

11 March 2026

India | Equity Research | Initiating Coverage

KSH International

Capital Goods

The transformer factory

Demand for transformers is surging in domestic and global markets, especially that for power transformers. As a result, transformer manufacturers are expanding their manufacturing footprint. India's leading transformers have been increasing their capacity by threefold over FY26-28E ([details inside](#)). Thus, demand for specialised conductors, which form the core of transformers, is accelerating. However, supply is limited due to manufacturing complexity and an elongated approval process. KSH International (KSH) is a leading supplier of transformer conductors to Indian and global majors. It is doubling capacity to 59kt to meet the increase in demand. We estimate volume/EBITDA/earnings CAGR of 24%/ 36%/ 43% over FY25-28E. At CMP, the stock is trading at ~12x FY28E earnings, at a 40% discount to peers. Initiate coverage with **BUY**.

Surging demand

Demand for high-voltage transformers is rising. We believe demand for inter-state and HVDC transformers could grow, going forward. Almost all the manufacturers are expanding their capacity. We estimate a threefold rise in transformer capacity, leading to a surge in demand for these premium conductors.

A host of entry barriers

The market is characterised by higher manufacturing complexity and higher entry barriers. Therefore, only a few competitors exist in this market. KSH remains one of the leading players in high voltages and the only Indian supplier to be approved for HVDC transformers. It has received orders for HVDC.

An incumbent driving the home advantage

KSH had 19kt capacity in FY25 for meeting demand for transformers. Further, it has recently commissioned ~7kt capacity (~11kt under construction). It is also expanding capacity in round wires to ~22kt.

The debut of a global peer: Asta – a case study

Asta Energy Solutions AG (ASTAG), a global manufacturer of specialised conductor for transformers, has raised EUR 125mn through IPO, primarily to fund expansion across its facilities across Europe, South America and Asia. ASTAG's EBITDA saw a 43% CAGR between CY22-25 and its order book swelled 6x in 3.5 years. The stock was up 46% on its listing and is trading at 29x CY25 earnings.

Initiate coverage with BUY; TP at INR 600

We initiate coverage with **BUY** at a TP of INR 600 (20x FY28E earnings).

Financial Summary

Y/E Mar-31 (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	19,280	30,479	38,396	45,428
EBITDA	1,212	1,884	2,433	3,022
EBITDA Margin (%)	6.3	6.2	6.3	6.7
Net Profit	686	1,048	1,534	2,027
EPS (INR)	10.1	15.5	22.6	29.9
EPS % Chg YoY	83.7	52.8	46.3	32.1
P/E (x)	39.1	25.6	17.5	13.2
EV/EBITDA (x)	25.0	15.1	11.7	9.0
RoCE (%)	23.0	18.1	17.0	18.9
RoE (%)	26.3	19.0	17.2	18.9

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Market Data

Market Cap (INR)	27bn
Market Cap (USD)	292mn
Bloomberg Code	KSHINTL IN
Reuters Code	KSHN.BO
52-week Range (INR)	404 /330
Free Float (%)	16.0
ADTV-3M (mn) (USD)	0.0

Price Performance (%)	3m	6m	12m
Absolute	0.0	0.0	0.0
Relative to Sensex	0.0	0.0	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

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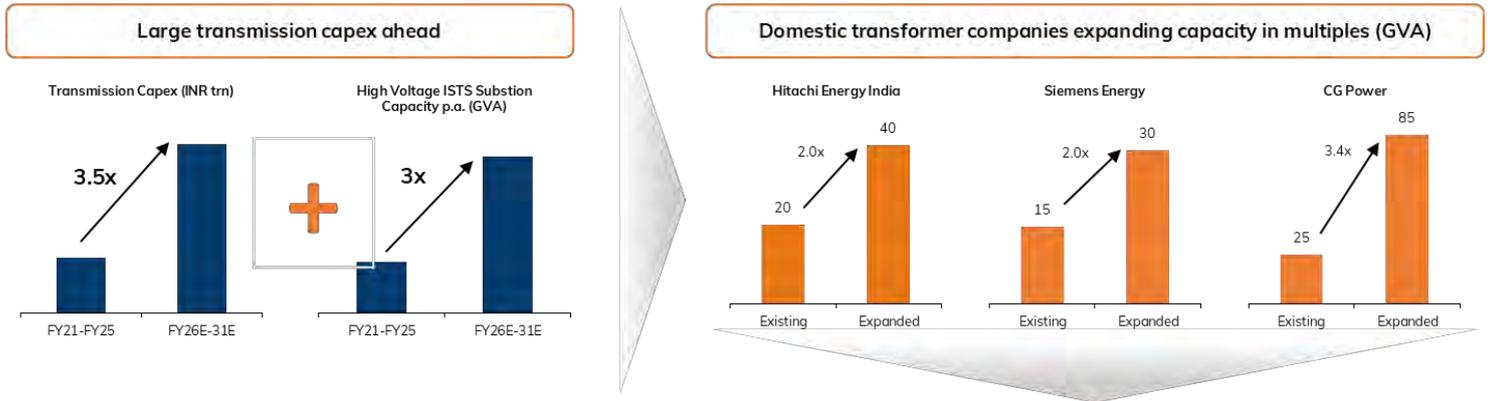
Investment Argument

- Demand for transformers is rising, led by the upgradation of grids to evacuate renewables and to replace the ageing grid, especially in developed markets.
- Rising demand for transformers is resulting in accelerated demand for winding wires and cold-rolled green-oriented steel, an essential component for transformers.
- Transformer addition mainly happens on high voltages, leading to need for copper-transposed conductors and paper-insulated copper conductors.
- As a result, almost all transformer companies are adding capacity to cater to the rising demand. We estimate India's transformer capacity to rise from ~110 GVA to ~300 GVA by FY28E.
- Competition in high-voltage magnetic winding wire (referred to as winding wires for the rest of the report) remains benign. KSH has the largest market share in specialised winding wire, followed by Precision, Apar and ASTAG.
- KSH is doubling capacity to meet domestic and export demand. Also, it is the largest exporter of transformer winding wire in the country. It exports to the US, Saudi and Europe; it exports its products to Hitachi, GE Vernova, etc.
- Approvals for high voltage is generally a long-drawn process. KSH is qualified to supply winding wires for higher-voltage and HVDC transformers.
- India has finalised three HVDC transmission projects and is looking to bid for three more. We estimate orders worth 40-45GVA or ~9kt of winding wire by FY28. It is the only Indian supplier to have received the orders for HVDC transformers.
- It has already expanded capacity of specialised wires (CTC and PICC mainly; includes PEEK) from ~19kt to ~26kt ton and is looking to expand to ~37kt.
- Rising demand for transformers has already improved the profitability of KSH and that could sustain given the structural tailwinds reflected in EBITDA per ton (1.5x vs. peers).
- It also sells round wires to industrials, appliances and automotive industries (contributes 25% of revenue).
- It is looking to expand its round wire portfolio and may move towards premium segment by entering into the 800v electric motors vertical for electric vehicles.
- It generally purchases copper, its primary raw material, only on a "back-to-back" basis such that the cost of the copper to be used for such project or product is fully covered reducing the inventory risk.
- It has raised INR 6.6bn, of which INR 2.4bn was raised via an OFS and INR 4.2bn was through a primary issue. It has repaid INR 2.3bn of debt; net debt stands at INR 4.7bn (Q2FY26). Capex to be undertaken stands at INR 1.3bn.
- KSH had reported 18% growth in volume in 9MFY26; EBITDA/ PAT grew 55% each in 9MFY26. With new capacity commissioned and new expansion set to kick in from FY28, we see volume CAGR of 20% for the next two years.
- The stock is trading at ~12x FY28E EPS, while the peers are trading at 25-30x. We initiate coverage on KSH with a **BUY** rating led by structural tailwinds and comfortable valuation.

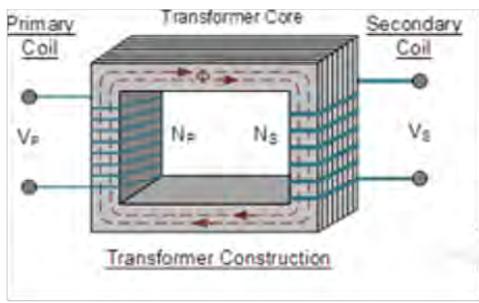
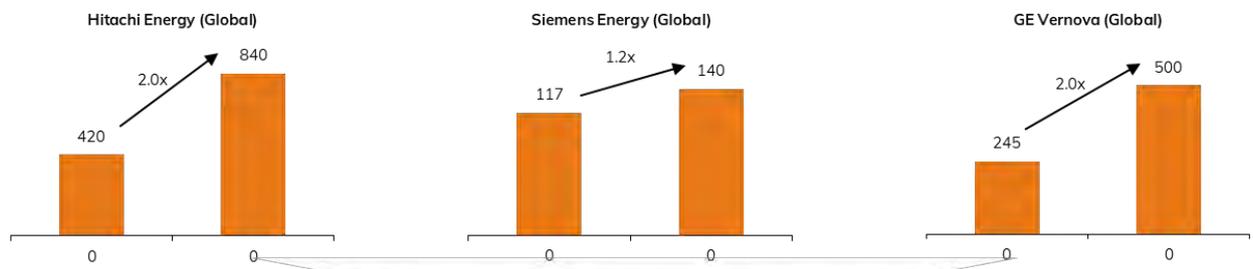
- **Key risks:** exports to Middle East and US, price fluctuation of raw materials, high working capital days, tariff related risks.
- Listing of a global peer – Asta Energy Solutions AG (ASTAG)
 - ASTAG, a global specialised conductor manufacturer for transformers, made its debut on Frankfurt Stock Exchange in Jan'26.
 - It has raised EUR 125mn – primarily to fund expansion.
 - It has reported a 43% CAGR in adjusted EBITDA between CY22–25 while its order book (OB) is up by 6x in 3.5 years, at 54kt.
 - Asta's order book is up by 6x in 3.5 years to 54kt.
 - Stock was up 46% on the day of listing and is trading at 29x CY25 earnings.
- A comparison of ASTAG with KSH
 - ASTAG's personnel expenses are, on average, ~8% of net sales; for KSH, on average, it is ~1.5% of net sales.
 - ASTAG's other expenses, on average, are 6% of net sales; for KSH, it is, on average, 2%.
 - ASTAG has made a gross profit/t of INR 209k in CY24 (based on our assumptions) vs. KSH's gross profit/t of INR 119k in FY25.
 - ASTAG's adjusted EBITDA per ton is similar to KSH (based on our assumptions).

Exhibit 1: Story in charts

KSH – The Transformer Factory



What is true for India is true globally (GVA)



The core and winding of a transformer are the most important parts

High voltage transformer uses CTC and PICC conductors. CTC market is characterized by higher manufacturing complexity and higher barriers to entry.

With an A-list clientele, KSH is expanding its CTC/PICC capacity by over 1.5x



- Earnings is set to grow by 43% CAGR from FY25-FY28E
- Stock is trading at 12x FY28E earnings
- Initiate with a BUY

Source: I-Sec research, Company data

Indian transformer companies are expanding capacities Increasing demand + RE contribution in generation...

