSH runs a make-to-order B2B winding wire business for 120 OEMs, generating >90% repeat revenue with full copper/FX pass-throughs to eliminate price risk exposure. Its product mix skews 75% to large power transformers (T&D, renewables, railways, data centers), spearheaded by CTC where it claims Indian leadership, amid a structural T&D upcycle driven by renewables, grid modernization, urbanization, and AI data centers—limited by transformer supply bottlenecks that spur OEM growth and sustained wire demand. Holding a 13.7% India market share alongside top-tier export presence in magnet wires, it stands ready to harness worldwide upticks in transmission infrastructure and transformer needs.

Sales are forecasted to climb from INR 1,928 Cr (FY25) to INR 4,633 Cr (FY28E) at a 34% CAGR, propelled by volume ramp-up at Supa (Phase I: 12k MT live Sep 2025; Phase II FY27 to 59k MT total, 35-40% exports to Siemens/ABB via 'China+1', and tailwinds from grid/RE (613 GW non-fossil by FY32)/EV demand—evident in 47% 9M FY26 sales jump to INR 2,089 Cr.

EBITDA is set to rise from INR 123 Cr to INR 298 Cr (34% CAGR) and PAT from INR 68 Cr to INR 191 Cr (41% CAGR), powered by 80%+ utilization, premium mix, and Ebitda per ton expanding to INR 68000 m by FY28E through efficiencies. Post-IPO, capex remains modest (~INR 130-140 Cr Supa balance, cash-funded) with no big projects to FY28E; debt stays low which will be acting for working capital after INR 226 Cr repayment (D/E 0.42x), relying on internal accruals for growth and >5x coverage.

Key Metrics Snapshot:

Revenue CAGR (FY23-FY25)	EBITDA Margin vs. Peers at 4%-5%	ROCE (FY25)	Market share Domestic Winding Wires
35.5%	6.4%	21.2%	13.7%

Strategic Dominance & Financial Resilience: The KSH Growth Blueprint

Section A: COMPETITIVE POSITIONING & BUSINESS STRENGTHS

1. Dominant Position in Specialized Wires (CTC):

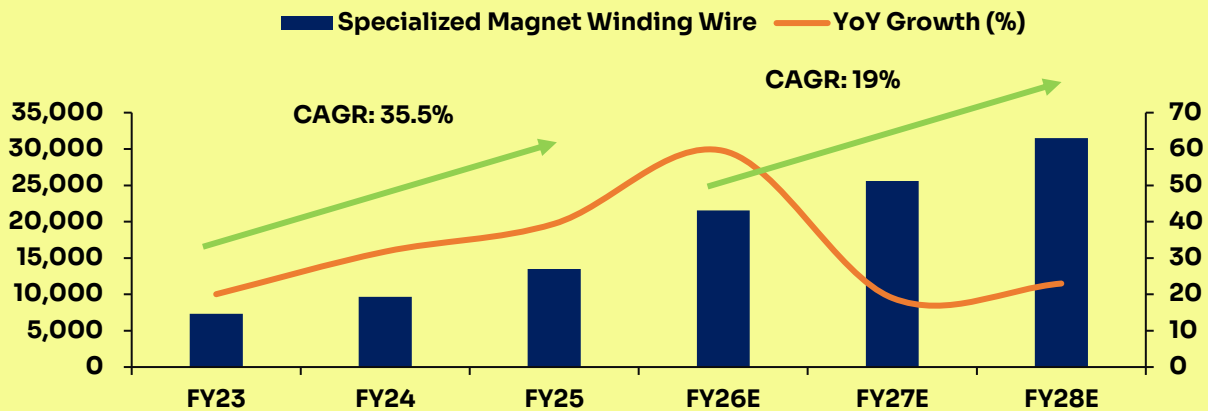
KSH holds the leading position in India's specialized winding wires segment and is the country's largest manufacturer of Continuously Transposed Conductor (CTC) — a niche product category with high barriers to entry. The company commands a dominant share in CTC, which is extensively used in HVDC, 765 kV, and 1,200 kV extra-high voltage transformers, firmly embedding KSH within the premium end of the transformer value chain.

Company	CTC Position Claim	Overall Enameled Share	CTC Revenue focus
KSH international	Leader in India (Q3 Fy26)	13.7% (up from 11%)	75%+Specialized
Precision Wires	Volume leader over all but 75% in standard wires	14.3% (declining from 15.5%)	75% is standard & 25% is CTC
Ram Ratna Wires	Moderate CTC involvement	14.2 (declining from 15%)	Lower focus
Vidya Wires	No CTC	6%	Present

❖ Specialized Magnet Winding Wires:

Specialized Magnet Winding Wires is yielding significant results, with specialized wire revenue surging to INR 509.7 Cr in H1 FY26, marking a 50% increase over the INR 339.7 Crore recorded in H1 FY25. This segment, which includes high-complexity components like Continuously Transposed Conductors (CTC) and PEEK-insulated wires, is projected to maintain a 31% growth trajectory through FY28, potentially pushing segment revenue toward the INR 3,000 Cr mark.

Revenue-Specialized Magnet Winding Wire



Key Future Growth Drivers for Specialized wires:

A. The 765kV & HVDC Power Boom

KSH is only the approved suppliers by the Indian government for 765kV and HVDC (High Voltage Direct Current) transformers. India is expanding its transmission network to 6.48 lakh Km by 2032. Recently Secured an initial order from BHEL for 37 HVDC transformers for the Khavda-Nagpur PowerGrid project. These projects require ultra-precision CTC that commands a premium over standard power wires.

B. EV Traction Motor Entry (PEEK Wires)

KSH signed an exclusive agreement with HPW Metallwerk (Austria) to manufacture PEEK-insulated wires in India. PEEK wires allow EV motors to run at higher temperatures and voltages, making them essential for high-performance electric vehicles. Management expects this to be a core revenue contributor starting in FY27-FY28.

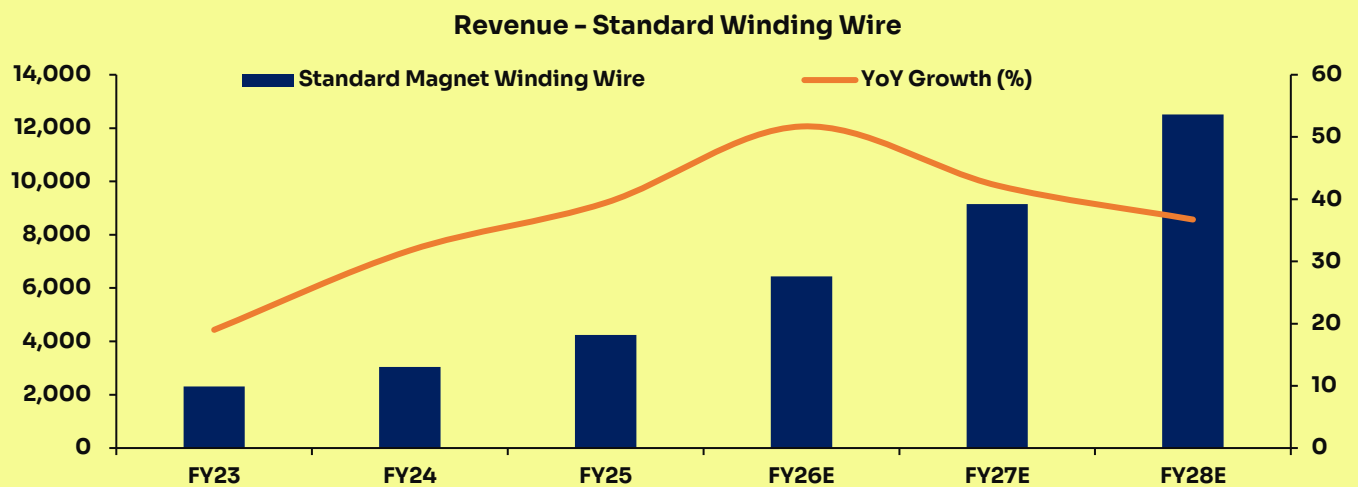
C. Capacity Unlock (Supa Facility)

Revenue growth in specialized wires was previously hit by a "capacity ceiling" (original 29,045 MT capacity was at 90%+ utilization).

- Phase 1 (Active): 12,000 MT added in Sept 2025 (Total: 41,045 MT).
- Phase 2 (Upcoming): An additional 18,000 MT is scheduled for Q4 FY27, bringing total capacity to 59,000 MT.

❖ Standard Magnet Winding Wires:

Revenue from standard wires grew by an impressive 59.3% YoY, reaching INR 154.21 Cr (compared to INR 96.8 Cr in Q2 FY25). Standard Magnet Winding Wires segment remains a vital operational pillar. Management views this segment as a "volume engine" that ensures high-capacity utilization and provides a stable entry point for new OEM relationships. Looking forward we project this segment to scale significantly, targeting of INR 1,163 cr. in FY28. This growth is underpinned by the massive capacity expansion at the Supa facility, which will bring the company's total installed capacity to 59,045 MTPA by FY27. By dedicating advanced, high-speed automated lines to standard round and rectangular wires, KSH aims to capture the rapidly growing demand from the domestic appliance and industrial motor sectors.



Key Future Growth Drivers for Standard wires:

1. The "BLDC" Motor Revolution

India's transition to energy-efficient BLDC (Brushless DC) motors for fans and appliances is a major tailwind. These motors require higher-consistency standard enameled wires than traditional motors, allowing KSH to capture a larger wallet share from top-tier brands like Havells, Orient, and Crompton.

2. Capacity Expansion (Supa Facility)

- Supa Phase 1 (Sept 2025): Already operational, adding 12,000 MTPA.
- Supa Phase 2 (Target FY27): Planned to add another 18,000 MTPA. A significant portion of this total 59,045 MTPA capacity is dedicated to high-speed, automated lines for standard round and rectangular wires, enabling KSH to fulfill large-scale domestic orders that were previously constrained by capacity limits.

By FY28, management intends for standard wires to serve as a "Utilization Floor." While specialized wires drive the profit (EBITDA per ton), standard wires will ensure the massive Supa facility operates at 80–85% utilization, spreading fixed costs and providing the stable cash flow

2. Structural Global & Indian market Demand Growth in the Transformer Industry vs KSH international.

The global magnet wire market stands at USD 38.5 billion in 2025, growing at a 5.89% CAGR to USD 51.26 billion by 2030. Indian market is growing at nearly 2x the global rate, Against this, KSH grew revenue 39.4% YoY in FY25 to INR 1,928 crore growing nearly 7x faster than the global market average, clearly capturing disproportionate share.

Key demand drivers include:

- Accelerating transformer installations across India's expanding electricity infrastructure.
- Growth in transmission and distribution (T&D) network build-out at both central and state levels.
- Rising integration of renewable energy requiring grid-side upgrades and transformer capacity addition.
- National grid modernization initiatives necessitating higher-specification transformers and, in turn, premium winding wire products.

These structural drivers are creating a sustained demand-supply imbalance in specialized wires, with established manufacturers like KSH best positioned to capture incremental volume at favorable realizations.

3. Premium Product Mix Supporting Higher Realizations:

A core differentiator for KSH is its premium-skewed product mix, with a large share of revenues derived from specialized products such as CTC (Continuously Transposed Conductors). In this business, value-addition (VA = revenue - copper cost) is the most relevant metric, as copper is largely pass-through.

While certain high-end specialized products can command prices of up to INR 250/kg, this represents the upper end of the portfolio and the highest value-addition category, rather than the segment average. The broader specialized wires segment operates at less than half of this level on average but still delivers significantly higher value-addition compared to standard wires.

Product Type	Approx. price/kg	Value-Addition Characteristics	Revenue Contribution
Specialized Wires (CTC)	INR 250/kg	High VA Driven by complex processing, insulation and engineering content	75%
Standard Round Wires	INR 40/kg	Low -VA; largely copper pass-through	25%

This pricing architecture combined with operating leverage from scale enables KSH to generate stronger EBITDA per unit of output compared with competitors focused primarily on standard wiring products.



4. Faster Growth Compared with Peers:

KSH has demonstrated industry-leading revenue growth, outpacing all comparable listed peers over the FY23–FY25 period. The company's 35.5% revenue CAGR reflects both volume gains and realization uplift from the increasing share of high-value CTC products.

Peer Comparison: Revenue CAGR & Margins (FY23–FY25)

Company	Revenue CAGR (FY23–25)	EBITDA Margin	Product Focus
KSH	35.5%	6.40%	#1 CTC
Precision Wires	22.7%	5.40%	Standard
Ram Ratna Wires	18.8%	4.30%	Standard
Vidya Wires	17.5%	4.70%	Standard

KSH's revenue CAGR of 35.5% is approximately 1.5–2x the growth rates of its closest peers, underscoring the competitive advantage from its specialized product focus and execution strength.

SECTION B: FINANCIAL PERFORMANCE & OUTLOOK

5. Superior Margins Driven by Product Positioning:

KSH maintains EBITDA margins of 6.4%, which are materially ahead of the peer group in the winding wire segment. The margin gap is a direct consequence of the company's higher share of specialized products, superior pricing power, and operational efficiencies.

Peer EBITDA margin comparison:

Company	EBITDA Margin (FY25)
KSH:	6.4% (Highest Peer Group)
Precision Wires:	5.4%
Vidya Wires:	4.7%
Ram Ratna Wires:	4.3%

The company's deliberate focus on higher value-added products insulates it from commodity pricing pressures faced by standard wire manufacturers, enabling a sustainable profitability premium over the cycle.

