



LONG TERM SUBSCRIBE

IPO Report

16th Dec'25

Snapshot

Company is the third largest manufacturer of magnet winding wires in India in terms of production capacity in Fiscal 2025. Company is also the largest exporter of magnet winding wires from India in terms of export revenues in Fiscal 2025. Company commenced its operations in 1981 by manufacturing magnet winding wires in Taloja, Raigad, in Maharashtra. Over the last four decades company have diversified its operations to include manufacturing various types of standard and specialized magnet winding wires which are tailored to customer specific requirements. Company's key products include round enamelled copper/ aluminium magnet winding wires, paper insulated rectangular copper/ aluminium magnet winding wires, continuously transposed conductors, rectangular enamelled copper/ aluminum magnet winding wires and bunched paper insulated copper magnet winding wires.

VALUATION

Company is bringing the issue at price band of Rs 365-384 per share at p/e multiple of 38x on post issue FY25 PAT basis. Company is one of the leading manufacturers of magnet winding wires in India with a comprehensive suite of products used across multiple end use industries. Company have large, strategically located, manufacturing facilities with focus on advanced technologies and new product and process development & have long standing relationships with diversified customer base both domestically as well as globally. Also, company have a proven track record necessary certifications and accreditations in an industry which has high barriers to entry & have a track record of financial performance and consistent growth. Hence, we recommend "Long term Subscribe" to the issue.

Price Band (Rs./Share)	365-384
Opening date of the issue	16 th Dec '2025
Closing Date of the issue	18 th Dec '2025
No of shares pre issue	5,68,18,200 Eq Shares
Issue Size	Rs 710.00 Cr
Fresh issue	Rs 420.00 Cr
Offer For Sale	Rs 290.00 Cr
Face Value (Rs/ share)	Rs 5/share
Bid Lot	39
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 92,44,790 eq Shares)
Non-Institutional	15% of the offer (Approx 27,73,438 eq Shares)
Retail	35% of the offer (Approx 64,71,354 eq Shares)
Lead managers	Nuvama Wealth, ICICI Securities
Registrar to the issue	MUFG Intime India Pvt. Ltd

WHAT WE LIKE

One of the leading manufacturers of magnet winding wires in India with a comprehensive suite of products used across multiple end use industries

Company is the third largest manufacturer of magnet winding wires in India in terms of production capacity in Fiscal 2025 (*Source: CARE Report*). As of June 30, 2025, company operate three manufacturing facilities with a combined annual installed capacity of 29,045 MT. Two of these facilities are located in Chakan, Pune in Maharashtra and one is located in Taloja, Raigad in Maharashtra. Additionally, Phase I of a fourth facility in Supa, Ahilyanagar (formerly Ahmednagar) in Maharashtra has commenced operations in September 2025.

Long standing relationships with company's diversified customer base both domestically as well as globally

Company's magnet winding wires are globally recognised by industry leaders such as Toshiba Transmission & Distribution Systems (India) Private Limited and Meidensha Corporation, among others, underscoring its commitment to delivering high quality and performance. This reflects the trust and confidence placed in company's products globally. By meeting the standards of these global companies, company have established itself as a reliable supplier for critical applications in power generation, transmission, and distribution, further solidifying company's position as the largest exporter of magnet winding wires from India in terms of revenue

Track record of sustainable growth, profitability and return

Company's revenue from operations has grown at a CAGR of 35.55% from Fiscal 2023 to Fiscal 2025. Company's EBITDA has grown at a CAGR of 56.70% from Fiscal 2023 to Fiscal 2025. Company's profit after tax has grown at a CAGR of 59.83% from Fiscal 2023 to Fiscal 2025.



COMPANY BACKGROUND

Company's products are critical components of capital goods such as transformers, motors, alternators and generators. These products (transformers, motors, alternators and generators) find application in end-use industries such as power (generation, transmission and distribution), renewables, industrials, railways, automotives (EV and ICE), home appliances, refrigeration and air conditioning. Company market and sell its products through its brand 'KSH', which has developed a strong brand recall and reputation in the industry over the years. Company had 122, 117 and 117 customers during the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, respectively. Further, during the three-month period ended June 30, 2025, company invoiced 93 customers.