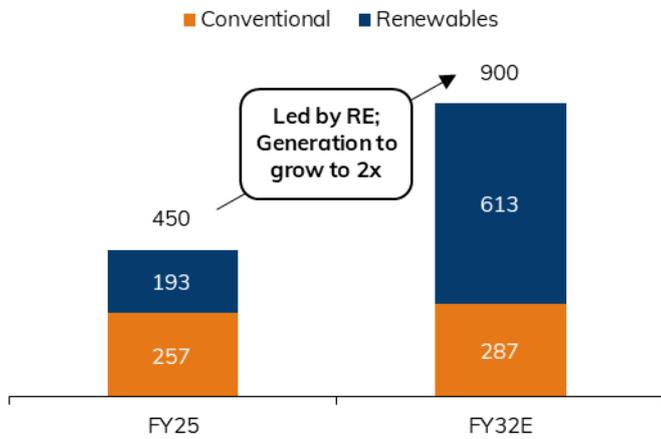
India's peak electricity demand is 240-250GW. As per NEP, it is estimated to grow to 277GW/366GW in FY27/FY32, respectively. As of now, renewables form 23% of total electricity consumption. As per NEP, the share is estimated to increase to 43% by FY32. Wind and solar capacities could meet the incremental renewables mix.

As per NEP, India needs to add 450GW over FY25-30. Renewable generation capacity in total installed capacity mix is expected to change from 34% to about 51% by FY30.

...leading to a sharp rise in transmission capex...

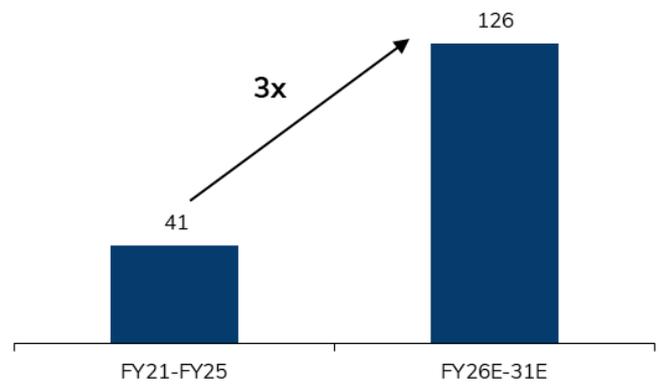
As a result, the government is stepping up the transmission capex to evacuate renewables from renewable resource rich locations to load centers. NEP estimates a transmission capex of INR 9.1trn over FY22-32.

Exhibit 2: Generation capacity to double (GW) by FY32E **Exhibit 3: Transmission capex to treble**



Source: I-Sec research, Company data, CEA

High Voltage ISTS Substion Capacity p.a. (GVA)

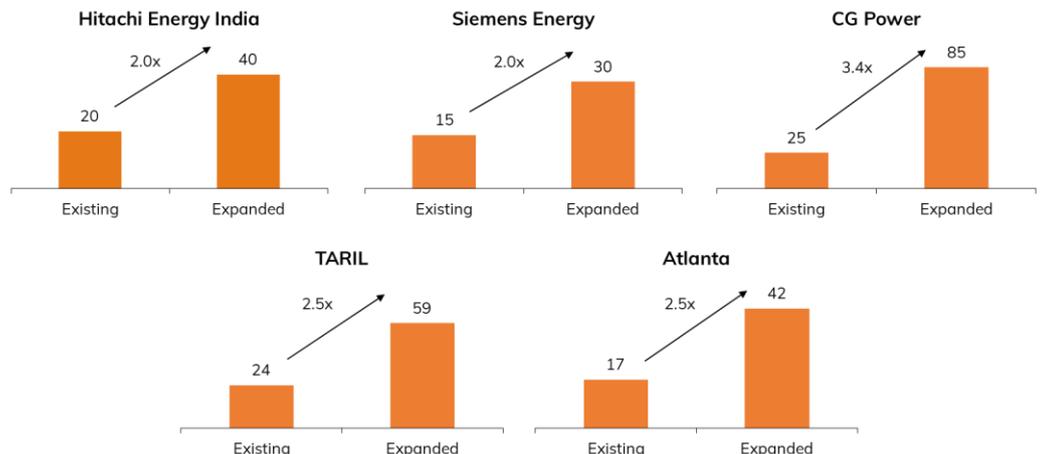


Source: I-Sec research, Company data, CEA, NEP

...corroborated by transformer manufacturing capacities in India rising threefold

Companies such as Hitachi, Siemens and CG Power have a swelling transformer orderbook. Most of their capacities have been booked up all the way through FY27. In light of India's transmission capex outlook, transformer companies are growing their capacities as well. Apart from the companies mentioned below adding ~150GVA of capacity, another 40-50GVA of capacity is being added in the country.

Exhibit 4: Indian transformer manufacturers tripling capacity (GVA)



Source: I-Sec research, Company data

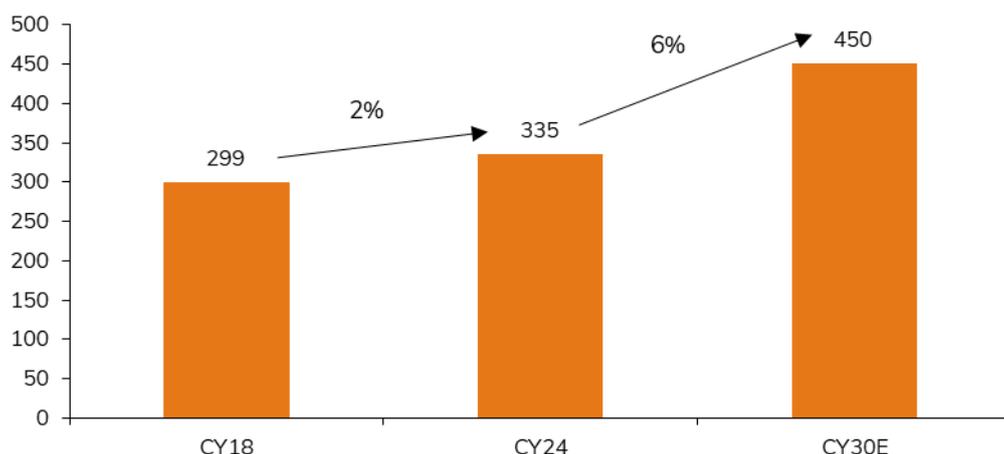
What is true for the India is true for the world

The grids around the world are upgrading, just like India, to assimilate renewables, increasing electrification and aging grids.

Saudi Arabia is looking to reduce the share of oil in power generation

Electricity demand in Saudi Arabia is projected to grow at 6% in the medium term, driven by population growth and the development of major upcoming projects.

Exhibit 5: Saudi Arabia's power consumption (BU)



Source: I-Sec research, Kapsarc, SEC

Currently, 98% of the Kingdom's electricity demand is from oil and natural gas plants. Saudi Arabia, in its Mission 2030, has outlined renewable capacity of 130GW (vs. ~10GW currently). In accordance, the Saudi Electricity Company (97% share in transmission) has announced transmission capex of ~[USD 50bn](#) till CY29.

US' transformer manufacturers expanding capacity

EIA expects strongest four-year growth in U.S. electricity demand of ~3% (vs ~1% CAGR). Grid capex in the US has been low for years. In order to keep up with demand growth, the grid must be upgraded.

At current levels, the transformer manufacturing capacity of the US is low in comparison to the demand outlook. Thus, global transformer manufacturers are also responding to the shortage by adding manufacturing capacities.

Some of the recent announcements were:

[Feb'24](#): 'Siemens Energy is investing approximately €220 million to expand its transformer factory in Nuremberg, Germany'

[Jan'25](#): 'GE Vernova to invest almost \$600 million in U.S. factories and facilities over next two years'

[Feb'25](#): 'Eaton invests \$340M in US transformer production'

[Feb'25](#): 'Governor Stein Announces \$102 Million Expansion for Domestic Transformer Manufacturer in Raeford: Pennsylvania Transformer Technology to add 200 jobs in Hoke County'

[Mar'25](#): 'Hitachi Energy invests additional \$250 million USD to address global transformer shortage'

[May'25](#): 'Prolec GE, a joint venture between Xignux and GE Vernova, in conjunction with North Carolina Governor Josh Stein today announced an additional

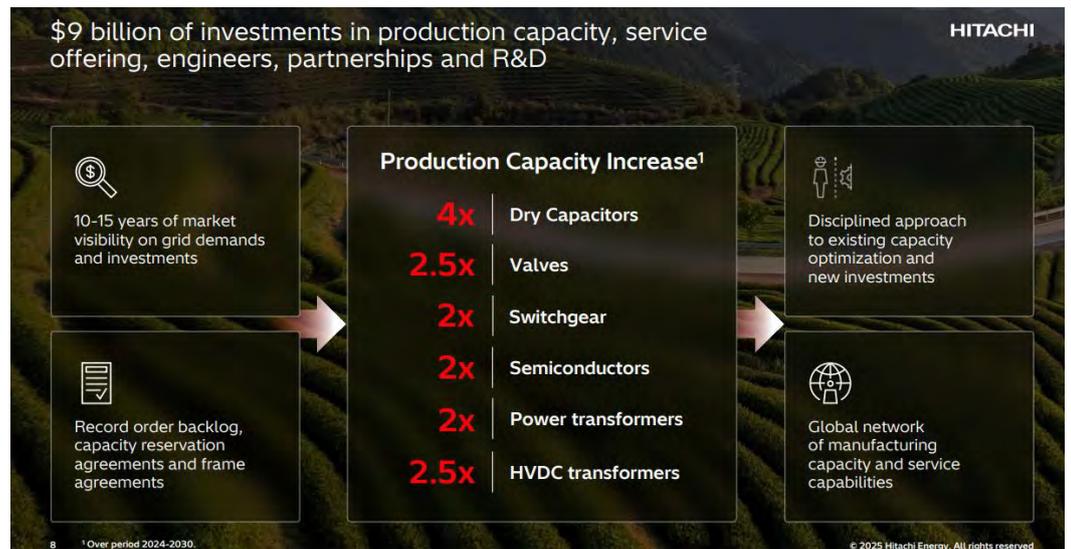
manufacturing investment of \$140 million to meet unprecedented North American demand for medium power transformers'

Nov'25: 'Virginia Transformer Corp. will invest \$40 million to expand its existing manufacturing facility near Rincon, Ga'

Sep'25: 'Hitachi Energy, the world's leading electrification company, today announced an additional \$270 million CAD (\$195 million USD) investment to expand its large power transformer manufacturing facility near Montreal, Canada'

Feb'26: 'GE Vernova expands manufacturing capacity in Italy to support growing global electrification demand'

Exhibit 6: Hitachi boasts an investment of USD 9bn



Source: I-Sec research, Company data

Exhibit 7: Siemens Energy believes supply for transformer will remain below demand in FY30 despite significant investments from manufacturers

Dynamic products market requiring further investments to strengthen our #1 position



Market remains tight...

example: power transformers¹



...despite our investments and operational improvements:

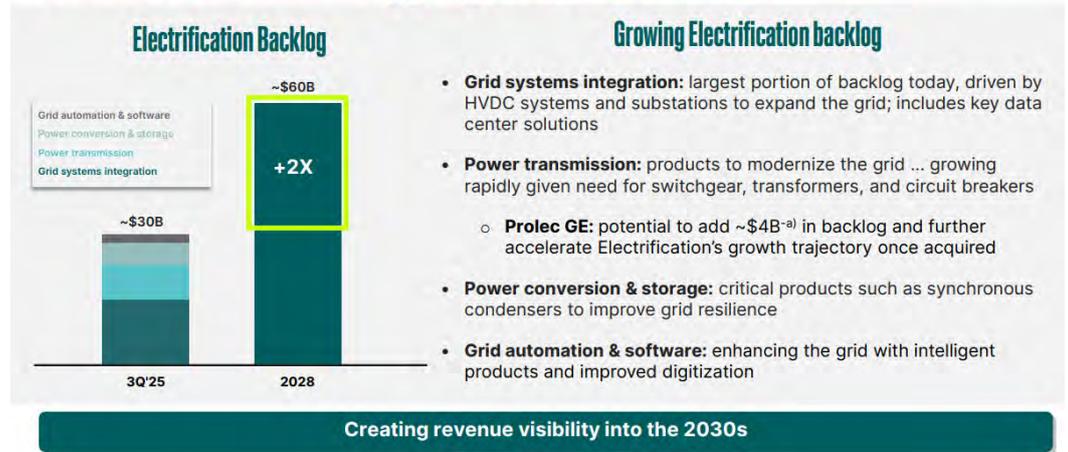
- FY23 – 25:**
 - Achieved milestones
 - ~€600 m investments² (~20% additional capacity)
 - Enhanced supply chain resilience (~50% reduction of single sourcing)
- FY26 and beyond:**
 - Flexible ramp-up plan (~2x capacity)
 - Transform the way we operate (e.g., via automation and AI in production)
 - Further investments of ~€2 bn into factory network² by FY28