6. Strong Earnings Growth Outlook:

Looking ahead, KSH is expected to deliver robust revenue and earnings growth, underpinned by three key drivers:

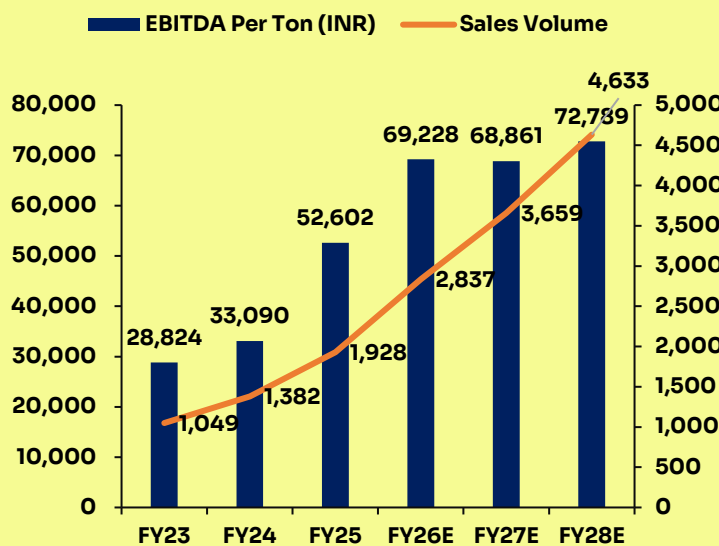
- Rising capacity utilization as new investments come onstream, improving operating leverage.
- Sustained demand momentum from the transformer industry, with volume growth expected to remain well above sector averages.
- An increasing contribution from high-value CTC and specialized products, which should continue to drive realization improvement and mix enrichment.

We expect these factors to combine into a strong multi-year earnings compounding trajectory, making KSH one of the more attractive growth stories in the electrical components space.

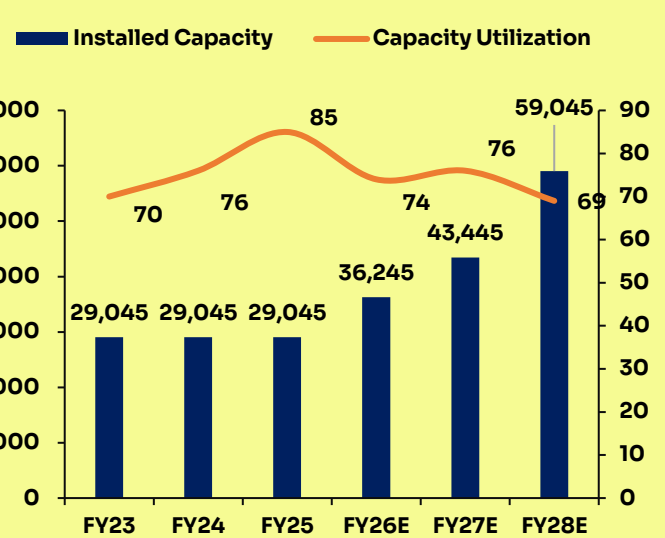
SECTION C: EBITDA per/ton and Capacity Utilization

KSH International is demonstrating aggressive operational scaling, evidenced by a 58.5% YoY revenue surge to INR 817.77 crore in Q3 FY26 and a 55.4% rise in EBITDA for the nine-month period ending December 2025. To sustain this momentum, management has set an EBITDA target b/w INR 65,000-INR 68000 per ton for FY27-FY28. A key strategic step under consideration is backward integration into copper rod manufacturing, primarily to utilize internal scrap, which typically accounts for 5-6% of production. This initiative is intended to improve resource efficiency and enhance control over input processing.

Unit Profitability vs. Scale (FY23-Fy28E)



Capacity Utilization



Beyond top-line growth, the company has fundamentally strengthened its balance sheet by utilizing INR 226 cr of IPO proceeds to slash debt, bringing its debt-to-equity ratio down to 0.42x. On the operational front, the commissioning of the Supa facility has boosted annualized capacity to approximately 43,445 MT. Completion of Supa Phase 2 is targeted for FY27. This will boost the total installed capacity to 59,045 MT, roughly double the capacity held at the start of 2025.

Peer Capacity Comparison

Company	Market Share	Key market role	Current Capacity (MTPA)	Target Capacity (MTPA)
KSH International	13.7% (Up from 11%)	The "Specialist." Leader in CTC and the #1 Exporter from India.	29045	59045
Precision Wires India	18% - 20%	The "Volume King." Largest total capacity in India (~49,000+ MT).	49000	68500
Ram Ratna Wires	15% - 17%	Strongest brand presence in retail/consumer durables and general industrial.	48600	55000
Vidya Wires	5.7%-11%(Target)	Key supplier for PV Ribbons (solar) and specialized copper strips for EV Traction Motors .	19680	37680

Magnet winding wires in India with a comprehensive suite of products used across multiple End-Use Industries:

Specialised Magnet Winding Wires (74.8% Revenue Share ¹)		
	End use Industry	End use Application
<p>Continuously Transposed Conductors</p>		<ul style="list-style-type: none"> HVDC Transformers 765 kV Transformers & Reactors <ul style="list-style-type: none"> Traction Transformer Loco-Traction Transformer
<p>Rectangular Enamelled Copper & Aluminium Magnet Winding Wires</p>		<ul style="list-style-type: none"> Traction Motors (EV) Electric Motors <ul style="list-style-type: none"> DG Set Alternators Transformers
<p>Bunched Paper Insulated Magnet Winding Copper Wires</p>		<ul style="list-style-type: none"> Power Transformers <ul style="list-style-type: none"> Distribution Transformers
<p>Paper Insulated Rectangular Copper & Aluminium Magnet Winding Wires</p>		<ul style="list-style-type: none"> Power & Distribution Transformers Windings Wind Generator Rotor & Stators <ul style="list-style-type: none"> Traction Transformer Hydro Generators

Standard Magnet Winding Wires (25.2% Revenue share ¹)		
<p>Round Enamelled Copper Magnet Winding Wires</p>		<ul style="list-style-type: none"> Traction Motors (EV) Auto Electricals/ EV Hermetic Compressors <ul style="list-style-type: none"> Home Appliances Motors & Alternators Switchgear
<p>Round Enamelled Aluminium Magnet Winding Wires</p>		

End-Use Industry Growth Drivers		
End Use Industry	Applications	Growth Drivers
	Power & Distribution Transformers	<ul style="list-style-type: none"> 2x growth expected in Power generation capacity by March 2032 Multi-decade growth opportunity with expected investment of INR 9.16 Tn in transmission sector
	Windmill & Hydro Generators	Non-fossil fuel-based power capacity to increase from 217.5 GW to 613 GW (FY24-FY32); with government's deep focus on green energy
	BLDC & regular motors	Increasing adoption of consumer electronics, surge in demand for IoT-enabled devices
	Motors in Automobiles & EV traction motors	EV adoption rates in India are projected to reach 10-12% by FY26 & 30-35% by FY30
	Loco-Traction Transformers & Traction Motors	<ul style="list-style-type: none"> Expansion of rail & metro networks across major cities; 2x increase in operational metro lines in next 4-5 years

Diverse Suite of Products across various End-Use Industries gives an opportunity to Cross Sell Products

Historical Comparison of Financial & Operational Metrics of Peers

Company Name	Core Competency	FY25 production capacity	Capacity utilisation	Manufacturing facilities	FY25 Revenue (INR Crores)	Realization per Kg (approx)	FY25 EBITDA (INR Crores)	FY25 EBITDA margin	EBITDA per kg (approx)	FY25 Net Profit (INR Crores)	FY25 Net Margin	Key product coverage	How KSH Stands out?
KSH International	Specialty magnet winding wires & export-led transformer solutions	29,045 MT	81%	3 operating + Supa Phase I started Sep-1928.4 25		INR 827/ Kg	122.5	6.35%	INR 52.5/ Kg	67.8	3.52%	Broad specialty-led basket: tape insulated copper winding wire, enamel + paper insulated copper conductors, multi paper insulated copper wires, bare copper wire, bunched copper wire, submersible wires, copper rod, copper busbar.	Compared with peers, KSH stands out as a specialty-led, export-oriented magnet winding wire player with superior profitability metrics, even though it operates at a smaller scale than Precision and Ram Ratna.
Precision Wires India	Large-scale enamelled winding wire manufacturing	49,000 MT	86%	4	4014.8	INR 810/ Kg	165.9	4.13%	INR 45/ Kg	90.2	2.25%	Copper winding wires, CTC, PICC, submersible winding wire. Product set is focused but more standard winding-wire oriented than KSH.	Precision is a larger and more efficiently utilized player, with higher capacity and revenue scale. However, KSH stands out through its more specialty-oriented product mix, higher EBITDA margin, higher EBITDA per kg, and stronger premium positioning in transformer-related applications. In simple terms, Precision looks like the scale-led volume player, while KSH looks like the better mix and margin player.
Ram Ratna Wires	Strong OEM supply relationships in winding wires	48,600 MT	88%	4	3676.7	INR 995/ Kg	156.3	4.25%	INR 42.1/ Kg	70.2	1.91%	Aluminium wires & strips, submersible winding wires, fiberglass-covered copper/aluminium strips, paper-covered round wires. Also has copper tubes business, so less pure-play than KSH.	Ram Ratna is also much larger in scale and operates at slightly better utilization, but its business is relatively more diversified and less pure-play than KSH. KSH appears superior on profitability, with meaningfully better EBITDA margin, EBITDA per kg, and net margin, suggesting that its product mix is richer and more value-added. Ram Ratna looks stronger in domestic OEM-linked scale, while KSH looks stronger in specialty economics.
Vidya Wires	Backward integrated winding wire production	19,680 MT	80%	2	1486.4	INR 825/ Kg	64.9	4.37%	INR 38/ Kg	41.0	2.76%	Enamelled copper winding wires, copper rectangular strips, FG covered Cu/Al conductors, PICC, twin/triple bunched paper insulated copper wires/strips, copper busbar, bare copper strips/wires, earthing cables, aluminium paper covered strips. Broad basket, but lower scale than KSH.	Vidya is the closest peer in terms of being a focused winding wire player, but KSH is clearly ahead on scale, capacity, profitability, and product sophistication. KSH has a broader specialty basket, higher margin profile, and stronger operating leverage. Vidya is a smaller integrated player, whereas KSH looks more established and premium in positioning.
APAR Industries (wires division only)	Global conductor manufacturing & grid infrastructure supply	12,000 MT	59%	10	9582.0	INR 430/ Kg for Conductors division	455.1	4.75%	INR 36.7/ Kg for Conductors division	227.3	2.37%	Relevant portfolio includes CTC/PICC/LKC within conductors; overall conductor mix also includes conventional conductors, HTLS, OPGW, railway conductors, specialty alloy rods & wires, busbars.	APAR is not a strict like-to-like peer because its comparable business sits inside a much larger diversified conductor platform. Even then, KSH looks more focused and better positioned in the magnet winding wire space, with much higher EBITDA margin, EBITDA per kg, and a more specialized product profile. APAR brings larger infrastructure presence and global conductor scale, but KSH is the sharper pure-play specialty story in the comparable segment.

Source: Ventura Research & Company filings

Brief overview of peers and their outlook

Companies	Comments
Precision Wires India Ltd.	<ul style="list-style-type: none"> • Strong FY25 Performance: Revenue at INR 4,030 Cr (+22% YoY), EBITDA of INR 181 Cr (4.5% margin), and PAT of INR 90 Cr (+23% YoY), driven by a 12% jump in sales volume and a shift toward higher-value-added winding wires. • Order Book Visibility: Operates on a "conversion-based" back-to-back order model; total installed capacity of 55,000 MTPA with consistent utilization (89%) ensures a steady execution pipeline. • Capital Discipline: Net debt remains exceptionally low (Debt/Equity of 0.08x) with a superior RoCE of ~27%, reflecting a highly efficient, asset-light conversion model. • Outlook: Capacity expansion to 61,000 MTPA by June 2026, coupled with a pivot toward high-growth niches like Litz wires for solar inverters and medical equipment, provides sustained volume visibility.
Vidya Wires Ltd.	<ul style="list-style-type: none"> • Strong FY25 Performance: Revenue at INR 1,486 Cr (+25% YoY), EBITDA of INR 64 Cr (4.3% margin), and PAT of INR 41 Cr (+59% YoY), fueled by robust demand from the Power T&D and Railway segments. • Order Book Visibility: Strategic presence in 20+ countries and a de-risked client base (450+ customers) support a healthy, diversified order inflow across 8,000+ SKUs. • Capital Discipline: Post-IPO debt repayment of INR 100 Cr has significantly strengthened the balance sheet; maintains a strong RoCE of ~20% with a focus on backward integration. • Outlook: Commercial production at the ALCU Industries unit (doubling capacity to 37,680 MTPA) is set for Q4 FY26, alongside a foray into CTC and PV Ribbons for the renewable sector.
Ram Ratna Wires Ltd.	<ul style="list-style-type: none"> • Strong FY25 Performance: Revenue at INR 3,677 Cr (+23% YoY), EBITDA of INR 152 Cr (4.2% margin), and PAT of INR 72 Cr (+25% YoY), driven by the "RR Shramik" brand's dominance in the domestic motor and HVAC segments. • Order Book Visibility: Rising demand for copper tubes in the HVAC industry (now 27% of revenue) and strong domestic electrification tenders provide high revenue visibility. • Capital Discipline: Executing a INR 700 Cr multi-year capex plan with a RoCE of 21%; while debt is higher than Precision, it is backed by aggressive capacity additions. • Outlook: Expansion into Inner Grooved Tubes (IGT) and specialized winding wires for EV motors and power distribution infrastructure underpins its medium-term growth strategy.
Apar Industries Ltd	<ul style="list-style-type: none"> • Strong FY25 Performance: Revenue at INR 18,581 Cr (+15% YoY), EBITDA of INR 1,681 Cr (~9.1% margin), and PAT of INR 821 Cr. Growth was led by premium conductors and the global renewable energy surge. • Order Book Visibility: CTC (~20% market share but smaller than KSH) and HTLS conductors (50% share) ensures a massive, high-margin order book linked to the global "Green Energy Corridor." • Capital Discipline: Holds a strong Net Cash balance sheet with an industry-leading RoCE of 30%, supported by a strategic shift to 41% premium product revenue mix. • Outlook: Tripling CTC capacity to 20,490 MT by Q3 FY26 and a massive foray into high-voltage cables (up to 220kV) positions it as a primary global beneficiary of power grid modernization.

Source: Ventura Research & Company filings

Valuation Of KSH International Ltd.