Company's key customers are primarily OEMs, and include, Bharat Bijlee Limited, Virginia Transformer Corporation, Bharat Heavy Electricals Limited, Georgia Transformer Corporation, Hitachi Energy India Limited, Siemens Energy India Limited, GE Vernova T&D India Limited, Hind Rectifiers Limited, Transformers and Rectifiers India Limited, Indo-Tech Transformers Limited, TBEA, Atlanta Electricals Limited, Toshiba Transmission & Distribution Systems (India) Private Limited, Meidensha Corporation, SGB-SMIT GmbH and Retrasib S.R.L., CG Power and Industrial Solutions Limited, Nidec Industrial Automation India Private Limited, Al Ahlia Switchgear Co. , Emirates Transformer & Switchgear Limited.

Company is an approved supplier of insulated rectangular wires and CTC for certain entities, used in High Voltage Direct Current ("HVDC"), 765 kV extra high voltage ("EHV") transformers and reactors. The magnet winding wire industry presents significant barriers to entry, primarily due to stringent pre-qualification requirements imposed by corporate, state, central government, and international organizations during their procurement processes .

In this regard, the following organizations have approved company's products for their usage in the transformers and reactors developed by them:

- Power Grid Corporation of India ("PGCIL") for supply of PICC and CTC Conductor for HVDC Converter Transformers and for transformers and reactors up to 765kV class;
- National Thermal Power Corporation of India ("NTPC") for supply continuous transposed conductor;
- Nuclear Power Corporation of India ("NPCIL") for supply of CTC up to 220kv class of power transformers; and
- Research Design Standards Organization ("RDSO") for supply of CTC conductors for 3 phase drive locomotive transformers. Company have a significant global footprint and are exporting its products to 24 countries as of June 30, 2025, including, amongst others, USA, UAE, Kuwait, Romania, Saudi Arabia, Germany, Oman, Spain, Bangladesh and Japan.

As of June 30, 2025, company operate three manufacturing facilities with a combined annual installed capacity of 29,045 MT. Two of these facilities are located in Chakan, Pune in Maharashtra and one in Taloja, Raigad in Maharashtra. Additionally, operations in its fourth facility in Supa, Ahilyanagar (formerly Ahmednagar) in Maharashtra, have commenced from September 2025.

OBJECTS OF OFFER

The Offer is aggregating to ₹7,100.00 million comprising a Fresh Issue of Equity Shares, aggregating up to ₹4,200.00 million by Company and an Offer for Sale of Equity Shares of face value of ₹5 each aggregating up to ₹2,900.00 million by the Promoter Selling Shareholders.

The Net Proceeds of the Fresh Issue are proposed to be utilised by company in the following manner:

1. Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by Company;
2. Funding the capital expenditure requirements of Company towards:
 - (i) purchasing and setting up of new machinery for expansion at its Supa Facility ("Phase II Expansion at its Supa Facility");
 - (ii) purchasing and setting up of new machinery at Unit 2 in Chakan, Pune in Maharashtra;
3. Funding the capital expenditure requirements of Company towards purchasing and setting up of a rooftop solar power plant for power generation at its Supa Facility; and
4. General corporate purposes.

RISKS

Company depend on certain customers for a significant portion of our revenue from operations. Company's top 10 customers contributed to 53.97%, 52.54%, 57.10% and 58.99% of its revenue from operations for the three-month period ended June 30, 2025, and Fiscals 2025, 2024 and 2023, respectively. Any decrease in demand from such customers, the loss of such customers or company's inability to diversify company's customer base could have an adverse effect on its business, results of operations, financial condition and cash flows.



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	10494.60	13828.15	19282.93	5587.12
Total Expenditure (B)	9995.60	13113.53	18057.59	5184.29
EBIDTA	499.00	714.62	1225.34	402.83
EBIDTA Margin	4.75	5.17	6.35	7.21
Other Income	71.35	76.80	98.97	38.92
Depreciation	81.91	109.54	140.02	33.30
EBIT	488.44	681.88	1184.29	408.45
Interest	133.74	175.70	279.99	73.13
PBT	354.70	506.18	904.30	335.32
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	354.70	506.18	904.30	335.32
Exceptional	0.00	0.00	0.00	0.00
PBT	354.70	506.18	904.30	335.32
Tax	88.57	132.69	224.42	108.51
PAT	266.13	373.49	679.88	226.81
NPM	2.54	2.70	3.53	4.06
ROE%	13.74	16.17	22.77	7.06
EPS	4.68	6.57	11.97	3.99
Eq Cap	56.82	56.82	284.09	284.09
Net Worth	1,936.55	2,309.46	2,985.46	3,214.74

(Source: RHP)



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