1 Market/capacity analysis for power transformers (large and medium) in Europe and North America of all market players based on Siemens Energy internal market assessment; values relate to Giga-Volt-Amperes (GVA) – a measure for the transformer size/the load a transformer can handle | 2 CAPEX for transformers and switchgears including real estate

Source: I-Sec research, Company data

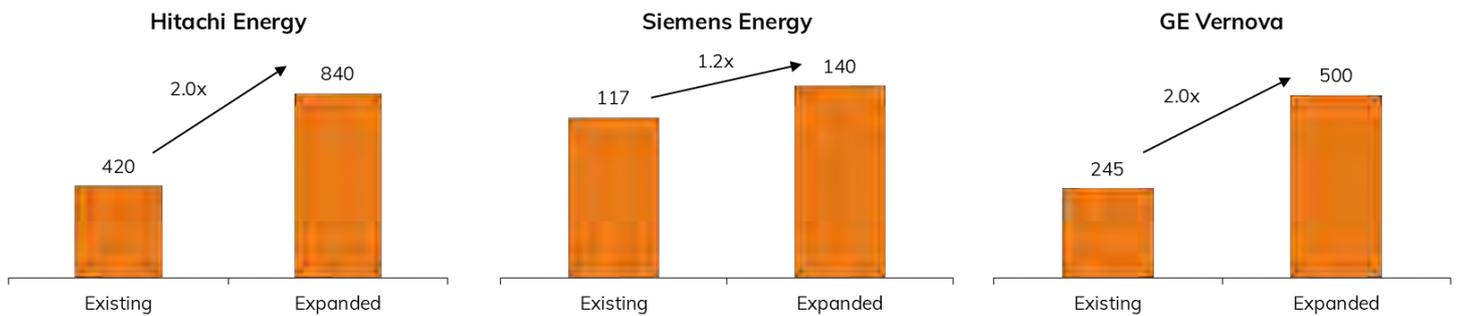
Exhibit 8: GE Vernova expects orderbook to double, led by transmission capex

Electrification backlog projected to double



Source: I-Sec research, Company data

Exhibit 9: Global transformer manufacturers doubling capacity (GVA)



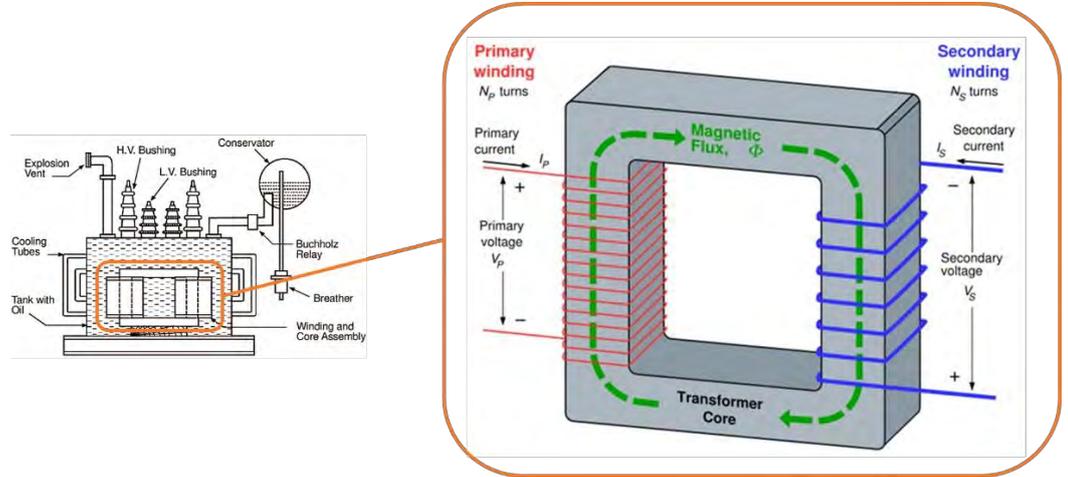
Source: Company data, I-Sec research

The US has imposed a tariff of 50% on all copper and aluminium imports (equal effect on all countries). However, it is unlikely to discourage imports of winding wires as the domestic capacity lags demand. Additionally, it has stipulated tariffs on fabrication as well.

As a result, the demand for specialised conductors is rising

The steel core and its winding are the most critical components of a transformer and are essential to voltage changing mechanism of a transformer. They make up 35-40% of a transformer's weight.

Exhibit 10: Key components of a transformer



Source: I-Sec research, Company data

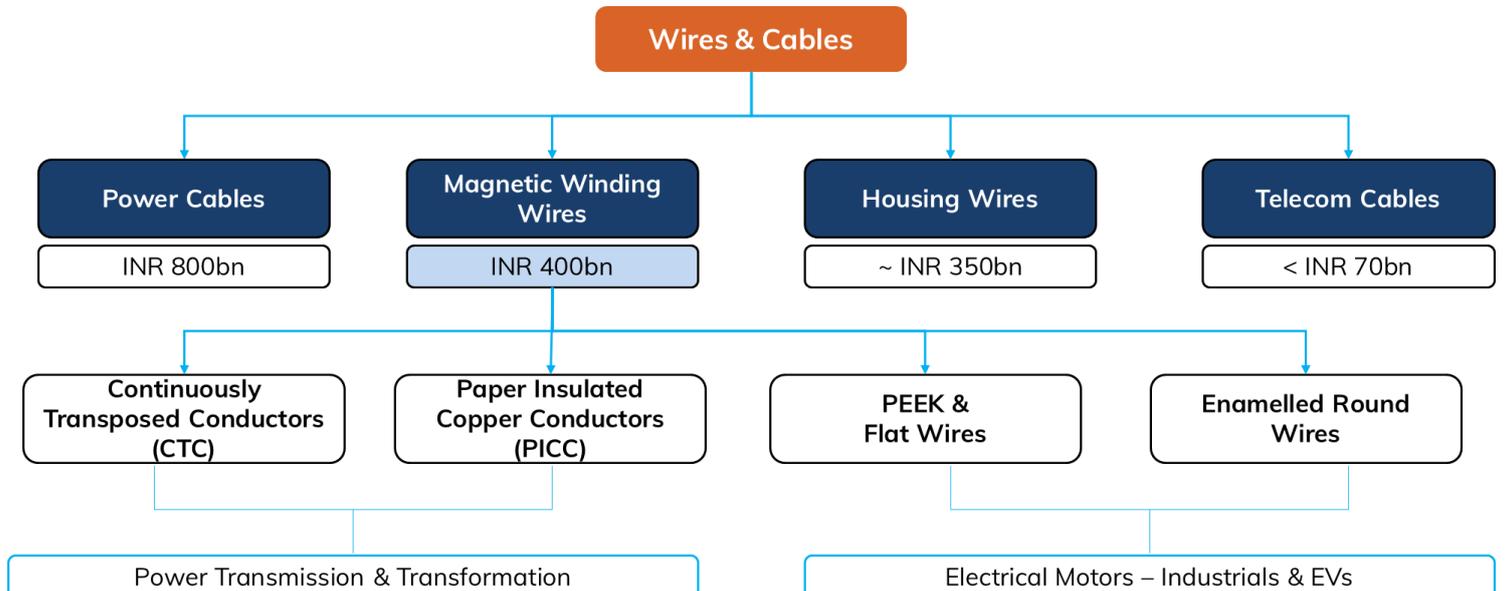
Transformers require specialised winding wires like CTC and PICC to prevent power loss and reduce the bulkiness of the transformer ([primer on winding wires in annexure](#)).

PICC are paper-covered flat wires used to change voltages within a transformer. Flat wires are better poised to be wound. CTC wires on the other hand are pre-wound, thus cutting down time and bulk.

We estimate the value of a transformer could be INR 10-12mn/MVA and winding wires could be INR 0.10mn-0.2mn/MVA.

India is largely self-sufficient in terms of demand and supply of winding wires. However, wires larger than 800kva for HVDC transformers are being imported from Europe.

Exhibit 11: Winding wires is the second largest category of wires

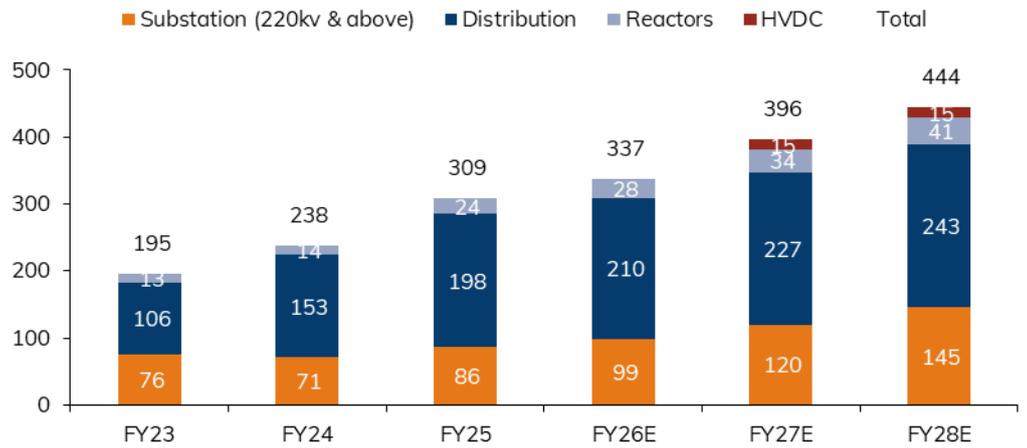


Source: I-Sec research, Company data

Domestic TAM of INR 55bn/INR 65bn in FY27/28E

Given the industry tailwinds, we believe the TAM for substation transformers in India could be ~120/~145 GVA in FY27/28E. We also anticipate demand of ~15GVA each in FY26/27E. Including step-down transformers, reactors, etc., we believe the TAM for specialised winding wires could be INR 55bn/INR 65bn in FY27/28E ([assumptions and workings in annexure](#)), respectively.