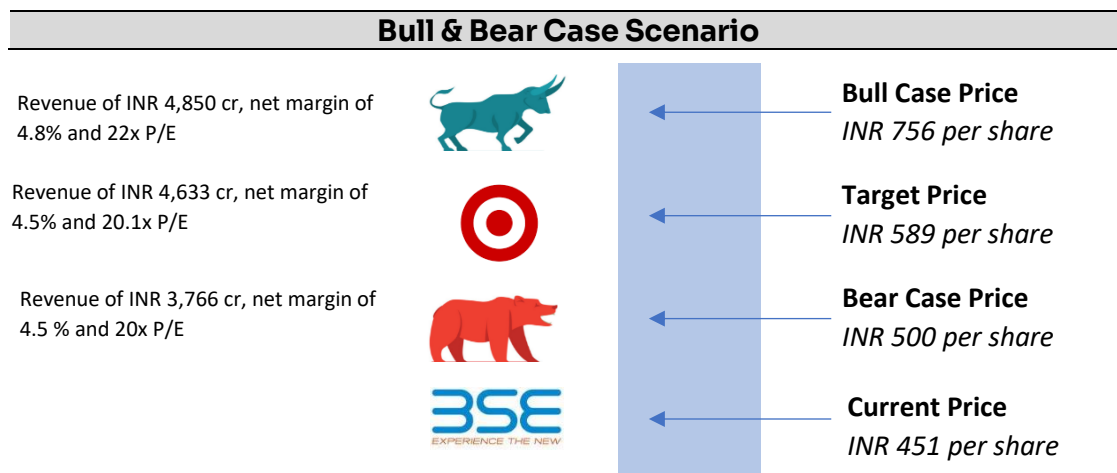
We value KSH at INR 589 (FY28 P/E-20.1x) using the DCF valuation methodology representing an upside of 31% from the CMP of INR 451

Fig in INR Cr (unless specified)	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	1,928.3	2,931.6	3,659.6	4,633.0	5,323.0	5,770.8	6,017.2	6,137.5	6,260.3	6,385.5	6,513.2
EBITDA	123.1	186.9	227.5	298.5	341.8	364.3	369.5	365.7	368.3	370.6	373.4
EBITDA margin (%)	6.4%	6.4%	6.2%	6.4%	6.4%	6.3%	6.1%	6.0%	5.9%	5.8%	5.7%
Net profit	68.0	105.9	136.4	191.4	226.4	251.3	261.3	264.6	273.4	282.4	292.3
Net profit margin (%)	3.5%	3.6%	3.7%	4.1%	4.3%	4.4%	4.3%	4.3%	4.4%	4.4%	4.5%
Cash flow from operations	(9.8)	54.3	125.4	158.7	233.6	285.2	309.4	323.5	336.1	350.9	365.5
CFO to EBITDA (%)	-7.9%	29.1%	55.1%	53.2%	68.3%	78.3%	83.7%	88.5%	91.3%	94.7%	97.9%
FCFF	(129.9)	(61.7)	88.8	112.4	180.4	227.5	249.2	262.1	273.5	287.0	300.4
FCFF to EBITDA (%)	-105.5%	-33.0%	39.0%	37.6%	52.8%	62.4%	67.5%	71.7%	74.3%	77.5%	80.4%
Discounted FCFF				112.4	165.4	191.4	192.3	185.6	177.6	171.0	164.1
Terminal Value	5,140										
Total of Discounted FCFF FY28	1,360										
FY28 Present Value of Terminal Value	2,808										
FY28 Value of Operations	4,168										
FY28 Net Debt	179										
FY28 Value of Equity	3,989										
FY28 Value of Equity per share	589										
CMP	451										
Upside Potential	31%										

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY28 price, based on revenue growth, net margins and P/E multiples.

- **Bull Case:** We have an assumed revenue of INR 4,850 cr (36% 3-year CAGR) and a net margin of 4.8% at a P/E of 22x which will result in a Bull Case price target of INR 756 per share (an upside of 59.8% from CMP).
- **Bear Case:** We have an assumed revenue of INR 3,766 cr (25% 3-year CAGR) and a net margin of 4.5% at a P/E of 20x, which will result in a Bear Case price target of INR 500 per share (an upside of 5.8% from CMP).



Source: BSE & Ventura Research

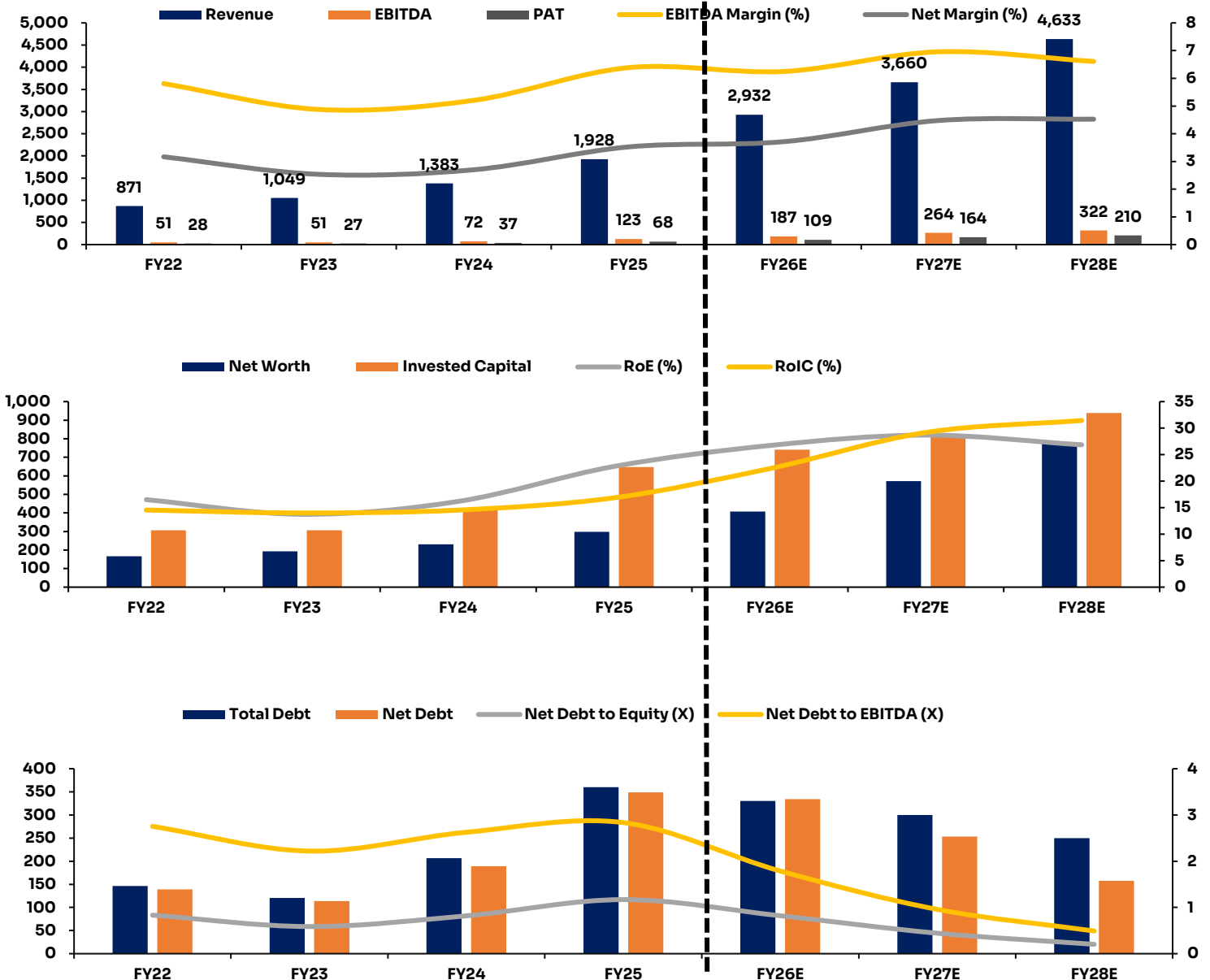
Phases of KSH International financial performance

We have analysed **KSH International** 7-year financial performance, a period marked by multiple market cycles.

7 years phases of KSH International business performance

FY22-FY25: KSH has been a strong player in specialized magnet winding wires since 1981, particularly in products like Continuous Transposed Conductors (CTC) and Paper Insulated Copper Conductors (PICC). Between FY19 and FY22, it expanded into standard wire segments. During this period, production volume grew at a CAGR of around 14%, while revenue increased by 30%, indicating that growth was driven not just by pricing but also by genuine market share gains in the heavy transformer segment. However, in FY25, finance costs surged by over 50%, which significantly impacted the benefits derived from higher sales of specialized wires.

FY26E-FY28E: IPO of INR 420 Cr in fresh capital. A primary objective is the repayment of INR 226 Cr in debt. This is expected to significantly reduce interest costs and boost net profit margins (PAT) from the current ~3.5% toward a higher trajectory. The company plans to add another 18,000 MT by FY27, targeting a total annual capacity of **59,045 MT**.



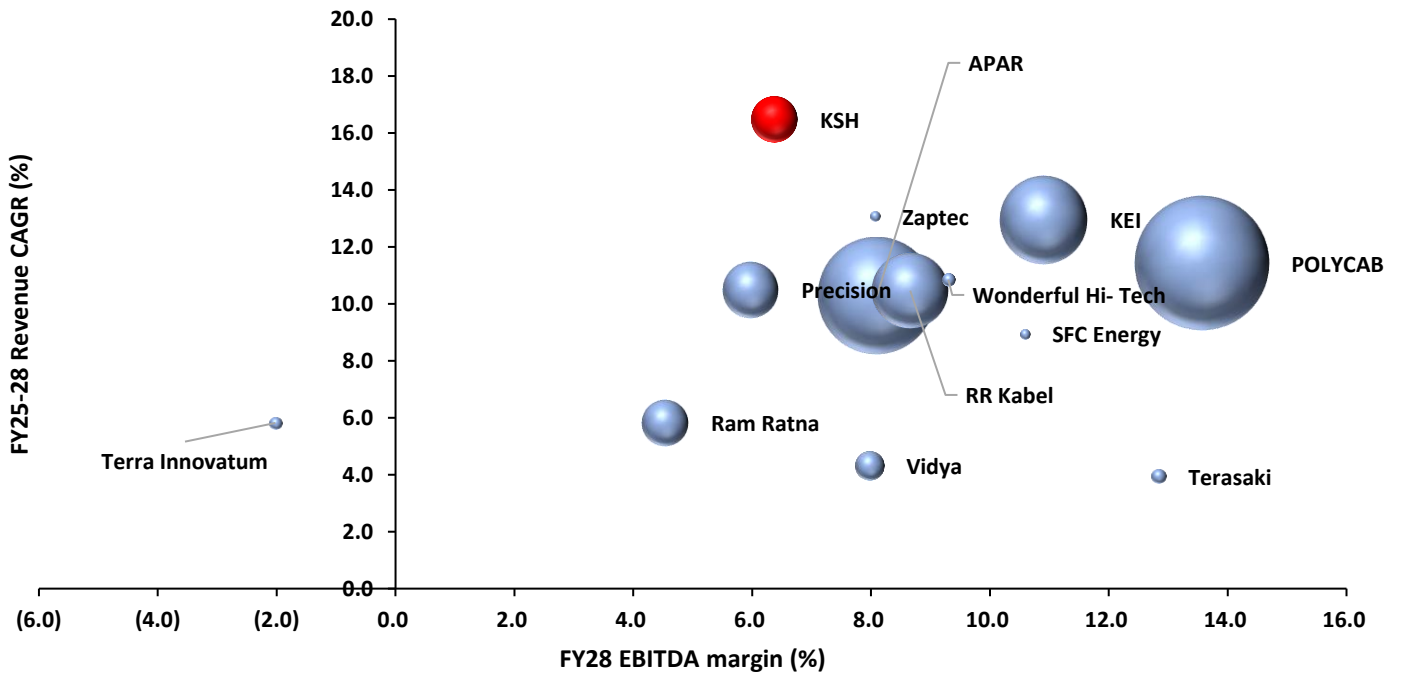
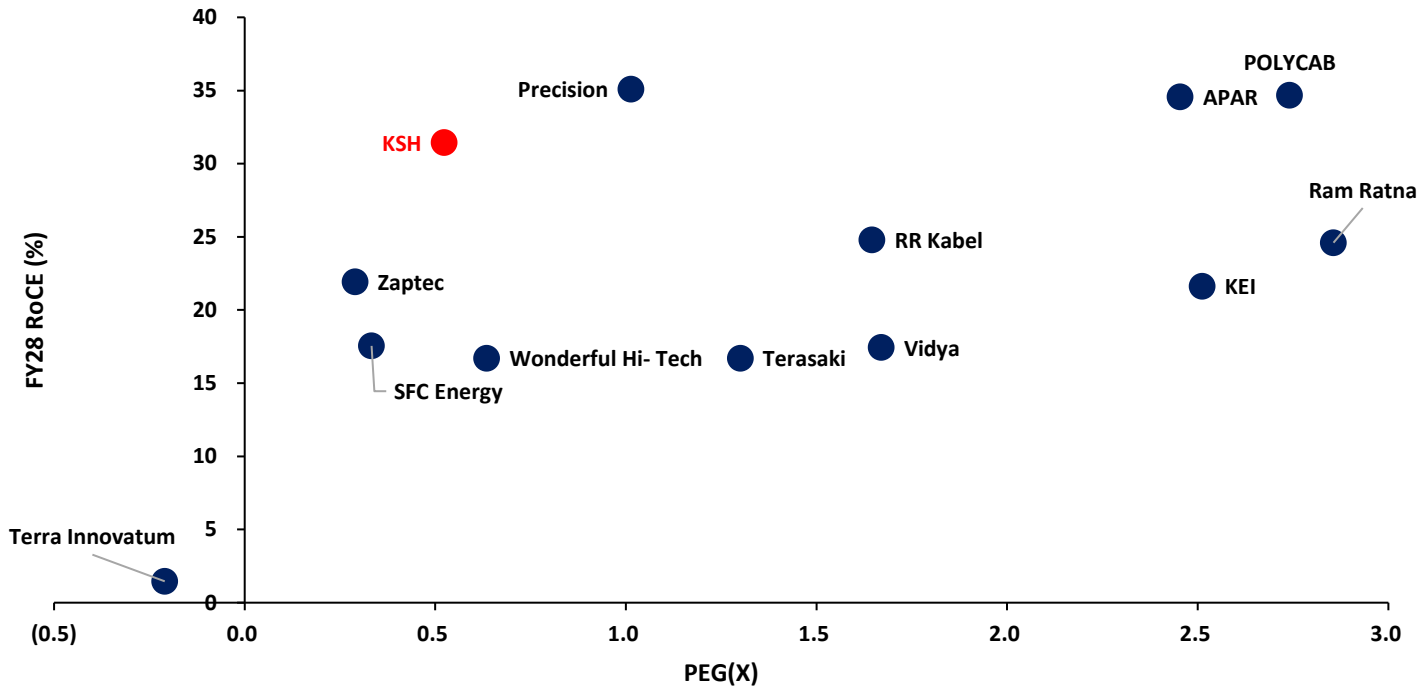
Valuation and comparable metrics of domestic companies