Exhibit 12: Estimated transformer demand (GVA)



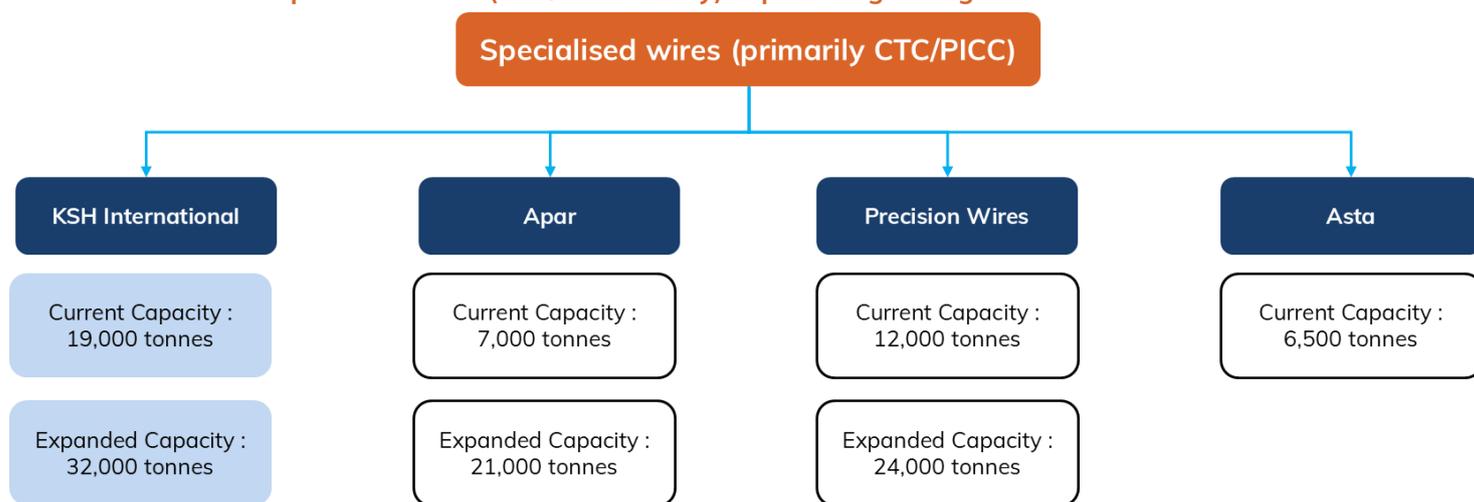
Source: I-Sec research, Company data

Competition among the few

The landscape for specialised winding wires is favourable. India has manufacturing capacity of specialised winding wires or CTC/PICC of ~45kt. We believe the Indian market currently consumes 22-25kt of specialised winding wires; it exports 18-20kt of specialised winding wires.

Currently, only four major players manufacture specialised winding wires in India. While other players exist, they are much smaller. These four players are expanding their capacity to 77kt by FY28 (as announced by companies). We believe the demand-supply dynamics could remain competitive given the domestic and export scenario.

Exhibit 13: Domestic specialised wire (CTC/PICC mainly) capacities growing from 45kt to 77kt



Source: I-Sec research, Company data, *Asta India parent has announced worldwide expansion, details unclear

Exhibit 14: Comparison of domestic specialised wire manufacturers

Parameters	KSH	Precision	Apar	Asta India
Revenue Share	75%:25%	25%:70%:5%*	51%:49%	100%
Specialized Winding Wires vs Others	CTC & PICC: Round wire	CTC & PICC: Round wire: Others	Conductor (OH & CTC): Speciality oil & Cable	CTC & PICC
KEMA High Voltage Labs Netherlands / Short Circuit tests Approval	Yes	NA	Yes	Yes
PGCIL (HVDC) Approval	Up to 400KV	No	No	No
PGCIL (765 KV) Approval	Yes	No	Yes	Yes
NTPC (CTC) Approval	Yes	Yes	Yes	Yes
NPCIL (up to 220 KV)	Yes	No	Yes	Yes
RDSO Approval	Yes	Yes	Yes	Yes

Source: I-Sec research, Company data

Global competitors include companies such as Sam Dong (South Korea), Essex (US) and Astra Energy Solutions (parent of Asta India).

Cost competitiveness of India and China

Some of the global players are not as competitive as India and China when it comes to fabrication charges. For example, our estimates suggest that KSH charges an average of INR 150k-200k per tonne for fabrication of CTC wires. We estimate the same for Asta Energy Services and Asta India is INR 500-600k and INR 300-350k per tonne respectively.

Exhibit 15: Comparison of global specialised wire manufacturers

Parameters	Sam Dong	Essex	Asta Energy Solution
Headquarters	South Korea	United States	Austria
Capacity	NA	418.5kt of wires; expanding CTC capacity to 10k by 2030	~70kt of wires
Factory Locations	South Korea, Poland and US	US, Canada, Mexico, Italy, Germany, Serbia, China, Malaysia and Japan	Austria, Bosnia & Herzegovina, Brazil, China and India
CTC	South Korea and Poland	Italy and Canada	All locations
Listed on Stock Exchanges	No	Parent (LS Group, Korea) listed on KRX; Listing of Essex on scrapped	Recently listed on FSE and Vienna MTF
Products	OFHC copper, enamelled/paper-insulated rectangular wire, specialty copper alloys, and superconducting wires	Magnet wire and winding wire products for automotive (specialising in EVs), and industrial applications	High-performance copper products (including winding wires) for generators, transformers, and e-mobility applications

Source: I-Sec research, Company data

Industry driven by precision technology

The industry is driven by ultra-precision in manufacturing wherein 1) copper wires must be processed accurately down to one hundredth of a millimetre, 2) enamel layers are expected to be as thin as 0.005mm, 3) wires may be coated in 30-40 layers, 4) wires may have up to 80 strands woven in. These highly complex and highly customised wires must also be flexible and light while maintaining a short-circuit proof quality.

A bevy of approvals safeguard the industry

The winding wire industry is protected by stringent vendor approval norms. In transmission and locomotive industry, vendor approvals are not only required from transformer manufacturers but also from utilities. Subsequently, getting approval from the off-takers is a lengthy process that hinges on proof of work and reliability of the supplier. A supplier must work his/her way up from supplying smaller value and less critical components to eventually moving up to larger complex products.

Exhibit 16: A snapshot of Power Grid's vendor list for CTC/PICC

765 के. वी तक के पावर ट्रांसफॉर्मर और रिक्टर के निर्माण में काम आने वाली सामग्री के लिए निर्माता सूची

Component Manufacturers List of Power Transformer Reactor up to 765 KV Class



S.No	मद का नाम / ITEM NAME	निर्माता का नाम/ MANUFACTURER NAME	Valid Up To
1	CTC	DE-ANGELI, PRODOTTI SRL, ITALY	
	CTC	RATIONAL ENGINEERS LTD, PALGHAR	26.07.2026
	CTC/ PICC	ASTA EISEN, AUSTRIA	
	CTC/ PICC	BAODING TIANWEI ELECTRIC WIRE CO., LTD.	
	CTC/ PICC	KSH INTERNATIONAL, CHAKAN	03.01.2028
	CTC/ PICC	PRECISION WIRES INDIA LTD, SILVASSA.	16.04.2026
	CTC/ PICC	APAR INDUSTRIES LTD. (CONDUCTOR DIVISION), SILVASSA	11.05.2026
	CTC/ PICC	SAMDONG, KOREA	12.12.2025
	CTC/ PICC	SHANGHAI YANGHANG COPPER MATERIAL CO., LTD	
	CTC/ PICC	SHENYANG HONGYUAN MAGNET WIRE CO. LTD	22.08.2020
	PICC/BPICC	VIDYA WIRES PVT. LTD.	03.09.2027
	CTC/ PICC/ BPICC	ASTA INDIA, VADODARA	26.03.2026

Source: I-Sec research, Company data, PGCIL

Business is also relationship driven, wherein, cultivating relationships takes years. For example, KSH has been supplying to Hitachi India since 1997. Based on that relationship, it started exporting to Hitachi globally in 2018.

Toe to toe with China

Global competition stems from Mexico, China and Europe

Globally, the top exporters of winding wires are Mexico and China. Copper prices around the world are generally synchronous with LME prices. Thus, competition is on fabrication and cost of transportation. Mexico is the largest supplier of standard winding wires to the US (~50% of imports – by value). Additionally, Asta (Europe) and Sam Dong (Korea) are the largest exporters of specialised winding wires.

Lack of domestic capacities

The global transmission grid is in a high capex cycle, but domestic supply in the US, Saudi Arabia and EU has not yet caught up with demand (across equipment). Additionally, the cost of fabrication in these countries is so high that imports appear cheaper.

India stands at a unique vantage point

India is uniquely positioned to cater to the rising demand in the winding wires segment. Currently, Mexico's largest export of winding wires to the US is round/standard wires. In an environment where the world is looking for a China+1 supplier, India not only has the capacity but also the technical know-how. Additionally, Indian winding wires are competitively priced compared with Chinese wires. India is transitioning to 765kv+ transformers – one of the most advanced transformer technologies being used in the world. Thus, Indian winding wires are capable of integrating into the latest technologies being used globally as well.

Listing of a global peer bolsters the investment case

Asta Energy Solutions (ASTAG) (**unrated**) is a global, vertically-integrated designer and producer of **high-quality insulated winding material** that is primarily made of copper for the transmission and distribution (T&D) as well as the power generation markets. It has a strong focus on high-voltage applications.

The company manufactures –

- CTCs and multiple conductors – these are core components for high-performance transformers of varying sizes; and
- specialised winding wire – for high voltage generators

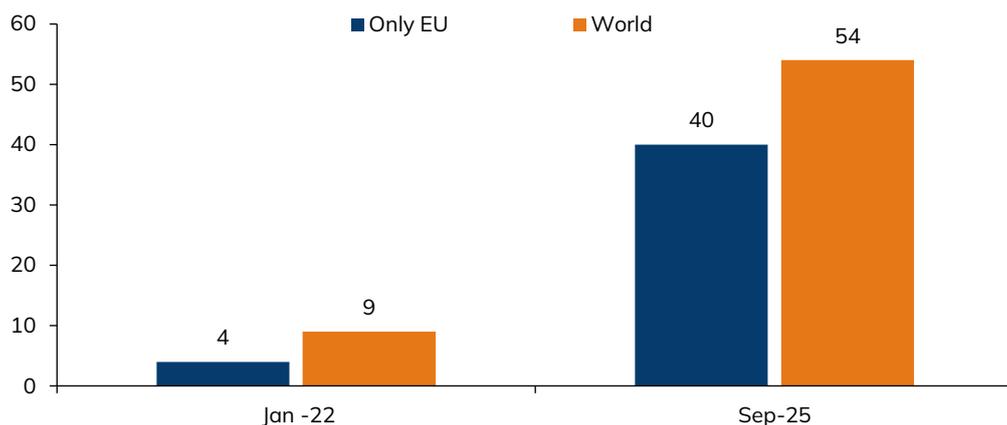
Note: ASTAG is phasing out its lower-margin round-wire activities.

The company's manufacturing locations are spread across six locations worldwide – Austria, Bosnia and Herzegovina, Brazil (two facilities), China and India.

Strong OB accretion

ASTAG's OB has grown six-fold in the last 3.5 years, indicating strong demand from the transformer and generators.

Exhibit 17: ASTAG's OB (kt)

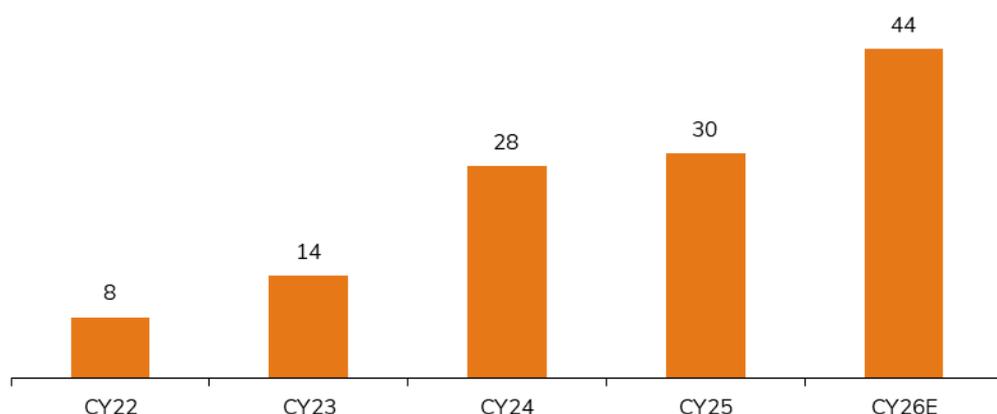


Source: I-Sec research, Company data

Increasing capex to meet demand

Asta has lined up capital expenditure of USD 45mn in CY26. Its investment has increased from 1% of sales in CY22 to ~4% in CY25.

Exhibit 18: Asta's capex outlook



Source: I-Sec research, Company data; CY26 capex assumptions provided in prospectus

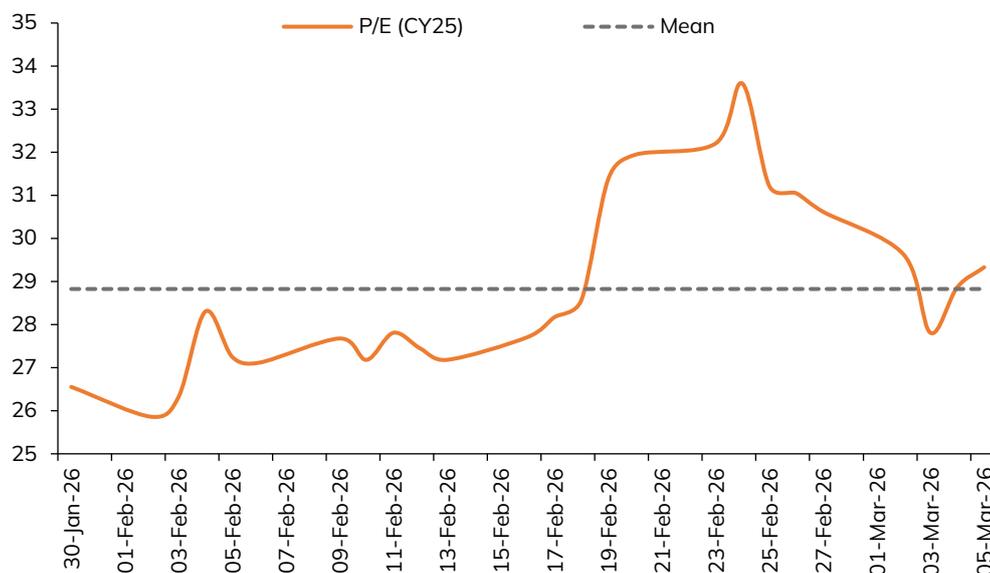
Initial Public Offer

ASTAG raised EUR 190m at EUR 29.5 per share; out of which, the company aims to deploy EUR 125mn towards further expanding its capacity in growth markets.

Use of proceeds as indicated by the company:

- 40% for the expansion of capacities – to cater to the heightened demand levels of OEM customers, especially to support the European market
- 20% for the expansion of its recycling activities in Brazil
- 20% for the enhancement of its financial flexibility
- 20% for the repayment of loans

Exhibit 19: Stock is trading at 29x CY25 earnings



Source: I-Sec research, Company data

Trading at higher multiples compared to KSH

The stock is trading at 29x CY25 earnings. Note that KSH is trading at 25x FY26E earnings. We believe that KSH provides better growth earnings potential compared to ASTAG.

Exhibit 20: Snapshot of financial performance

EUR mn	CY22	CY23	CY24	CY25
Sales	480	567	643	680
Raw materials	397	451	518	533
Gross profit	83	116	125	147
Employee expense	39	48	52	56
Other expenses	28	43	38	43
EBITDA	16	25	36	47
Growth (%) YoY	NA	53%	41%	32%
PAT	8	(3)	5	22
Capex	8	14	28	30

Source: I-Sec research, Company data; CY25 Sales and PAT estimated by company in prospectus, rest is annualised

KSH International makes a similar EBITDA/t to ASTAG. Note that ASTAG's CTC/PICC contribution is higher. Thus, EBITDA/t is slightly higher. ASTAG's employee expenses and other expenses per tonne are 5x and 3x, respectively, that of KSH. Overall, ASTAG's overheads are far higher than KSH's, making fabrications costs 2.5x costlier.

Exhibit 21: ASTAG's overheads are costlier

Asta Energy Solutions ('000 INR/t)	CY22	CY23	CY24	CY25
Gross Profit	184	219	225	261
(-) Employee expenses	86	90	93	99
(-) Other expenses	61	82	68	77
EBITDA	36	47	64	83

Source: I-Sec research, Company data; CY25 Sales and PAT estimated by company in prospectus, rest is annualised

Exhibit 22: KSH's overhead are cheaper

KSH International ('000 INR/t)	FY23	FY24	FY25	FY26E
Gross Profit	64	70	92	109
(-) Employee expenses	14	16	17	18
(-) Other expenses	21	21	23	26
EBITDA	28	33	52	65

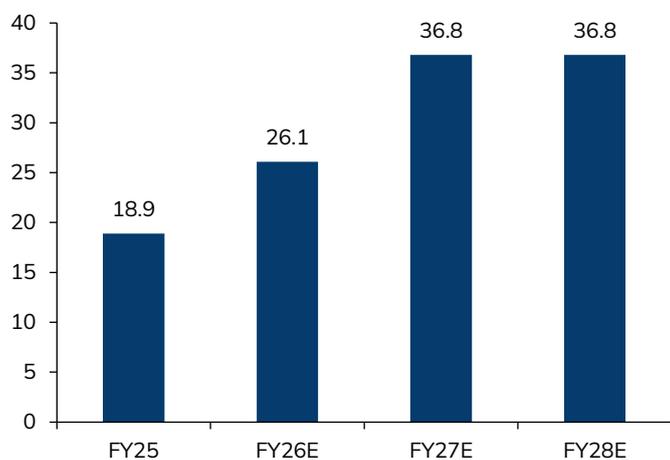
Source: I-Sec research, Company data

Note that we have assumed that 100% of ASTAG's revenue comes from conversion of copper. We have derived tonnage by taking in account the average copper price for the year (based on LME's copper prices).

KSH is expanding capacity to meet the demand

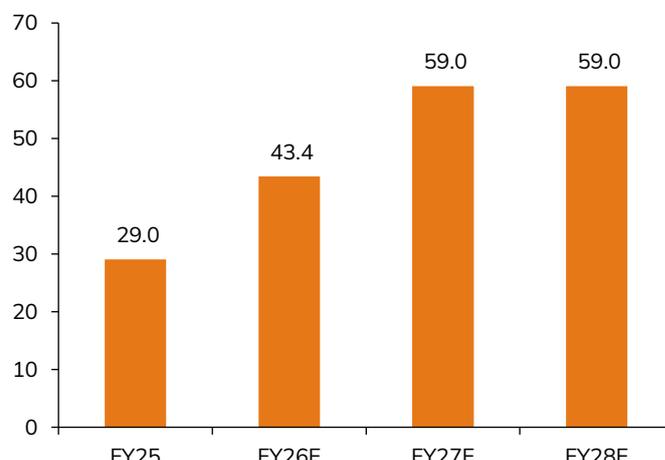
KSH is undertaking a significant capacity expansion, positioning the company for strong volume-led growth over the medium term. Total installed capacity is expected to increase to ~59k tonnes, implying the doubling of FY25 capacity.

Exhibit 23: Specialised manufacturing capacity (kt)



Source: Company data, I-Sec research

Exhibit 24: Total manufacturing capacity (kt)



Source: Company data, I-Sec research

The existing capacity base is spread across Taloja (Unit 1), Chakan (Units 2 & 3) and Supa (Unit 4), with a diversified product mix comprising CTC/PICC, flat and PEEK (for EVs), and round/standard products.

Exhibit 25: Diversified product mix capacity addition

Capacity (in kt)	Specialised	Standard	Total
Taloja (Unit 1)	4.2	-	4.2
Chakan (Unit 2)	14.6	2.7	17.3
Chakan (Unit 3)	-	7.5	7.5
Total	18.9	10.2	29.0
Supa (Unit 4)	18.0	12.0	30.0
Total	36.8	22.2	59.0
Ph 1	7.2	4.8	12.0
Ph 2	10.8	7.2	18.0

Source: I-Sec research, Company data

Phase I of Supa, with capacity of 12kt, incurred a capex of INR 2.2bn. The capacity has been available for production since Q3FY26. Following it, ~2.4kt capacity was added and made available from Q4FY26.

The current operational capacity stands at ~43k tonnes, while the incremental capacity of ~16k tonnes will be added through phase 2 expansions by the end of Q4FY27.

Exhibit 26: Supa capex expansion plan

Line Item	Phase I (INR mn)	Phase II (INR mn)	Total (INR/mn)
Land, Building & Electrical	1,000	-	1,000
Machinery	1,200	895	2,095
Copper Recycling	-	100	100
Solar	-	105	105
Total	2,200	1,200	3,400

Source: I-Sec research, Company data

Assuming a sustainable EBITDA/t of INR 65k, we believe the company's run-rate EBITDA could be INR 3.5bn (at a capacity utilisation of ~85%).

It also manufactures round wire and is getting into 'PEEK'

Apart from PICC/CTC, KSH manufactures round winding wires. They are used in [compressor, motors and generators of all kinds](#). These wires are unwound, and hence, are suitable where the weight of the wire as a percentage of the equipment is low. India consumes ~INR 350bn of these wires annually. KSH derives ~25% of revenue from round wires.

Early mover in PEEK-insulated wires

PEEK-enamelled wire is a special type of winding wire with a high-performance engineering plastic PEEK (polyetheretherketone) as the insulating layer wrapping the conductor. While round wires are used for many purposes in electric vehicles, larger/heavy vehicles like buses and trucks require more potent wires that consume lesser space and are lighter. Hence, a likely solution is PEEK wires. At present, India does not consume any PEEK wires. PEEK wires are generally used for traction motors of 800v (currently, India uses 400v traction motors).

Exhibit 27: PEEK-insulated wires



Source: I-Sec research, Company data

Exhibit 28: PEEK-insulated wires are far superior

Indicator	Traditional Enamelled Wire	PEEK Enamelled Wire
Temperature Resistance	Up to 180°C (heat-resistant enamelled wire)	Continuous 260°C, instantaneous 300°C
Insulation Performance	Multi-layer coating prone to delamination and ageing	Single-layer extrusion, uniform with no defects
Cost Efficiency	Complex process, low yield	One-time moulding, overall lower cost
For EVs specifically		
Battery Charging Time	Longer than PEEK	Cuts charging time by half
Motor Voltage	Up to 400v	Up to 800v
Weight	Bent at the time of installation, takes up extra space	Sharper and shorter bends to save space in the stator
Cost	Up to INR 50 for fabrication	Up to INR 120 for fabrication

Source: I-Sec research, Company data

Collaboration with the largest manufacturer of PEEK-insulated wires

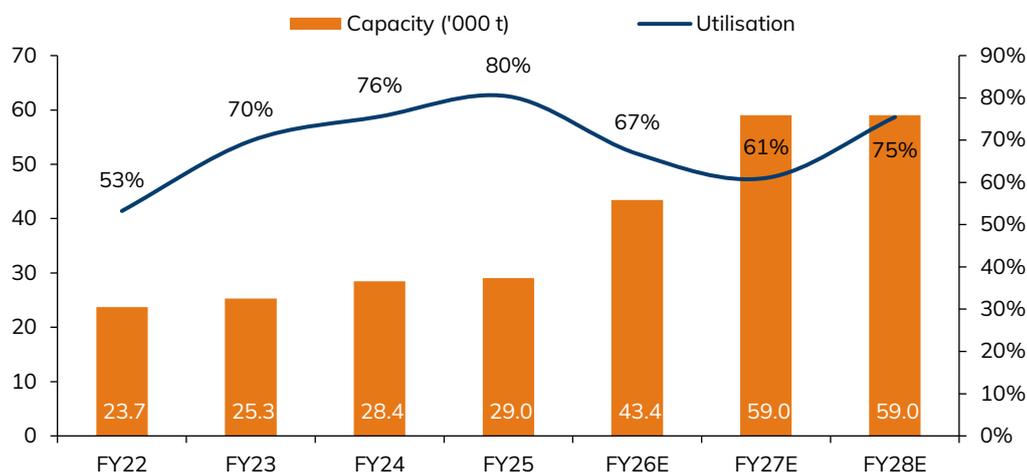
Under an exclusive licensing agreement, KSH will use HPW Metallwerk's patented technology to manufacture PEEK-insulated wires. HPW Metallwerk is a global patent holder for PEEK-insulated winding wires for large EV motors. The license agreement entails the payment of royalties.