Company Name	Mkt Cap	Price	PEG (X)	P/E (X)			EV/Sales (X)			EV/EBIDTA (X)			RoE (%)			RoIC (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Domestic Peers (fig in INR cr, unless specified)																											
KSH International Ltd	3,056	451.0	1.5	30.3	23.5	16.7	0.9	0.7	0.6	18.9	15.3	11.3	26.2	25.2	29.9	22.6	25.2	29.9	2,932	3,660	4,633	6.4	6.2	6.4	3.6	3.7	4.1
Ram Ratna Wires	2,875	308	2.9	33.2	31.5	29.8	0.8	0.8	0.8	18.5	17.9	17.8	15.2	16.4	17.7	19.2	22.3	24.6	3,981	4,212	4,717	4.6	4.7	4.5	2.4	2.7	2.7
Precision Wires	5,322	291	1.0	39.3	32.2	21.9	1.1	0.9	0.9	23.0	19.1	14.6	18.2	19.0	23.0	28.4	32.2	35.1	5,057	6,036	6,820	4.7	4.9	6.0	2.7	2.7	3.6
Vidya Wires	1,139	54	1.7	25.6	24.8	24.2	1.0	1.1	1.1	16.5	14.8	13.9	17.5	18.8	20.0	15.4	16.2	17.5	1,537	1,613	1,745	5.8	7.1	8.0	4.3	5.2	5.7
APAR Industries	36,091	8,985	2.5	36.5	32.1	26.8	1.6	1.4	1.2	19.8	17.2	14.5	18.8	18.4	18.8	30.9	31.8	34.6	22,528	26,166	30,212	8.1	8.0	8.1	4.4	4.3	4.5
RR Kabel	15,416	1,363	1.6	32.2	26.6	22.1	1.7	1.4	1.2	21.2	17.0	14.2	18.3	18.5	19.0	22.9	23.9	24.8	9,450	11,015	12,738	7.8	8.4	8.7	5.1	5.3	5.5
POLYCAB	108,396	7,200	2.7	40.1	34.4	29.5	3.7	3.1	2.6	26.8	22.8	19.5	22.6	21.9	21.3	35.6	34.7	34.7	28,752	34,299	39,779	13.9	13.6	13.6	9.4	9.2	9.2
KEI Industries	39,961	4,180	2.5	44.3	37.6	31.2	3.3	2.7	2.3	31.3	25.6	20.9	13.6	13.8	14.4	21.4	21.1	21.6	11,826	14,267	17,037	10.5	10.7	10.9	7.6	7.5	7.5
Global Peers (fig in USD mn, unless specified)																											
Terasaki Electric Co Ltd	323	25	1.3	11.1	11.5	10.8	0.6	0.5	0.5	5.0	3.7	2.4	8.5	7.5	7.4	14.3	15.3	16.7	370	390	416	12.8	13.3	13.8	7.9	7.2	7.2
SFC Energy AG	312	18	0.3	77.5	28.7	19.5	1.6	1.3	1.1	14.7	10.2	7.4	2.4	6.2	8.4	5.2	12.6	17.6	173	192	223	10.6	13.3	15.0	2.3	5.7	7.2
Wonderful Hi-Tech Co Ltd	293	2	0.6	24.3	15.1	13.1	0.9	0.9	0.8	12.1	9.9	8.6	9.0	13.2	13.9	18.2	17.1	16.7	278	350	378	9.3	9.9	10.2	4.3	5.5	6.2
Terra Innovatum Global NV	302	4	(0.2)	(52.4)	(18.2)	(12.7)	1.3	1.1	0.9	19.5	16.9	14.2	(0.8)	0.8	1.4	(0.7)	0.9	1.5	265	281	314	(2.0)	(5.6)	(7.3)	(2.2)	(5.9)	(7.6)
Zaptec ASA	269	3	0.3	51.8	19.5	14.9	1.6	1.5	1.3	19.4	13.0	10.3	7.0	17.3	20.7	22.8	18.8	21.9	148	188	214	8.1	11.5	12.9	3.5	7.4	8.5

Source: Company Reports & Ventura Research



Revenue growth and margin expansion deserves re-rating in valuation



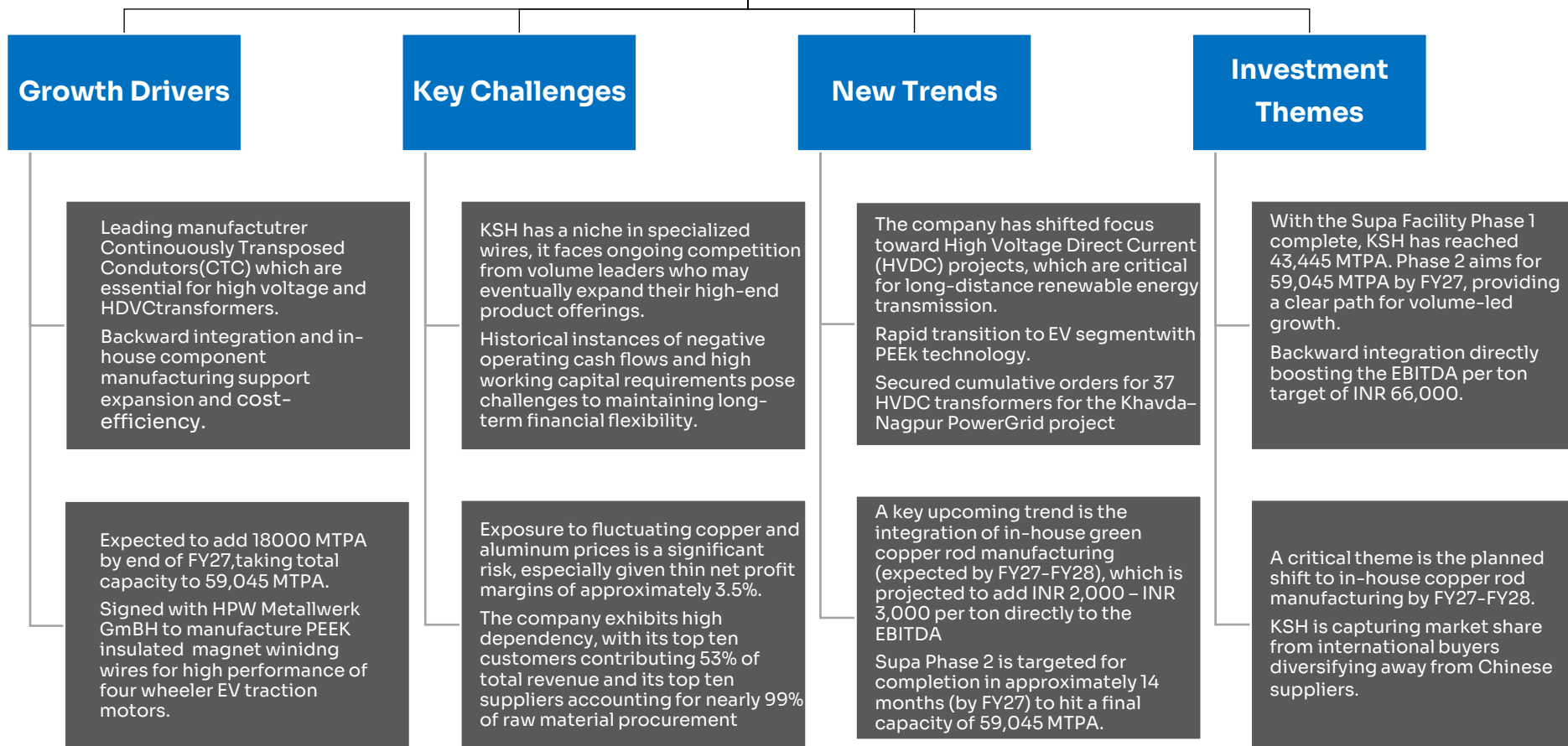
KSH's Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	1,049.5	1,382.8	1,928.3	2,931.6	3,659.6	4,633.0	5,323.0	5,770.8	6,017.2	6,137.5	6,260.3	6,385.5	6,513.2
<i>YoY Growth (%)</i>	<i>20.5</i>	<i>31.8</i>	<i>39.4</i>	<i>52.0</i>	<i>24.8</i>	<i>26.6</i>	<i>14.9</i>	<i>8.4</i>	<i>4.3</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>
Raw Material Cost	937.0	1,231.8	1,714.4	2,632.6	3,293.6	4,169.7	4,790.7	5,193.7	5,415.4	5,523.8	5,634.2	5,746.9	5,861.9
<i>RM Cost to Sales (%)</i>	<i>89.3</i>	<i>89.1</i>	<i>88.9</i>	<i>89.8</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>	<i>90.0</i>
Employee Cost	23.8	33.7	39.7	48.2	64.4	80.8	96.5	108.8	117.2	123.1	127.7	133.0	137.9
<i>Employee Cost to Sales (%)</i>	<i>2.3</i>	<i>2.4</i>	<i>2.1</i>	<i>1.6</i>	<i>1.8</i>	<i>1.7</i>	<i>1.8</i>	<i>1.9</i>	<i>1.9</i>	<i>2.0</i>	<i>2.0</i>	<i>2.1</i>	<i>2.1</i>
Other Expenses	37.4	45.3	51.0	63.9	74.0	84.0	94.0	104.0	115.0	125.0	130.0	135.0	140.0
<i>Other Expenses to Sales (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>2.6</i>	<i>2.2</i>	<i>2.0</i>	<i>1.8</i>	<i>1.8</i>	<i>1.8</i>	<i>1.9</i>	<i>2.0</i>	<i>2.1</i>	<i>2.1</i>	<i>2.1</i>
EBITDA	51.2	72.0	123.1	186.9	227.5	298.5	341.8	364.3	369.5	365.7	368.3	370.6	373.4
<i>EBITDA Margin (%)</i>	<i>4.9</i>	<i>5.2</i>	<i>6.4</i>	<i>6.4</i>	<i>6.2</i>	<i>6.4</i>	<i>6.4</i>	<i>6.3</i>	<i>6.1</i>	<i>6.0</i>	<i>5.9</i>	<i>5.8</i>	<i>5.7</i>
PAT	26.6	37.4	68.0	105.9	136.4	191.4	226.4	251.3	261.3	264.6	273.4	282.4	292.3
<i>PAT Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>3.5</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>	<i>4.3</i>	<i>4.4</i>	<i>4.3</i>	<i>4.3</i>	<i>4.4</i>	<i>4.4</i>	<i>4.5</i>
Net Profit	26.6	37.4	68.0	105.9	136.4	191.4	226.4	251.3	261.3	264.6	273.4	282.4	292.3
<i>Net Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>3.5</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>	<i>4.3</i>	<i>4.4</i>	<i>4.3</i>	<i>4.3</i>	<i>4.4</i>	<i>4.4</i>	<i>4.5</i>
Adjusted EPS	3.9	5.5	10.0	15.6	20.1	28.3	33.4	37.1	38.6	39.0	40.4	41.7	43.1
<i>P/E (X)</i>	<i>120.4</i>	<i>85.8</i>	<i>47.1</i>	<i>30.3</i>	<i>23.5</i>	<i>16.7</i>	<i>14.2</i>	<i>12.8</i>	<i>12.3</i>	<i>12.1</i>	<i>11.7</i>	<i>11.3</i>	<i>11.0</i>
Adjusted BVPS	28.6	34.1	44.1	59.7	79.8	108.1	141.5	178.6	217.1	256.2	296.5	338.2	381.4
<i>P/BV (X)</i>	<i>16.6</i>	<i>13.9</i>	<i>10.7</i>	<i>7.9</i>	<i>5.9</i>	<i>4.4</i>	<i>3.3</i>	<i>2.6</i>	<i>2.2</i>	<i>1.8</i>	<i>1.6</i>	<i>1.4</i>	<i>1.2</i>
Enterprise Value	3,318.6	3,394.1	3,554.1	3,534.9	3,472.8	3,383.9	3,222.6	3,005.7	2,758.7	2,496.6	2,223.2	1,936.3	1,636.0
<i>EV/EBITDA (X)</i>	<i>64.8</i>	<i>47.2</i>	<i>28.9</i>	<i>18.9</i>	<i>15.3</i>	<i>11.3</i>	<i>9.4</i>	<i>8.3</i>	<i>7.5</i>	<i>6.8</i>	<i>6.0</i>	<i>5.2</i>	<i>4.4</i>
Net Worth	193.7	230.9	298.5	404.4	540.9	732.3	958.7	1,210.0	1,471.4	1,736.0	2,009.4	2,291.8	2,584.1
<i>Return on Equity (%)</i>	<i>13.7</i>	<i>16.2</i>	<i>22.8</i>	<i>26.2</i>	<i>25.2</i>	<i>26.1</i>	<i>23.6</i>	<i>20.8</i>	<i>17.8</i>	<i>15.2</i>	<i>13.6</i>	<i>12.3</i>	<i>11.3</i>
Capital Employed	314.0	437.8	658.6	734.4	840.9	982.3	1,158.7	1,260.0	1,471.4	1,736.0	2,009.4	2,291.8	2,584.1
<i>Return on Capital Employed (%)</i>	<i>10.3</i>	<i>10.3</i>	<i>12.5</i>	<i>16.9</i>	<i>18.1</i>	<i>20.7</i>	<i>20.1</i>	<i>19.6</i>	<i>16.9</i>	<i>14.0</i>	<i>12.0</i>	<i>10.5</i>	<i>9.3</i>
Invested Capital	307.2	420.0	647.6	734.3	808.7	911.1	976.3	1,010.7	1,025.0	1,027.5	1,027.6	1,023.0	1,015.0
<i>Return on Invested Capital (%)</i>	<i>14.0</i>	<i>14.5</i>	<i>16.9</i>	<i>22.6</i>	<i>25.2</i>	<i>29.9</i>	<i>32.0</i>	<i>32.7</i>	<i>32.4</i>	<i>31.6</i>	<i>31.5</i>	<i>31.4</i>	<i>31.6</i>
Cash Flow from Operations	62.1	(17.2)	(9.8)	54.3	125.4	158.7	233.6	285.2	309.4	323.5	336.1	350.9	365.5
Cash Flow from Investing	(20.0)	(38.8)	(118.4)	(7.6)	(36.6)	(46.3)	(53.2)	(57.7)	(60.2)	(61.4)	(62.6)	(63.9)	(65.1)
Cash Flow from Financing	(40.6)	67.4	122.9	(56.9)	(56.8)	(73.4)	(69.1)	(160.6)	(52.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Cash Flow	1.5	11.4	(5.2)	(10.2)	32.0	39.0	111.2	66.9	197.1	262.0	273.4	286.9	300.3
Free Cash Flow	43.7	(55.1)	(129.9)	(61.7)	88.8	112.4	180.4	227.5	249.2	262.1	273.5	287.0	300.4
<i>FCF to Revenue (%)</i>	<i>4.2</i>	<i>(4.0)</i>	<i>(6.7)</i>	<i>(2.1)</i>	<i>2.4</i>	<i>2.4</i>	<i>3.4</i>	<i>3.9</i>	<i>4.1</i>	<i>4.3</i>	<i>4.4</i>	<i>4.5</i>	<i>4.6</i>
<i>FCF to EBITDA (%)</i>	<i>85.4</i>	<i>(76.6)</i>	<i>(105.5)</i>	<i>(33.0)</i>	<i>39.0</i>	<i>37.6</i>	<i>52.8</i>	<i>62.4</i>	<i>67.5</i>	<i>71.7</i>	<i>74.3</i>	<i>77.5</i>	<i>80.4</i>
<i>FCF to Net Profit (%)</i>	<i>164.2</i>	<i>(147.6)</i>	<i>(191.1)</i>	<i>(58.3)</i>	<i>65.1</i>	<i>58.7</i>	<i>79.7</i>	<i>90.5</i>	<i>95.4</i>	<i>99.1</i>	<i>100.0</i>	<i>101.6</i>	<i>102.8</i>
<i>FCF to Net Worth (%)</i>	<i>22.6</i>	<i>(23.9)</i>	<i>(43.5)</i>	<i>(15.3)</i>	<i>16.4</i>	<i>15.3</i>	<i>18.8</i>	<i>18.8</i>	<i>16.9</i>	<i>15.1</i>	<i>13.6</i>	<i>12.5</i>	<i>11.6</i>
Total Debt	120	207	360	330	300	250	200	50	0	0	0	0	0
Net Debt	114	189	349	330	268	179	18	(199)	(446)	(708)	(982)	(1,269)	(1,569)
<i>Net Debt to Equity (X)</i>	<i>0.6</i>	<i>0.8</i>	<i>1.2</i>	<i>0.8</i>	<i>0.5</i>	<i>0.2</i>	<i>0.0</i>	<i>(0.2)</i>	<i>(0.3)</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>(0.6)</i>	<i>(0.6)</i>
<i>Net Debt to EBITDA (X)</i>	<i>2.2</i>	<i>2.6</i>	<i>2.8</i>	<i>1.8</i>	<i>1.2</i>	<i>0.6</i>	<i>0.1</i>	<i>(0.5)</i>	<i>(1.2)</i>	<i>(1.9)</i>	<i>(2.7)</i>	<i>(3.4)</i>	<i>(4.2)</i>
<i>Interest Coverage Ratio (X)</i>	<i>2.9</i>	<i>3.4</i>	<i>3.8</i>	<i>4.0</i>	<i>7.6</i>	<i>11.6</i>	<i>16.3</i>	<i>31.1</i>	<i>156.3</i>	<i>3,245.5</i>	<i>3,232.1</i>	<i>3,214.7</i>	<i>3,202.7</i>
Fundamental scores													
Altman Z Score	4.1	4.1	3.8	4.7	4.7	4.8	4.6	4.5	4.0	3.6	3.2	2.9	2.7
Piotroski F-score	7.0	4.0	4.0	5.0	6.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Beneish M-score	(2.5)	(1.3)	(1.5)	(1.2)	(1.9)	(1.8)	(2.1)	(2.2)	(2.3)	(2.4)	(2.4)	(2.5)	(2.5)