Assumptions

Utilisation to grow steadily post completion of capacity addition

KSH is increasing its capacity from ~29kt in FY25 to ~59kt by Q4FY29. We believe the demand appetite is high and scaling utilisation could be attainable. Essentially, the additional ~16kt capacity may be available from FY28 only (~43kt currently).

Exhibit 29: Utilisation to dip in FY26E, pick up eventually

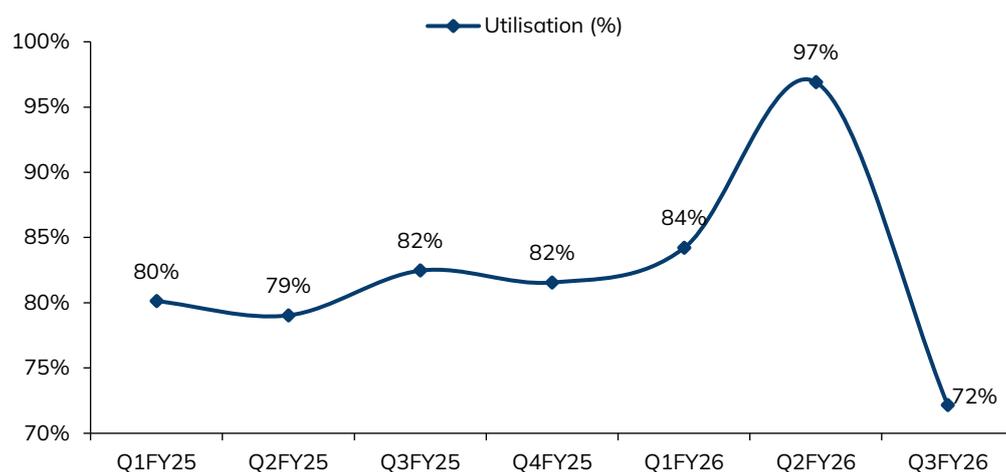


Source: I-Sec research, Company data

However, given the doubling of capacity, utilisation could dip in FY26-28E. In FY28E, we expect utilisation of ~78% due to a phased adoption of PEEK-insulated wires.

On a run-rate basis, however, we believe the company could achieve utilisation of ~85%. The company had been running at 90%+ utilisation in H1FY26 to cater to the high demand.

Exhibit 30: Utilisation peaks in Q2FY26

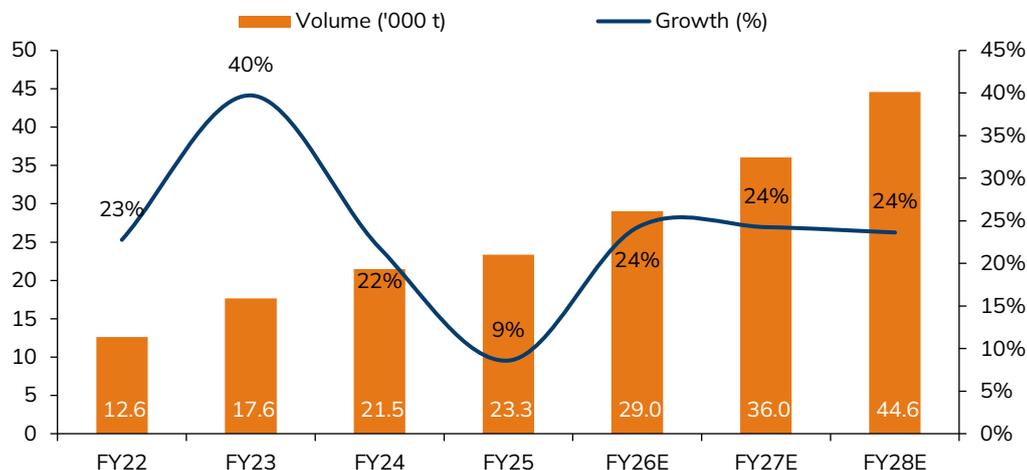


Source: I-Sec research, Company data, *12kt capacity added at the beginning of Q3FY26

Expect volume CAGR of 24% over FY25-28E

9MFY26 volume grew 18% YoY (low volume growth of 7% YoY in Q1FY26). Volume growth in Q2/ Q3 has been ~24% each. Thus, we believe KSH may close the year (FY26) with volume of ~29kt (guidance of 28.5-29.5kt).

Exhibit 31: Expect volume CAGR of 24% over FY25-28E



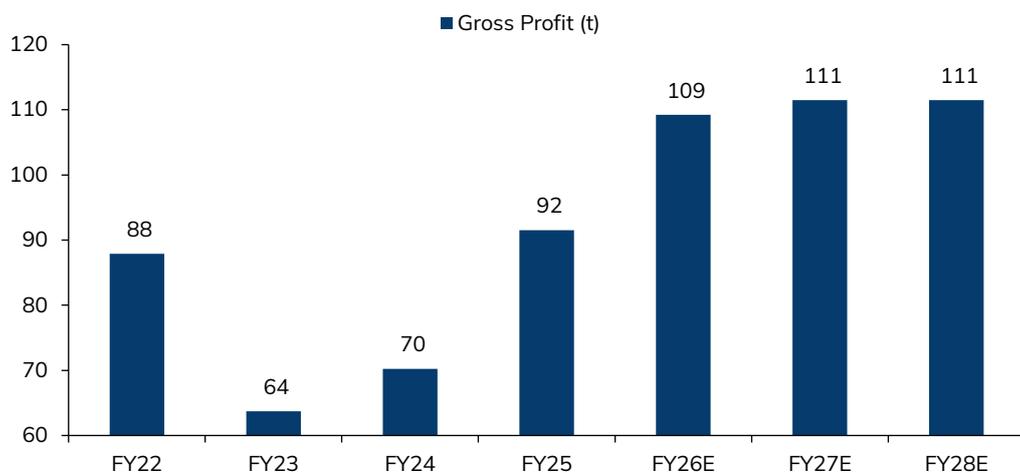
Source: I-Sec research, Company data

Gross profit

Revenue includes the cost of copper (a pass-through) and fabrication charges. The contract is negotiated basis the charges for fabrication and copper prices are driven by exchange prices. Thus, gross profit/t is the key pricing metric to consider.

Gross profit per tonne has been steadily rising since FY23 due to increased demand for winding wires. Prices have risen sharply in this specialised segment led by tailwinds in the T&D sector. We believe this may continue through FY27E as well, given transformer companies have orderbooks (total) of INR 0.7trn.

Exhibit 32: Gross profit/t to normalise as capacities increase



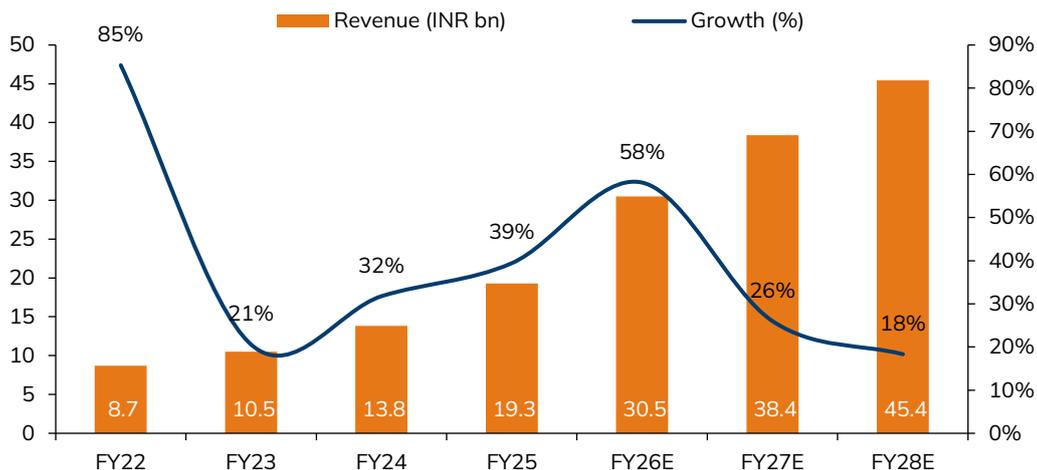
Source: I-Sec research, Company data

Financials

Revenue analysis – 33% CAGR likely over FY25-28E

KSH is likely to witness a revenue CAGR of 33% over FY25-28E to INR 45bn in FY28E (vs. INR 1~9bn in FY25) driven mainly by volume growth. We have assumed that copper prices could decline from the current highs. We believe cost of copper accounted for ~80% of the wire price (in FY25). Thus, any variation in copper LME prices could impact the revenue drastically.

Exhibit 33: Expect revenue CAGR of 33% over FY25-28E

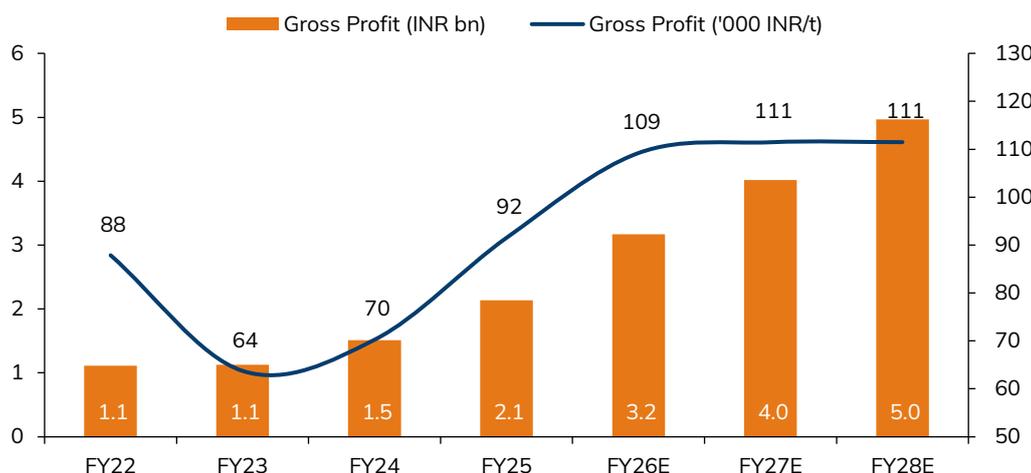


Source: I-Sec research, Company data

Operating profits

KSH has witnessed a strong improvement in profitability in recent years owing to product premiumisation, exports and other sectoral tailwinds.

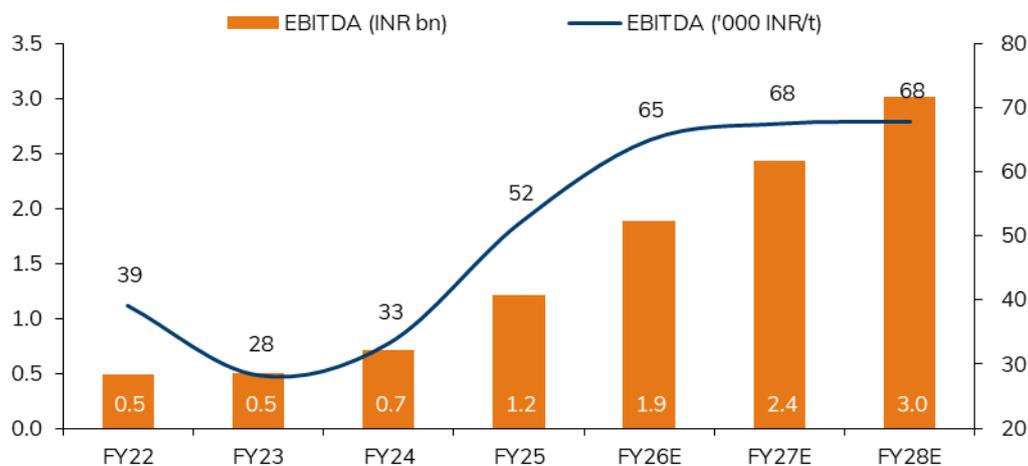
Exhibit 34: Expect gross profit CAGR of 32% over FY25-28E



Source: I-Sec research, Company data

We estimate EBITDA CAGR of 36% over FY25-28E to INR ~3bn in FY28E. EBITDA/t to eventually return to ~65k as industry-wide capacities increase.

Exhibit 35: EBITDA/t to normalise as capacities increase

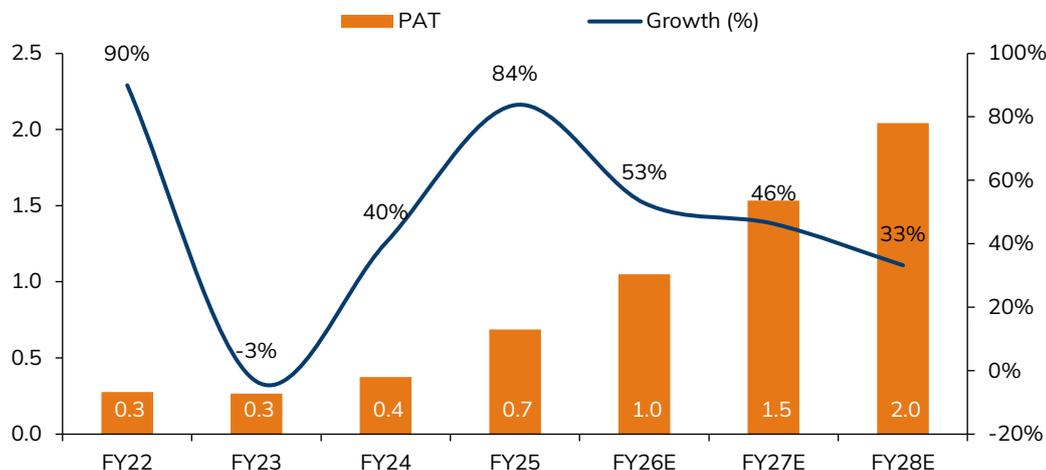


Source: I-Sec research, Company data

See profit at INR 2bn by FY28E

The company has debt of INR 4.8bn (as of Q2FY26) which we believe may reduce to ~INR 1.3bn by FY28E due to the influx of IPO funds and a strong cash generation cycle. Thus, we expect interest expenses to shrink faster than the growth in depreciation (gross block addition of INR 3.4bn over FY25-28E). Thus, we reckon profit CAGR of 43% over FY25-28E.

Exhibit 36: See profits at INR ~2bn by FY28E



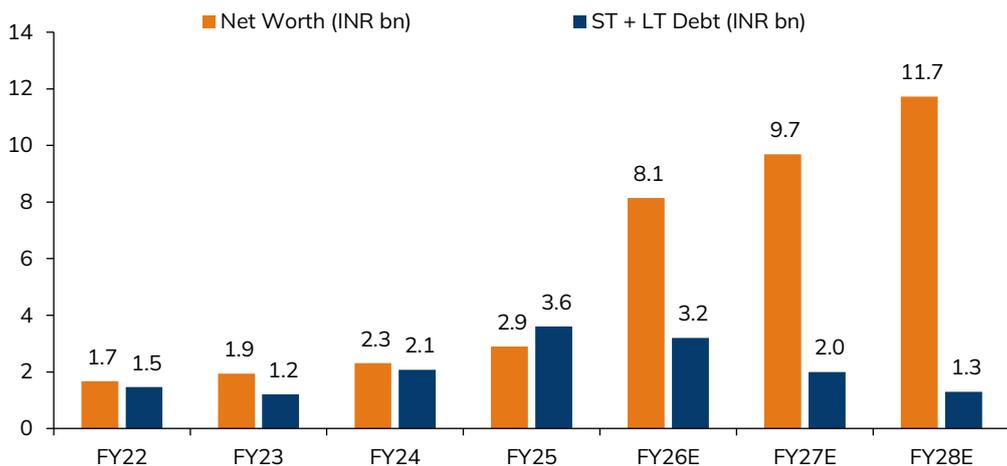
Source: I-Sec research, Company data

Fund raise further strengthens balance sheet

KSH raised INR 4.2bn through its IPO in Q3FY26 for the purpose of debt repayment. Long-term debt had increased to INR 1.4bn (in Q2FY26) from INR 0.3bn in FY24. Additionally, it meets its working capital requirements through debt of INR 3.4bn (Q2FY26).

We believe KSH's long-term debt has nearly been repaid (Q3FY26) and there could be a gradual reduction in short-term debt led by a decline in capital requirements and increase in cash profits.

Exhibit 37: Debt to reduce drastically due to fund raising via IPO

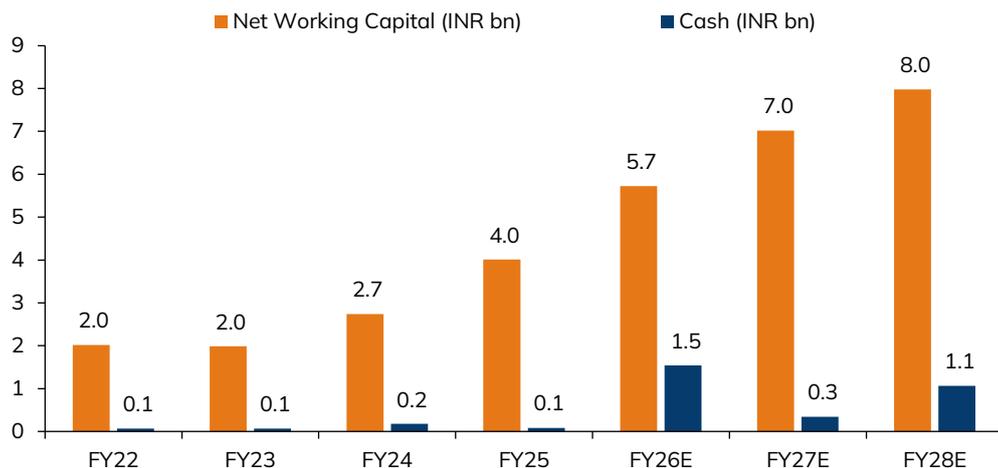


Source: I-Sec research, Company data

High working capital is a concern

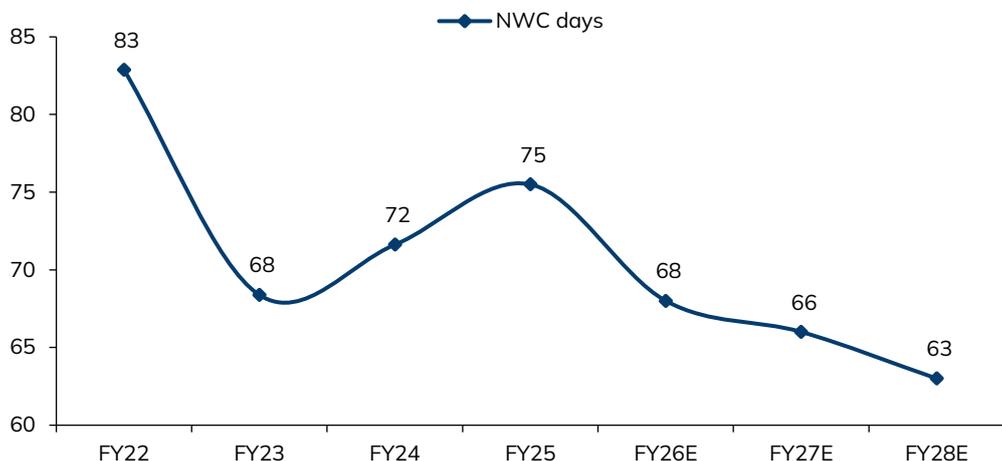
The company has a high working capital requirement. Inventory and trade receivable days are at 40-45 each and payable days are ~5. The company is working on lowering its payable days through supply-chain financing.

Exhibit 38: Cash to remain low due to working capital requirements



Source: I-Sec research, Company data

Exhibit 39: NWC days to reduce as payable days increase

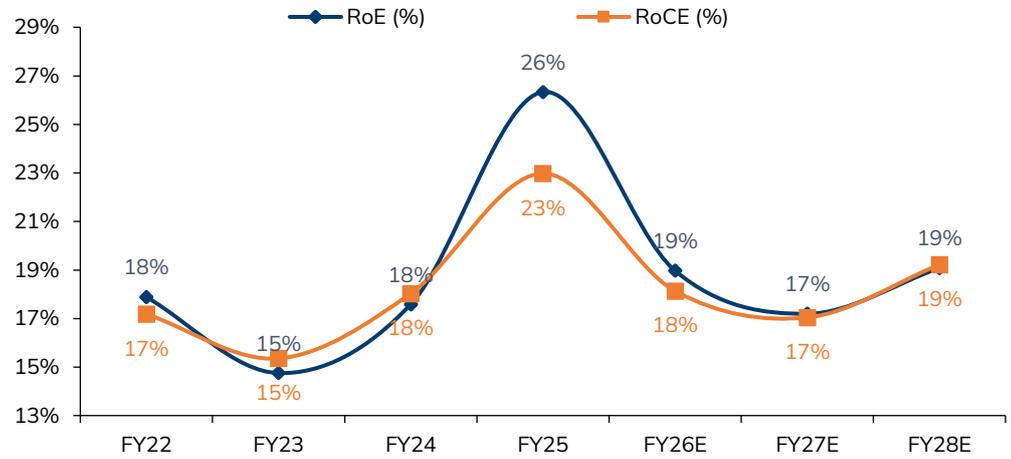


Source: I-Sec research, Company data

Return profile

We believe KSH's return ratios could decline till capacity ramps up due to fund raise. However, its return profile could improve as utilization picks up.

Exhibit 40: RoE and RoCE to see a dip as capacity doubles



Source: I-Sec research, Company data

Outlook and valuation

India's T&D (transmission and distribution) sector is in its revival phase. The growing need for power is driven by electrification, industrialisation and data centre capacity addition. Coupled with an increasing percentage of power capacity addition being renewables, the need for upgrading and stabilising the grid has become pronounced. KSH Industries is a play on the booming T&D sector in India.

Countries around the world are faced with the need of strengthening their power grid. Many countries lack manufacturing capacities for critical power transmission equipment. Amid global shortages, India has become a viable, cost-efficient and technically advanced alternative.

As the largest exporter and second largest manufacturer of winding wires, KSH is poised to be a beneficiary of the industry-wide tailwinds.

We initiate coverage on KSH with **BUY** rating and a TP of INR 600 based 20x FY28E earnings. Peers are trading at ~25x FY28E earnings. However, the company is smaller than the peers (in terms of market cap) in discussion, thus, we value the company at 20x.