Source: ACE Equity, Company Reports & Ventura Research

SWOT Analysis

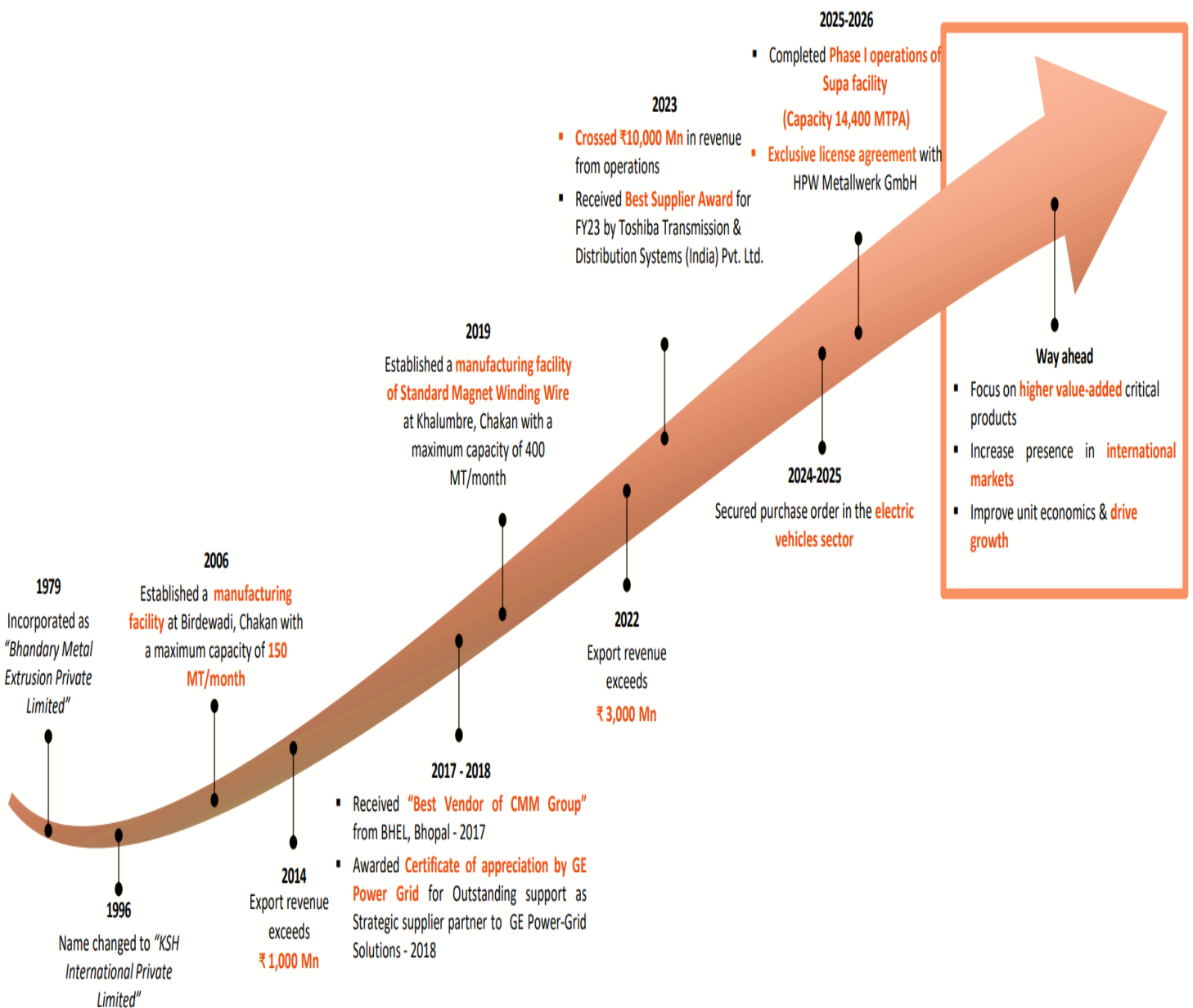
KSH International Ltd.



About KSH International Ltd

SH International Limited, founded in **1981**, is a prominent Indian manufacturer and global exporter of high-quality magnet winding wires and **continuously transposed conductors (CTC)**. Based in Pune, Maharashtra, the company is currently the third-largest manufacturer and the largest exporter of magnet winding wires in India by revenue as of FY25. KSH is a globally approved supplier for marquee OEMs such as ABB, GE, Siemens Energy, Hitachi Energy, BHEL, and Toshiba. It holds critical industry certifications like **ISO 9001, IATF 16949 (automotive), and ISO 14001**, which serve as high entry barriers in its sector.

KSH International – Key Milestones



Company Overview and Growth Drivers

Revenue From operations:



Offerings:

The company specializes in manufacturing copper and aluminum conductors that are critical for capital goods like transformers, motors, alternators, and generators. Its key product categories include:

- **Continuously Transposed Conductors (CTC):** High-performance cables used primarily in high-voltage (HVDC) and extra-high-voltage (EHV) transformers.
- **Insulated Rectangular Wires:** Available in paper-insulated, enameled, and bunched configurations.
- **Round Enameled Wires:** Used across diverse industrial and consumer applications.
- **Specialized Wires:** Tailored solutions for high-growth sectors like Electric Vehicles (EV), railways, and renewable energy.

Diversified End-User industry



Power



Renewables



Industrials



Railways



Data Centers



EV & ICE



Home Appliances



Refrigeration & AC

Strategically located Manufacturing Facility within Proximity to the Port & Customers

<p>Unit 1: Taloja (Capacity : 4,241 MT)[^]</p>	<p>Unit 2: Chakan (Capacity : 17,320 MT)[^]</p>	<p>Unit 3: Chakan (Capacity : 7,484 MT)[^]</p>	<p>Unit 4: Supa (Phase-I 14,400 MT)[*]</p>		<p>located closer to JNPT¹, Navi Mumbai ; enables KSH to achieve cost efficiencies & reduce logistics costs</p>
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Annual Installed Capacity



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To LISTEN to the Research Report, [Click here](#)

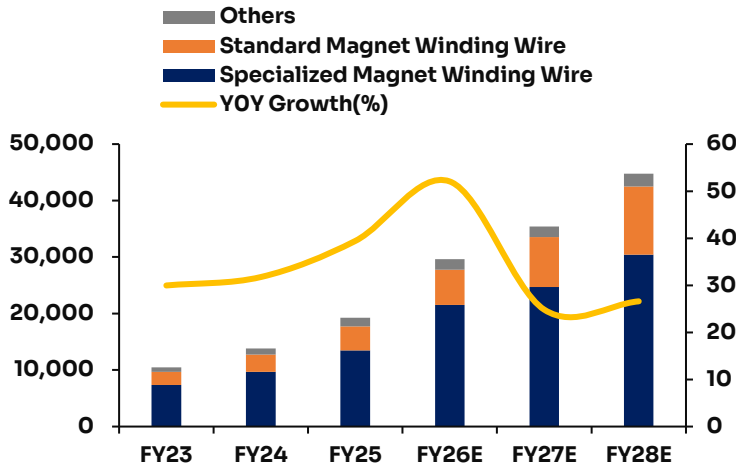
KSH International Ltd
Plugged into the High Voltage Growth

ventura

केएसएच इंटरनेशनल लिमिटेड
उच्च वोल्टेज वृद्धि से जुड़ा हुआ

Business Growth

Segment Wise Revenue



Segment insights

Specialized Wires (CTC & HVDC): Remains the growth engine contributing roughly 75%-77% of total revenue. FY3-25 growth was driven by the domestic grid upgrade to 765kV transformers. In FY25-28 growth is fueled by the 37-transformer HVDC order from BHEL and increased exports to Europe and the US

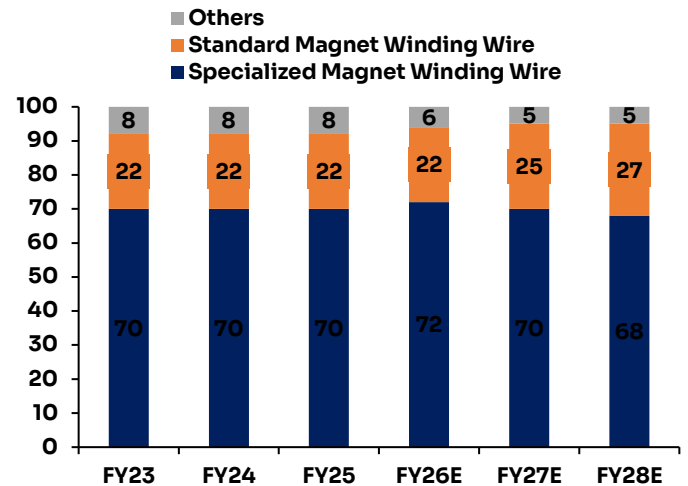
Standard Wires (Round & Enameled): Standard wires are utilized to maintain high-capacity utilization and serve as a "volume filler." In FY25-28 the company is going to increase the standard wire segment up to 35% (currently 22%) due to volume expansion up to 59045 total capacity.

Segmental Revenue

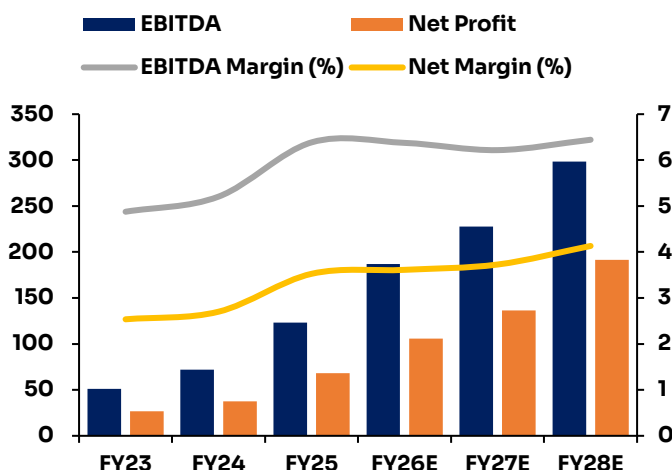
Specialized Magnet Winding Wire: This is the dominant segment, consistently contributing between **68% and 72%** of the total revenue. It peaks at **72% in FY26E**, reflecting the high-value transformer and HVDC (High Voltage Direct Current) orders expected to hit the books during that period. A slight taper to **68% in FY28E** is shown, which likely indicates the rapid growth and emergence of a third category (such as the PEEK-insulated EV segment) taking up a larger share of the total pie.

Standard Magnet Winding Wire: This segment remains steady at **22%** from FY23 to FY26E. The chart projects a gradual increase in its share to **25% (FY27E)** and **27% (FY28E)**. This aligns with the massive capacity expansion at the Supa facility, where standard wires serve as a volume-filler to ensure high-capacity utilization of the new infrastructure.

Segmental Revenue (%)



Profitability



Profit Metric Evolution (FY22-FY28E)

EBITDA: Expected to grow from approximately **INR 50** in **FY23** to over **INR 250** by **FY28E**. The steepest jump is projected between FY24E and FY25E, suggesting a period of significant capacity expansion or operational optimization.

Net Profit: Follows a similar upward trend, starting at roughly **INR 25** in **FY23** and climbing toward **INR 160** by **FY28E**.

Marginal Compression in FY28E: While absolute profits continue to reach record highs in FY28E, the margins show a slight downward tilt. This is a common trend in mature growth phases, often caused by increased competition, rising raw material costs, or additional investments for the next growth cycle.

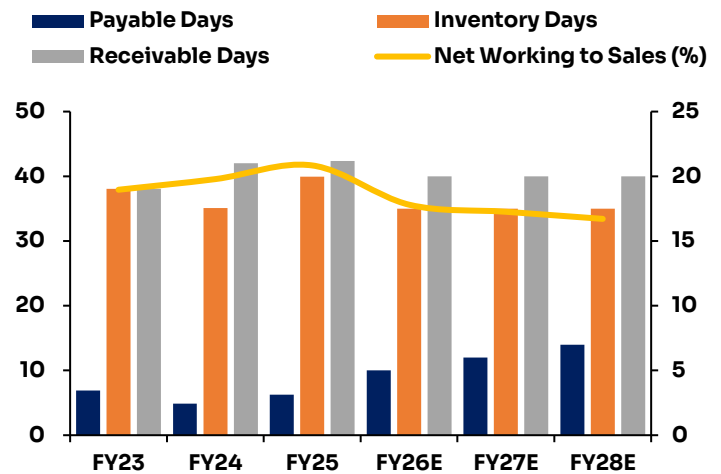
Working Capital Efficiency

Inventory Days: These remain relatively high but stable, hovering around **35–40 days**. This is typical for a manufacturer of magnet winding wires where raw material (copper/aluminum) stocking is essential to manage price volatility.

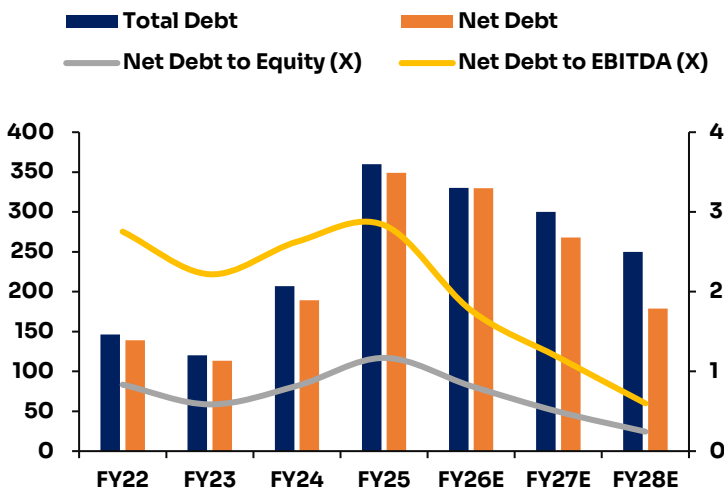
Receivable Days: This is the most significant component, peaking at **42 days** in FY25E. While high, it reflects the company's strong relationships with large Power Sector OEMs and Railways, who often have longer payment cycles.

Payable Days: Historically very low (~5–7 days), these are projected to increase significantly to **14 days** by FY28E. This suggests the company is gaining better bargaining power with its suppliers to hold onto cash longer.

Working Capital



Debt Profile



Healthy Debt Profile

FY25: The Inflection Point: FY25 represents the peak leverage for the company. The **Net Debt to Equity (X)** reached its highest point (approx. 1.2x), likely due to capital expenditure (Capex) for the Supa and Chakan facility expansions mentioned in recent filings.

The Deleveraging Trigger: The sharp decline starting in FY26E aligns with the company's stated intent to use approximately INR **226 cr** from IPO proceeds to prepay/repay outstanding borrowings.

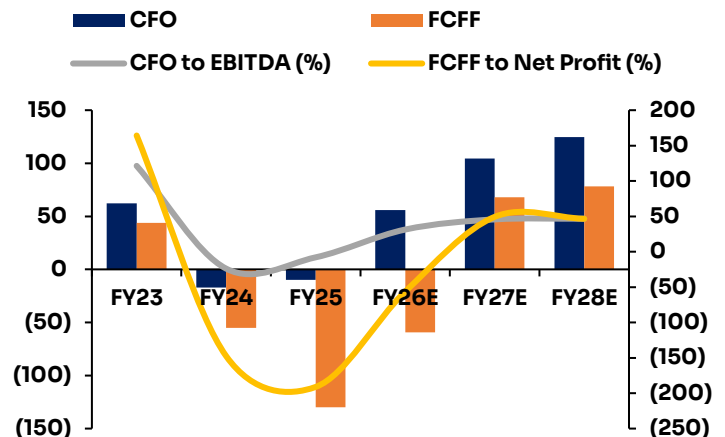
While the company leveraged up to fund its expansion in the magnet winding wire segment through FY25, the projected 30% reduction in total debt by FY28E, coupled with a Net Debt/Equity ratio falling below 0.5x, underscores a disciplined capital allocation strategy that should de-risk the investment profile for long-term shareholders.

The U-Shaped Recovery

Historical Dip (FY24–FY25): The chart shows CFO dipping into negative territory during FY24 and FY25. This was primarily driven by a surge in **Working Capital** requirements (inventory and receivables) as the company scaled its operations and revenue (which grew at a 35.5% CAGR from FY23–25).

Projected Recovery (FY26E–FY28E): CFO is expected to rebound strongly, surpassing INR **100 Cr** by FY28E. This reflects the stabilization of the working capital cycle and higher absolute EBITDA from increased manufacturing capacity at the new Chakan and Supa facilities.

Cash Flows

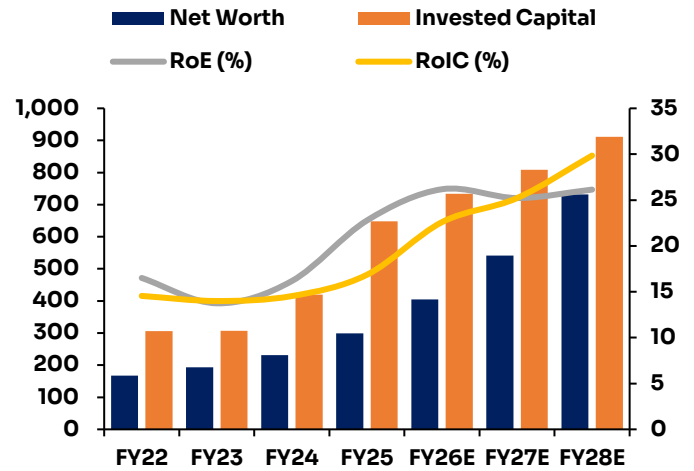


Efficiency and Profitability

ROE has grown consistently from **14.62% in FY23** to an impressive **25.68% in FY25**. The ratio is projected to peak around **FY26E** as the company begins to fully utilize its newly expanded capacity at the Supa facility.

RoIC is projected to climb toward the **30% mark by FY28E**. due to Margin Expansion, Asset Utilization (80%-85%) and Debt reduction.

Return Ratio



Five step Dupont analysis for KSH International

We have used the five-step Dupont analysis to analyze **KSH International Ltd** financial strength.

Five Step Dupont Analysis for FY25–KSH International Ltd

Company	Interest Burden (X)	Tax Burden(X)	EBITMargin (%)	Total Asset to turnover(X)	Total Asset to Networth (X)	ROE(%)	Dividend Payout (%)	Sustainable Growth (%)
KSH International	0.77	0.74	6.35	2.59	2.5	25.70	0.00	25.70
Vidya Wires	0.82	0.77	3.77	1.15	2.12	14.10	0.00	14.10
Ram Ratna Wires	0.71	0.74	4.13	3.27	2.67	15.10	12.00	13.30
Precision Wires	0.72	0.75	3.35	3.2	2.18	16.50	25.80	12.20
Apar Industries	0.81	0.75	8.15	1.78	4.02	18.20	24.90	13.70

- **Interest Burden (0.77x):** This shows how much operating profit is left after paying interest. A ratio of 1.0 would mean zero interest; 0.77 means interest expenses are eating up roughly 23% of operating profits.

Reason: KSH has historically carried significant debt to fund its rapid expansion. However, the company is using INR **226 Cr** from its recent IPO proceeds specifically to repay this debt, which will improve this ratio in the future.

- **Tax Burden (0.74x):** This represents the proportion of profits kept after paying income taxes.

Reason: A 0.74x ratio implies an effective tax rate of approximately **26%**, which is standard for Indian domestic companies following the Section 115BAA corporate tax regime.

- **EBIT Margin (6.35%):** This is the company's operating profitability before interest and taxes. While generally considered "modest" for manufacturing, it is significantly higher than peers like Precision Wires (4.1%).

Reason: KSH focuses on high-value, specialized products like Continuously Transposed Conductors (CTC) and EV traction motor wires, which command a premium over standard winding wires.

- **Total Asset Turnover (2.59x):** This measures how efficiently the company uses its assets to generate sales.

Reason: A turnover of 2.59x indicates that for every INR 1 invested in assets (factories, machinery), KSH generates INR 2.59 in revenue. This highlights a high utilization of existing plants, though it trails some pure-play wire peers who have higher volumes.

- **Total Asset to Net Worth (2.5x):** Also known as the Equity Multiplier, this measures financial leverage.

Reason: A ratio of 2.5x means the company is using a mix of debt and equity to fund its assets. While KSH is more leveraged than some peers, it maintains a healthy balance that amplifies its ROE without excessive risk.

- **Dividend Payout (0.00%):** KSH did not pay any dividends in FY25.

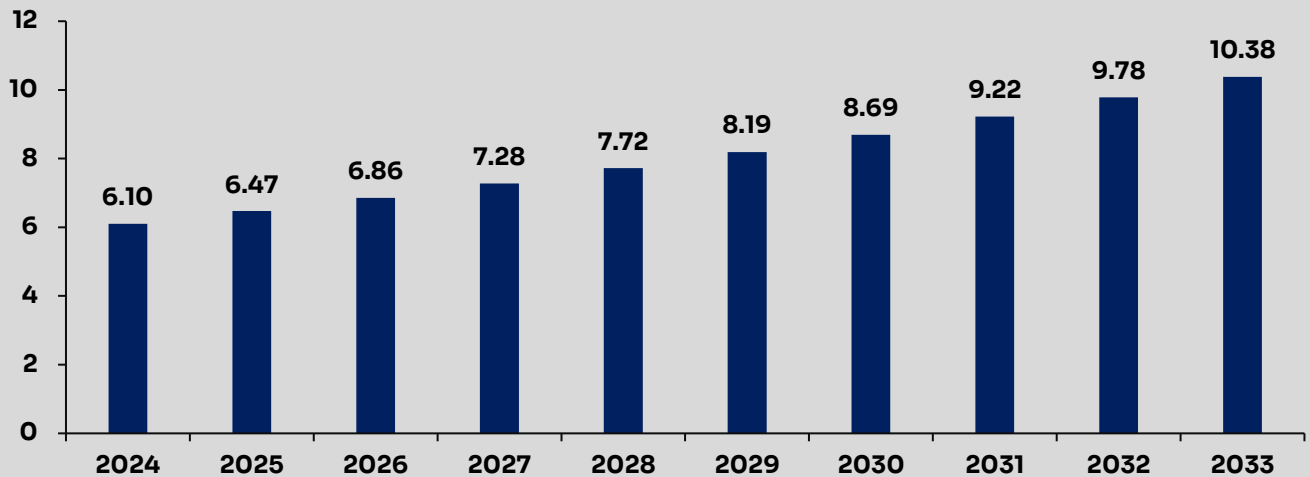
Reason: The company is in a **high-growth phase**. It is reinvesting 100% of its profits back into the business, particularly to fund the massive expansion of the **Supa facility** and new EV product lines.

- **Sustainable Growth Rate (25.70%):** This is the maximum rate the company can grow using only its internal profits.

Reason: Because the company pays **zero dividends**, its Sustainable Growth Rate is equal to its ROE (25.7). This high rate indicates that KSH is a "growth engine" that can fund significant expansion without constantly needing to borrow more money.

Indian Copper Wire Market

Indian Copper Wire Market Size Forecast (2024–2033)



The Indian copper wire market is witnessing steady growth, supported by increasing investments in infrastructure, rapid electrification, and rising demand from emerging sectors such as electric vehicles and renewable energy. Copper wires play a critical role across multiple industries including power transmission and distribution, construction, telecommunications, automotive, and industrial equipment, making them an essential component of the country’s electrical ecosystem.

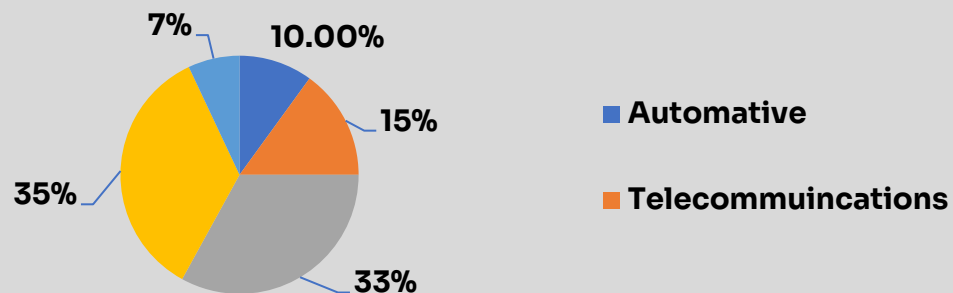
The Indian copper wire market was valued at approximately \$6.1 billion in 2024 and is expected to expand at a CAGR of ~6.1%, reaching around \$10.8 billion by 2033. This growth will be supported by a combination of structural demand drivers, policy support, and technological shifts across several industries.

Key growth drivers include:

- **Government Infrastructure Initiatives:** Large-scale programs such as “Make in India”, Smart Cities Mission, and the Revamped Distribution Sector Scheme (RDSS)—with an outlay of ₹3.03 trillion—are driving investments in power distribution networks, transmission infrastructure, and electrification projects, thereby increasing demand for copper wires.
- **Energy Transition and Renewable Expansion:** The rapid expansion of solar and wind power capacity is significantly boosting demand for copper, which is widely used in generators, transformers, grid connections, and energy storage systems. As India targets 500 GW of non-fossil fuel capacity by 2030, copper demand in the energy sector is expected to rise substantially.
- **Transportation Electrification:** The growing adoption of electric vehicles (EVs) and the expansion of EV charging infrastructure are key demand drivers, as EVs require substantially higher copper content compared with internal combustion engine vehicles. Additionally, the ongoing electrification of Indian Railways continues to drive copper wire consumption.

Overall, the combination of infrastructure spending, electrification, renewable energy growth, and EV adoption is expected to support sustained demand growth for copper wires in India over the next decade.

Indian Copper Wire Market Share by Application (2025-2026E)



Market Share by Application (End-User)

The magnet winding wire market is **well diversified across multiple end-use industries**, with demand broadly distributed between power infrastructure and construction-related applications.

- **Power & Energy (~35%):** This remains the largest end-use segment, supported by rising investments in power transmission and distribution infrastructure, grid modernization initiatives, renewable energy integration (solar and wind), and the electrification of railways. The increasing demand for transformers, generators, and power equipment continues to drive consumption of winding wires in this segment.
- **Building & Construction (~33%):** The construction sector represents another major demand driver, fueled by rapid urbanization, government initiatives such as “Housing for All,” and increasing residential and commercial construction activity. Building wires are widely used in residential housing, commercial complexes, and infrastructure projects, supporting steady growth in this segment.
- **Telecommunications (~15%):** The telecom segment is witnessing strong growth due to the rapid rollout of 5G infrastructure and expansion of broadband connectivity under initiatives such as BharatNet. The increasing need for data transmission infrastructure and network expansion is driving demand for high-quality wiring and cabling solutions.
- **Automotive (~10%):** The automotive sector is emerging as a growing segment, particularly with the transition toward electric vehicles (EVs). EVs require significantly higher copper wiring compared with conventional internal combustion engine vehicles, as they rely heavily on electrical systems, motors, and battery management systems.

Market Share by Voltage Type

The magnet winding wire market can also be categorized based on voltage applications, reflecting the wide range of electrical infrastructure and industrial uses.

- **Low Voltage (56.5%):** Low-voltage applications dominate the market as they are extensively used in residential wiring, office buildings, commercial establishments, and small-scale industrial applications. The large number of residential and commercial construction projects continues to support demand in this category.
- **Medium & High Voltage (43.5%):** Medium and high-voltage applications are primarily used in large-scale power transmission networks, heavy industrial equipment, transformers, and underground cabling for smart city infrastructure. Increasing investments in power grid expansion, renewable energy integration, and industrial electrification are expected to support growth in this segment.

Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	9	Low	Promoter-led management has over four decades of domain presence, while the second generation is actively driving strategy, customer relationships, capacity expansion, and product diversification.
Promoters Holding Pledge	9	Low	Promoter and promoter group holding is extremely high at ~98.4% pre-offer, and the RHP states that none of the promoter shares are pledged or otherwise encumbered.
Board of Directors Profile	8	Low	The board has 8 directors, including 4 independent directors and 1-woman independent director.
Industry Consideration			
Industry Growth	8	Low	Industry outlook remains healthy, with the Indian electric wires and cables market projected to grow at ~10.98% CAGR over FY25-FY28E.
Regulatory Environment or Risk	7	Medium	The sector is structurally supported by power transmission, localization and energy transition, but approvals and pre-qualification requirements are stringent, especially for HVDC, 765 kV, railway and government-linked applications. Execution discipline remains critical.
Entry Barriers / Competition	8	Low	Entry barriers are meaningful in specialised winding wires due to quality certifications, customer approvals, technical complexity, and qualification cycles. However, competition remains intense, including from organized peers and the low-cost unorganized segment.
Business Prospects			
New Business / Client Potential	9	Low	KSH supplies to large OEMs across transformers, motors, alternators and generators, and is already approved by PGCIL, NTPC, NPCIL and RDSO for specialised applications.
Business Diversification	8	Low	Business is diversified across standard and specialised magnet winding wires, with end exposure across power, renewables, industrials, railways, data centers, EV/ICE, home appliances and RAC.
Market Share Potential	8	Low	KSH is already the 3rd largest player in India by production capacity in FY25 and the largest exporter by export revenues. Revenue market share improved to 13.7% in FY24 from 11.19% in FY22, indicating steady competitive gains.
Margin Expansion Potential	8	Low	EBITDA margin improved from 4.75% in FY23 to 6.35% in FY25. Further upside can come from Supa expansion, scale benefits, solar-led power cost optimization and planned backward integration into copper rods.
Earnings Growth	8	Low	Revenue grew to INR 1,928.3 Cr in FY25 from INR 1,049.5 Cr in FY23, while PAT rose to INR 68.0 Cr from INR 26.6 Cr, reflecting strong operating leverage and healthy earnings momentum.
Valuation and Risk			
Balance Sheet Strength	7	Medium	Net worth improved to INR 321.5 Cr as of June 2025, while ROE and ROCE rose materially over FY23-FY25. IPO proceeds are also being used partly for debt repayment, which should strengthen the balance sheet further.
Debt Profile	7	Medium	Total borrowings stood at INR 379.4 Cr as of June 2025. Net debt/equity was 1.17x in FY25, reflecting manageable but still meaningful leverage, largely linked to working capital and ongoing capex.
FCF Generation	6	High	Cash conversion is the key weak spot. Operating cash flow was negative in FY24 and FY25, mainly due to higher inventory and receivables, showing that growth is currently absorbing cash.
Dividend Policy	7	Medium	The company has adopted a dividend policy, but has not paid any dividend in FY23, FY24, FY25 or in the period after June 2025 till the RHP date.
Total Score	117	Medium	KSH looks like a high-quality niche magnet winding wire player with strong promoter skin in the game, rising scale, growing share in specialised products, export strength, and visible margin levers.
Ventura Score (%)			

Source: Company Reports & Ventura Research

Management Team

Name	Position	Details
Mr. Kushal Subbayya Hegde	Chairman & Executive Director	Founder of the company with 45+ years of experience in strategy and management. Holds a Bachelor's degree in Arts from Bombay University and has been associated with KSH since incorporation.
Mr. Rajesh Kushal Hegde	Managing Director	Holds a Bachelor's degree in Mechanical Engineering from Michigan Technological University, USA, and a Master's in Manufacturing Systems Engineering from Oklahoma State University, USA. Has 28+ years of experience and has been with KSH since 1996.
Mr. Rohit Kushal Hegde	Joint Managing Director	Holds a Bachelor's degree in Commerce from Symbiosis, an MBA from Sheffield Hallam University, England, and an Executive Master in Change from INSEAD. Has 24+ years of experience and has been associated with KSH since 2000.
Ms. Rakhi Girija Shetty	Whole-Time Director	Holds a Bachelor's degree in Arts with major in Psychology from University of California, USA, and a Master's degree in Science from University of South Florida, USA. Has 18+ years of experience and looks after CSR initiatives and management functions.
Mr. Ram Kumar Tiwari	Independent Director	Holds a Bachelor's degree in Electronics, a Master's degree in Engineering from IISc Bangalore, and a diploma from the Institution of Engineers. Previously associated with BHEL, Alkatech Consultants, and SECI; recipient of multiple industry awards.
Ms. Indu Jacob	Independent Director	Holds an MBA from the University of Chicago and a PGDM from IIM Indore. Previously associated with Citibank, Merrill Lynch, Aditya Birla Group, Swiss Singapore, and Thermax.
Mr. Sandesh Bhagwat	Chief Executive Officer (CEO)	Holds an Engineering degree from VESIT and an MBA from NMIMS. Joined KSH in 2023 and brings prior experience from Toyo Engineering, Tyco Electronics, Ingersoll Rand, LAPP India, and Leoni Cable Solutions.
Mr. Amod Joshi	Chief Financial Officer (CFO)	Holds a Bachelor's degree in Commerce from University of Pune, is a Chartered Accountant, has completed a senior management program from IIM Ahmedabad, and also holds a Diploma in IFRS from ACCA UK. Joined KSH in 2017 and leads finance management.
Mr. Sarthak Malvadkar	Company Secretary & Compliance Officer	Holds Bachelor's degrees in Commerce and Law from University of Pune and is a qualified Company Secretary. Joined KSH in 2019 and handles secretarial and compliance functions.

Source: Company reports

Key Risks & Concerns

- **Raw Material Price Volatility**- Copper is the key input, so sharp swings in copper prices can affect margins, inventory valuation, and working capital.
- **Customer Concentration Risk**- Dependence on a limited set of transformer and industrial customers can impact revenue if orders slow from any major client.
- **Export Market Dependence**- A meaningful export presence exposes the company to weak global demand, geopolitical issues, and trade-related disruptions.
- **Forex Fluctuation Risk**- Since exports and imported inputs are involved, currency volatility can create earnings and margin uncertainty.
- **Working Capital Intensive Business**- The business requires high investment in inventory and receivables, which can keep cash flows under pressure.
- **Industry Cyclicity**- Demand is linked to power, transformer, and industrial capex cycles, so slowdown in these sectors may affect growth.
- **Product Concentration in Winding Wires**- A large dependence on magnet winding wires and related products may limit diversification if demand in this segment weakens.
- **Competition and Pricing Pressure**- Competition from organized as well as low-cost players can restrict pricing power, especially in standard wire categories.
- **Capacity Utilisation Risk**- Any delay in demand ramp-up can keep utilization below optimal levels, impacting operating leverage and profitability.
- **Technology and Product Obsolescence Risk**- Any shift in customer preference, conductor technology, or product specifications may require continuous upgradation and investment.

KSH's quarterly and annual performance

Fig in INR Cr (unless specified)	FY23	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	FY26E	FY27E	FY28E
Revenue from operations	1,049.5	1,382.8	432.0	472.5	515.9	508.0	1,928.3	559.0	712.2	817.8	2,931.6	3,659.6	4,633.0
<i>YoY Growth (%)</i>	<i>20.5</i>	<i>31.8</i>					<i>39.4</i>				<i>52.0</i>	<i>24.8</i>	<i>26.6</i>
Raw Material Cost	937.0	1,231.8	385.0	422.5	456.0	451.0	1,714.4	508.0	636.5	734.8	2,632.6	3,293.6	4,169.7
<i>RM Cost to Sales (%)</i>	<i>89.3</i>	<i>89.1</i>	<i>89.1</i>	<i>89.4</i>	<i>88.4</i>	<i>88.8</i>	<i>88.9</i>	<i>90.9</i>	<i>89.4</i>	<i>89.9</i>	<i>89.8</i>	<i>90.0</i>	<i>90.0</i>
Employee Cost	23.8	33.7	10.0	10.0	9.5	11.0	39.7	6.0	12.3	14.0	48.2	64.4	80.8
<i>Employee Cost to Sales (%)</i>	<i>2.3</i>	<i>2.4</i>	<i>2.3</i>	<i>2.1</i>	<i>1.8</i>	<i>2.2</i>	<i>2.1</i>	<i>1.1</i>	<i>1.7</i>	<i>1.7</i>	<i>1.6</i>	<i>1.8</i>	<i>1.7</i>
Other Expenses	37.4	45.3	16.0	13.5	10.2	11.0	51.0	5.0	17.3	19.6	63.9	74.0	84.0
<i>Other Expenses to Sales (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>3.7</i>	<i>2.9</i>	<i>2.0</i>	<i>2.2</i>	<i>2.6</i>	<i>0.9</i>	<i>2.4</i>	<i>2.4</i>	<i>2.2</i>	<i>2.0</i>	<i>1.8</i>
EBITDA	51.2	72.0	21.0	26.5	40.2	35.0	123.1	40.0	46.1	49.4	186.9	227.5	298.5
<i>EBITDA Margin (%)</i>	<i>4.9</i>	<i>5.2</i>	<i>4.9</i>	<i>5.6</i>	<i>7.8</i>	<i>6.9</i>	<i>6.4</i>	<i>7.2</i>	<i>6.5</i>	<i>6.0</i>	<i>6.4</i>	<i>6.2</i>	<i>6.4</i>
PAT	26.6	37.4	11.0	12.9	25.7	18.0	68.0	22.6	29.6	23.3	105.9	136.4	191.4
<i>PAT Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>2.5</i>	<i>2.7</i>	<i>5.0</i>	<i>3.5</i>	<i>3.5</i>	<i>4.0</i>	<i>4.2</i>	<i>2.9</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>
Net Profit	26.6	37.4	11.0	12.9	25.7	18.0	68.0	22.6	29.6	23.3	105.9	136.4	191.4
<i>Net Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>2.5</i>	<i>2.7</i>	<i>5.0</i>	<i>3.5</i>	<i>3.5</i>	<i>4.0</i>	<i>4.2</i>	<i>2.9</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>
Adjusted EPS	3.9	5.5					10.0				15.6	20.1	28.3
<i>P/E (X)</i>	<i>120.4</i>	<i>85.8</i>					<i>47.1</i>				<i>30.3</i>	<i>23.5</i>	<i>16.7</i>
Adjusted BVPS	28.6	34.1					44.1				59.7	79.8	108.1
<i>P/BV (X)</i>	<i>16.6</i>	<i>13.9</i>					<i>10.7</i>				<i>7.9</i>	<i>5.9</i>	<i>4.4</i>
Enterprise Value	3,318.6	3,394.1					3,554.1				3,534.9	3,472.8	3,383.9
<i>EV/EBITDA (X)</i>	<i>64.8</i>	<i>47.2</i>					<i>28.9</i>				<i>18.9</i>	<i>15.3</i>	<i>11.3</i>
Net Worth	193.7	230.9					298.5				404.4	540.9	732.3
<i>Return on Equity (%)</i>	<i>13.7</i>	<i>16.2</i>					<i>22.8</i>				<i>26.2</i>	<i>25.2</i>	<i>26.1</i>
Capital Employed	314.0	437.8					658.6				734.4	840.9	982.3
<i>Return on Capital Employed (%)</i>	<i>10.3</i>	<i>10.3</i>					<i>12.5</i>				<i>16.9</i>	<i>18.1</i>	<i>20.7</i>
Invested Capital	307.2	420.0					647.6				734.3	808.7	911.1
<i>Return on Invested Capital (%)</i>	<i>14.0</i>	<i>14.5</i>					<i>16.9</i>				<i>22.6</i>	<i>25.2</i>	<i>29.9</i>
Cash Flow from Operations	62.1	(17.2)					(9.8)				54.3	125.4	158.7
Cash Flow from Investing	(20.0)	(38.8)					(118.4)				(7.6)	(36.6)	(46.3)
Cash Flow from Financing	(40.6)	67.4					122.9				(56.9)	(56.8)	(73.4)
Net Cash Flow	1.5	11.4					(5.2)				(10.2)	32.0	39.0
Free Cash Flow	43.7	(55.1)					(129.9)				(61.7)	88.8	112.4
<i>FCF to Revenue (%)</i>	<i>4.2</i>	<i>(4.0)</i>					<i>(6.7)</i>				<i>(2.1)</i>	<i>2.4</i>	<i>2.4</i>
<i>FCF to EBITDA (%)</i>	<i>85.4</i>	<i>(76.6)</i>					<i>(105.5)</i>				<i>(33.0)</i>	<i>39.0</i>	<i>37.6</i>
<i>FCF to Net Profit (%)</i>	<i>164.2</i>	<i>(147.6)</i>					<i>(191.1)</i>				<i>(58.3)</i>	<i>65.1</i>	<i>58.7</i>
<i>FCF to Net Worth (%)</i>	<i>22.6</i>	<i>(23.9)</i>					<i>(43.5)</i>				<i>(15.3)</i>	<i>16.4</i>	<i>15.3</i>
Total Debt	120	207					360				330	300	250
Net Debt	114	189					349				330	268	179
<i>Net Debt to Equity (X)</i>	<i>0.6</i>	<i>0.8</i>					<i>1.2</i>				<i>0.8</i>	<i>0.5</i>	<i>0.2</i>
<i>Net Debt to EBITDA (X)</i>	<i>2.2</i>	<i>2.6</i>					<i>2.8</i>				<i>1.8</i>	<i>1.2</i>	<i>0.6</i>
<i>Interest Coverage Ratio (X)</i>	<i>2.9</i>	<i>3.4</i>					<i>3.8</i>				<i>4.0</i>	<i>7.6</i>	<i>11.6</i>

Source: ACE Equity, Company Reports & Ventura Research

KSH's consolidated financials & projections

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E	Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Income Statement							Per share data & Yields						
Revenue	1,049.5	1,382.8	1,928.3	2,931.6	3,659.6	4,633.0	Adjusted EPS (INR)	3.9	5.5	10.0	15.6	20.1	28.3
<i>YoY Growth (%)</i>	<i>20.5</i>	<i>31.8</i>	<i>39.4</i>	<i>52.0</i>	<i>24.8</i>	<i>26.6</i>	Adjusted Cash EPS (INR)	5.1	7.1	12.1	18.7	23.6	32.2
Raw Material Cost	937.0	1,231.8	1,714.4	2,632.6	3,293.6	4,169.7	Adjusted BVPS (INR)	28.6	34.1	44.1	59.7	79.8	108.1
<i>RM Cost to Sales (%)</i>	<i>89.3</i>	<i>89.1</i>	<i>88.9</i>	<i>89.8</i>	<i>90.0</i>	<i>90.0</i>	Adjusted CFO per share (INR)	9.2	(2.5)	(1.4)	8.0	18.5	23.4
Employee Cost	23.8	33.7	39.7	48.2	64.4	80.8	CFO Yield (%)	1.9	(0.5)	(0.3)	1.7	3.9	5.0
<i>Employee Cost to Sales (%)</i>	<i>2.3</i>	<i>2.4</i>	<i>2.1</i>	<i>1.6</i>	<i>1.8</i>	<i>1.7</i>	Adjusted FCF per share (INR)	6.4	(8.1)	(19.2)	(9.1)	13.1	16.6
Other Expenses	37.4	45.3	51.0	63.9	74.0	84.0	FCF Yield (%)	1.4	(1.7)	(4.1)	(1.9)	2.8	3.5
<i>Other Exp to Sales (%)</i>	<i>3.6</i>	<i>3.3</i>	<i>2.6</i>	<i>2.2</i>	<i>2.0</i>	<i>1.8</i>	Solvency Ratio (X)						
EBITDA	51.2	72.0	123.1	186.9	227.5	298.5	Total Debt to Equity	0.6	0.9	1.2	0.8	0.6	0.3
<i>Margin (%)</i>	<i>4.9</i>	<i>5.2</i>	<i>6.4</i>	<i>6.4</i>	<i>6.2</i>	<i>6.4</i>	Net Debt to Equity	0.6	0.8	1.2	0.8	0.5	0.2
<i>YoY Growth (%)</i>	<i>1.2</i>	<i>40.7</i>	<i>71.1</i>	<i>51.8</i>	<i>21.7</i>	<i>31.2</i>	Net Debt to EBITDA	2.2	2.6	2.8	1.8	1.2	0.6
Depreciation & Amortization	8.2	11.0	14.0	21.0	23.6	26.5	Return Ratios (%)						
EBIT	43.0	61.0	109.1	165.9	203.9	272.0	Return on Equity	13.7	16.2	22.8	26.2	25.2	26.1
<i>Margin (%)</i>	<i>4.1</i>	<i>4.4</i>	<i>5.7</i>	<i>5.7</i>	<i>5.6</i>	<i>5.9</i>	Return on Capital Employed	10.3	10.3	12.5	16.9	18.1	20.7
<i>YoY Growth (%)</i>	<i>(3.5)</i>	<i>42.0</i>	<i>78.8</i>	<i>52.0</i>	<i>22.9</i>	<i>33.4</i>	Return on Invested Capital	14.0	14.5	16.9	22.6	25.2	29.9
Other Income	7.1	7.7	9.9	16.0	5.2	7.2	Working Capital Ratios						
Interest	14.7	18.1	28.6	41.0	26.8	23.4	Payable Days (Nos)	7	5	6	10	12	14
Fin Charges Coverage (X)	2.9	3.4	3.8	4.0	7.6	11.6	Inventory Days (Nos)	38	35	40	35	35	35
Exceptional Item	0.0	0.0	0.0	(2.0)	0.0	0.0	Receivable Days (Nos)	38	42	42	40	40	40
PBT	35.5	50.6	90.4	138.9	182.3	255.8	Net Working Capital Days (Nos)	69	72	76	65	63	61
<i>Margin (%)</i>	<i>3.4</i>	<i>3.7</i>	<i>4.7</i>	<i>4.7</i>	<i>5.0</i>	<i>5.5</i>	Net Working Capital to Sales (%)	19.0	19.8	20.8	17.8	17.3	16.7
<i>YoY Growth (%)</i>	<i>(12.5)</i>	<i>42.7</i>	<i>78.7</i>	<i>53.6</i>	<i>31.3</i>	<i>40.3</i>	Valuation (X)						
Tax Expense	8.9	13.3	22.4	33.0	45.9	64.4	P/E	120.4	85.8	47.1	30.3	23.5	16.7
<i>Tax Rate (%)</i>	<i>25.0</i>	<i>26.2</i>	<i>24.8</i>	<i>23.8</i>	<i>25.2</i>	<i>25.2</i>	P/BV	16.6	13.9	10.7	7.9	5.9	4.4
PAT	26.6	37.4	68.0	105.9	136.4	191.4	EV/EBITDA	64.8	47.2	28.9	18.9	15.3	11.3
<i>Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>3.5</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>	EV/Sales	3.2	2.5	1.8	1.2	0.9	0.7
<i>YoY Growth (%)</i>	<i>(3.5)</i>	<i>40.3</i>	<i>82.0</i>	<i>55.8</i>	<i>28.8</i>	<i>40.3</i>	Cash Flow Statement						
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0	0.0	PBT	35.5	50.6	90.4	138.9	182.3	255.8
Net Profit	26.6	37.4	68.0	105.9	136.4	191.4	Adjustments	32.4	20.0	50.5	68.6	98.6	109.9
<i>Margin (%)</i>	<i>2.5</i>	<i>2.7</i>	<i>3.5</i>	<i>3.6</i>	<i>3.7</i>	<i>4.1</i>	Change in Working Capital	3.1	(74.6)	(128.3)	(120.2)	(109.6)	(142.6)
<i>YoY Growth (%)</i>	<i>(3.5)</i>	<i>40.3</i>	<i>82.0</i>	<i>55.8</i>	<i>28.8</i>	<i>40.3</i>	Less: Tax Paid	(8.9)	(13.3)	(22.4)	(33.0)	(45.9)	(64.4)
Share Capital	5.7	5.7	28.4	28.4	28.4	28.4	Cash Flow from Operations	62.1	(17.2)	(9.8)	54.3	125.4	158.7
Total Reserves	188.0	225.3	270.1	376.0	512.5	703.9	Net Capital Expenditure	(18.4)	(37.9)	(120.2)	(116.0)	(36.6)	(46.3)
Shareholders Fund	193.7	230.9	298.5	404.4	540.9	732.3	Change in Investments	(1.6)	(0.9)	1.8	108.4	0.0	0.0
Long Term Borrowings	7.8	34.3	115.9	20.0	0.0	0.0	Cash Flow from Investing	(20.0)	(38.8)	(118.4)	(7.6)	(36.6)	(46.3)
Deferred Tax Assets / Liabilities	7.7	7.6	6.3	6.3	20.0	23.0	Change in Borrowings	(26.0)	85.5	151.5	(15.9)	(30.0)	(50.0)
Other Long Term Liabilities	7.3	4.7	3.1	4.7	5.9	7.4	Less: Finance Cost	(14.7)	(18.1)	(28.6)	(41.0)	(26.8)	(23.4)
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	0.5	0.6	0.9	1.1	1.5	1.9	Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	217.0	278.2	424.7	436.6	568.2	764.6	Dividend Paid	0.0	0.0	0.0	0.0	0.0	0.0
Net Block	107.4	139.7	133.1	228.1	241.1	260.9	Cash flow from Financing	(40.6)	67.4	122.9	(56.9)	(56.8)	(73.4)
Capital Work in Progress	9.4	7.4	107.8	0.0	0.0	0.0	Net Cash Flow	1.5	11.4	(5.2)	(10.2)	32.0	39.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	0.0	Forex Effect	0.0	0.0	(0.0)	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	2.7	4.2	15.6	10.4	0.2	32.2
Long Term Loans & Advances	5.9	8.1	29.2	44.3	49.8	56.5	Closing Balance of Cash	4.2	15.6	10.4	0.2	32.2	71.2
Other Non Current Assets	0.0	0.0	0.0	0.0	0.0	0.0							
Net Current Assets	94.3	123.0	154.7	164.2	277.3	447.3							
Total Assets	217.0	278.2	424.7	436.6	568.2	764.6							

Source: Company Reports & Ventura Research

Appendix –Continuously Transposed Conductor (CTC)

- **What is CTC?**

CTC is the most used conductor for windings in power transformers. It consists of a group of enamelled rectangular wires which are transposed to create a rectangular strand, where each elementary conductor consecutively and repeatedly assumes every possible position inside the cable. Simply put, it is a precision-engineered multi-strand copper conductor where continuous transposition ensures equal current distribution, minimizing electromagnetic losses across the full cross-section.

- **Why CTC over Conventional Wire?**

CTC offers decisive advantages over conventional paper-insulated rectangular wires: greater electric efficiency from minimized load losses, improved cooling from efficient heat dissipation, reduced winding time for increased transformer manufacturing productivity, and improved mechanical strength of winding due to composite construction. The transposition of strands significantly reduces eddy current losses that occur when conductors are exposed to changing magnetic fields.

- **KSH's CTC Product Range**

KSH can produce strands from 5 to 47 in number, 3 to 12.5mm in width and 1.1 to 3.2mm in thickness, with up to 24 layers of paper insulation. Insulation variants span from standard PVA Enamel (120°C) to Dual Coated Polyetherimide + Polyamide-imide (200°C) — covering the full thermal class spectrum required for standard distribution transformers up to HVDC-grade applications.

- **Applications**

KSH's CTCs are used in some of the largest transformers in the world for power generation, transmission, or distribution, in hydro and turbo generators in power plants, and in transformers installed in electric locomotives, metro trains, and trackside applications. KSH specializes in CTCs for HVDC and 765kV transformers and reactors, and supplies for medium power transformers, loco and trackside transformers, and special transformers like furnace and rectifier types.

- **KSH's Pioneer & Leadership Position**

KSH pioneered the indigenization of CTC in India in 2006 and holds India's largest CTC manufacturing capacity. KSH is PGCIL, RDSO, NTPC, NPCIL, and major OEM-approved, with products recognized by Hitachi, Toshiba, GE, and Siemens. KSH exports CTC to over 20 countries globally. KSH has supplied over 500 sets for 765kV transformers and reactors and over 40 sets for HVDC transformers installed in India's power grid.

- **CTC's Role in KSH's Financials**

CTC is a primary constituent of KSH's specialized wire category — its highest-margin segment. Utilization on original capacity was running above 90% in Q2 FY26, driven by demand for CTC especially for 765kV transformers as well as exports. EBITDA per ton jumped 42.1% YoY to ₹6,552. Specialized wires — of which CTC is a key driver — accounted for ₹590 crore (+61% YoY) in Q3 FY26, constituting ~71% of total revenue.



Rating Methodology

We rate stocks on the 2 years absolute return basis.

Rating	Criteria	Definition
BUY	$\geq 20\%$	Target price is equal to or more than 20% of CMP
HOLD	$\geq 0\%$ to $< 20\%$	Target price is more than CMP but less than 20% of CMP
SELL	$\leq 0\%$ (negative return)	Target price is less than CMP
NOT RATED	No recommendation	No target

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