Exhibit 41: Valuation

FY28E PAT (INR mn)	FY28E EPS (INR/share)	Multiple (x)	TP (INR/share)
2,027	29.9	20	600

Source: I-Sec research, Company data

Exhibit 42: Valuation of peers - Domestic conductor/cable manufacturers

Peers - Domestic Conductor / Cable Manufacturers	P/E (x)			EV/EBITDA (x)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Apar	42	36	30	22	19	15
KEI*	52	44	37	37	30	25
Polycab*	46	40	34	32	27	24

Source: I-Sec research, Company data, *Bloomberg

Exhibit 43: Valuation of peers – Domestic power equipment

Peers - Domestic Power Equipment	P/E (x)			EV/EBITDA (x)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Precision Wires*	41	33	23	23	18	13
Hitachi Energies	51	37	26	94	60	42
Siemens Energy India	68	58	47	44	43	37
CG Power*	93	70	54	69	51	39
GE Vernova T&D	70	60	50	52	44	36
Premier Energies	22	18	17	14	12	10
Waaree Energies*	18	16	16	12	10	9

Source: Company data, I-Sec research, *Bloomberg

Exhibit 44: Valuation of peers – International power equipment

Peers - International Conductor / Cable Manufacturers	P/E (x)			EV/EBITDA (x)		
	CY25	CY26E	CY27E	CY25	CY26E	CY27E
Asta Energy Solutions AG*	29	NA	NA	8	NA	NA
Nexans S.A.*	16	14	13	7	6	6
Sumitomo Electric Industries*	30	29	26	16	15	14
Furukawa Electric Co.*	48	41	35	23	21	18

Source: I-Sec research, Company data, *Bloomberg

Risks

Geopolitical tensions in the Middle East and US tariff impact

KSH exports a significant percentage of its overall exports to the US and Middle East (two third of export revenues combined), which may deteriorate if tariffs are imposed. However, as a subsequent development, aluminium was added to Section 232 duty which is uniform at 50% for copper, aluminium and steel across geographies but resolution of the tariff issue with the US remains a key monitorable.

Raw material and copper price volatility

KSH's business depends significantly on price and availability of raw materials (i.e. copper, and aluminium). In case of increase in raw material prices, there can be no assurance that KSH will be able to pass on the cost increases to its customers. Any increases in the cost of inputs could lead to higher costs for KSH's products which is passed on to its customers on the date of placing their orders with the company. If KSH increase the prices of its products to offset the impact of higher costs of raw materials, it may lead to some of its customers cancelling their orders or refraining from purchasing the company's products, which may materially and adversely reduce the demand for KSH's products, and thus, negatively impact its operating results.

Working capital and cashflow sensitivity

KSH International operates with a higher working capital cycle vs. peers (debtor days at 85 vs. 20-25 for peers) primarily due to extended receivable periods and limited flexibility on supplier payments.

The company's debtor days remain elevated, reflecting longer credit terms offered to customers, where billing is often milestone-based and collections are slower.

In contrast, the company has limited ability to stretch payable days, as key raw materials such as copper and aluminium typically require faster cash payments to suppliers. This reduces payable-side flexibility and creates a mismatch between receivable and payable cycles.

Dependency on power sector

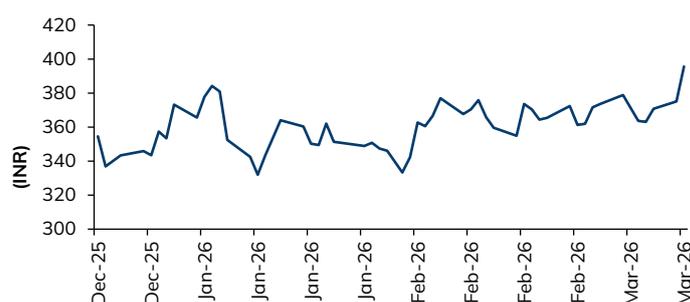
A significant percentage of KSH's revenue (~75%) comes from power sector customers. Any downturn or negative trends in the power sector due to reasons such as consumer demand, consumer confidence, changes in national and international trade policies, imposition of tariffs, sanctions by countries on input materials, changes in government policies, environmental regulations, and commodity prices, could result in loss of business or reduction in the volume of business from customers operating in these industries.

Exhibit 45: Shareholding pattern

%	Dec'25
Promoters	74.6
Institutional investors	16.8
MFs and other	11.6
Banks/ FIs	60.7
Insurance Cos.	0.9
FIs	3.7
Others	8.6

Source: Bloomberg, I-Sec research

Exhibit 46: Price chart



Source: Bloomberg, I-Sec research

Annexure

Primer on winding wires

Magnetic wire, also referred to as winding wire or enamelled wire, is a critical electrical conductor used in the manufacture of motors, transformers, generators, inductors and a wide range of electrical and electronic equipment. It consists of a copper or aluminium conductor coated with a thin but highly engineered insulating layer, typically polymer-based enamel.

Despite the nomenclature, magnetic wire itself is non-magnetic; its importance lies in its ability to generate magnetic fields when electric current flows through wound coils, enabling the conversion of electrical energy into mechanical motion or voltage transformation. As a result, magnetic wire is an indispensable intermediate product across power, industrial, automotive and consumer electrical value chains.

Structural importance in electrical ecosystem

Magnetic wire sits at the heart of electromechanical systems. Any device that relies on electromagnetic induction ranging from ceiling fans to electric vehicles cannot function without precision winding wire. While the wire typically represents a small percentage of the finished product cost, it has a disproportionately high impact on performance, efficiency, durability and safety.

A failure in magnetic wire insulation can result in short circuits, overheating, motor burnout and a system-wide failure. Hence, OEMs prioritise consistent quality, thermal reliability and supplier credibility, making magnetic wire a quality-sensitive, relationship-driven business rather than a pure commodity.

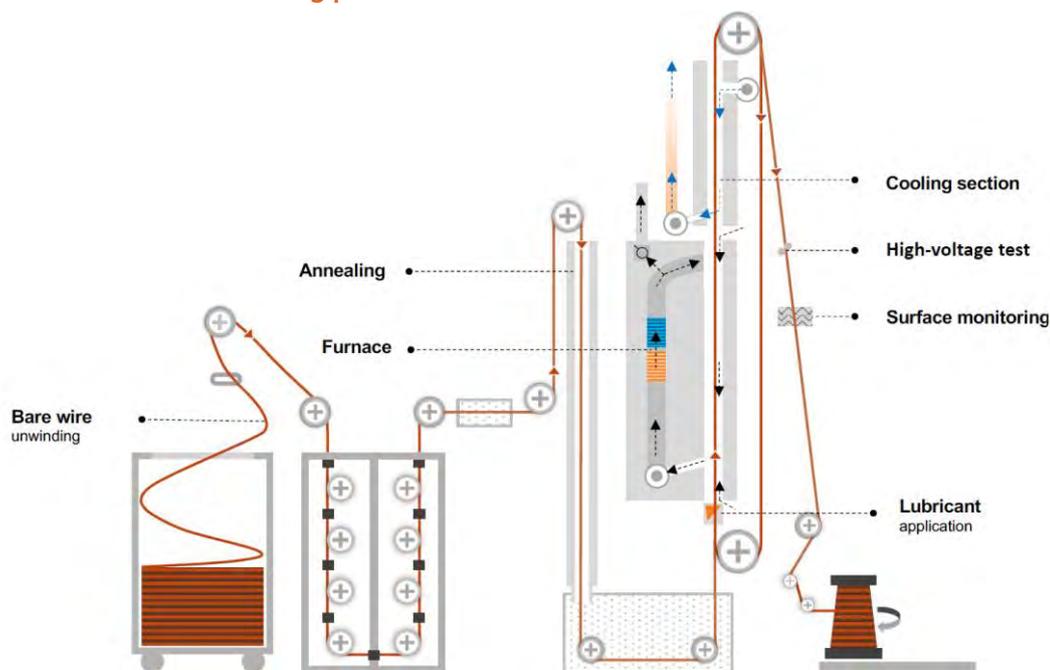
Product composition and technical characteristics

- Conductor material:
 - Copper is the dominant material due to superior electrical conductivity, mechanical strength and long-term reliability.
 - Aluminium is used in cost- or weight-sensitive applications, though it requires larger cross-sections for equivalent performance.
 - Copper-based magnetic wire accounts for the majority of global demand, especially in high-efficiency motors, transformers and EV applications.
- Insulation (enamel coating)
 - The enamel coating is the key value-added component of magnetic wire. It must withstand high operating temperatures, electrical stress, mechanical abrasion and chemical exposure.
- Paper
 - Paper is a thick, protective wrapping used for heavy-duty electrical wires, typically found in large power transformers. It is made from high-quality wood pulp (kraft paper) or heat-resistant synthetic fibers that are tightly wound around the copper or aluminium core.
 - This paper is designed to soak up insulating oil, which helps the wire handle extremely high voltages without short-circuiting. It acts as a rugged 'jacket' that protects the wire from intense heat and physical vibrations over many years of usage.

Manufacturing process

While the process may appear straightforward, operational excellence is difficult to replicate. Even microscopic insulation defects could lead to catastrophic downstream failures. As a result, OEM qualification cycles are long, and supplier switching costs are high.

Exhibit 47: Manufacturing process



Source: I-Sec research, Company data

Entry barriers

- **Technical know-how:** In the power T&D ecosystem, suppliers must undergo stringent qualification processes with utilities, EPC players and OEMs. Product approvals often require technical validation, testing certifications, and compliance with domestic and international standards. This makes new entrant penetration time-consuming and credibility-driven.
- **Quality consistency:** Products used in transmission and distribution networks are critical components. Any failure can lead to system losses or outages. High performance sensitivity makes customers conservative in onboarding new suppliers.
- **Working capital investment:** The industry operates with structurally high working capital intensity due to inventory requirements and extended receivable cycles. New entrants without strong balance sheets may find it challenging to sustain operations during growth phases.
- **Customer qualification timelines:** Large utilities and infrastructure clients prioritise execution history, reliability and performance track record. Established relationships and repeat order visibility create a soft barrier, as customers are generally risk-averse in mission-critical applications.

End-use segments

- **Consumer electricals:** Magnetic wire is used extensively in fans, refrigerators, washing machines and air conditioners. Demand here is volume-driven, with moderate margins.
- **Industrial motors and transformers:** Industrial applications require higher reliability and thermal endurance. This segment offers better margin stability and long-term contracts.

- Electric vehicles: The rapid shift towards EV has led to the high demand for magnetic wire since EV motors typically consume 2–3x more magnet wire than conventional ICE vehicles, making this the fastest-growing end market.
- Power and renewable energy: Transformers, wind turbines and solar inverters require high-grade winding wire, benefiting from long term energy transition tailwinds.

A magnetic wire consists of a copper or aluminium conductor coated with a thin but highly engineered insulating layer, typically polymer-based enamel.

Continuously transposed conductor (CTC)

It is an advanced form of magnetic conductor primarily used in high-capacity power transformers and other high-voltage electrical equipment. It is manufactured by assembling multiple rectangular enamel-insulated copper strands that are continuously transposed along the length of the conductor in a precise geometric pattern. This transposition ensures that each strand occupies all possible positions within the conductor cross-section over a defined length, thereby, equalising current distribution and thermal stress across the conductor.

CTC manufacturing is technologically complex and capital intensive. The process involves precision drawing and enamelling of individual copper strands, followed by controlled continuous transposition using specialised machinery and subsequent wrapping with insulating paper or tapes.

Exhibit 48: CTC wire



Source: I-Sec research, Company data

Paper insulated copper conductor (PICC)

It is a specialised conductor widely used in oil-filled power transformers and reactors. These are copper/aluminium wires or strips which are wrapped in multiple layers of specially treated paper for insulation.

This paper insulation helps to isolate the copper conductor from the surrounding environment, preventing electrical leakage and improving the cable's ability to withstand high voltages and temperatures. The insulating paper provides superior electrical insulation, high voltage, temperature resistance, flexibility and is cost effective.

The manufacturing process of PICC involves precision conductor shaping, controlled paper wrapping under strict tension and moisture-free conditions, and comprehensive electrical testing.

Exhibit 49: PICC wire



Source: Company data, I-Sec research

Exhibit 50: CTC vs. PICC

CTC	PICC
New technology	Paper insulated copper conductor
Lower losses and heat	Used for lower voltages
Reduced sizes of transformer	Used in locos, distribution transformers
Lower manufacturing cost	Unwinded wire
Mandatory for 220kV+ by CEA	
INR 120-250/kg fabrication	INR 30/kg fabrication

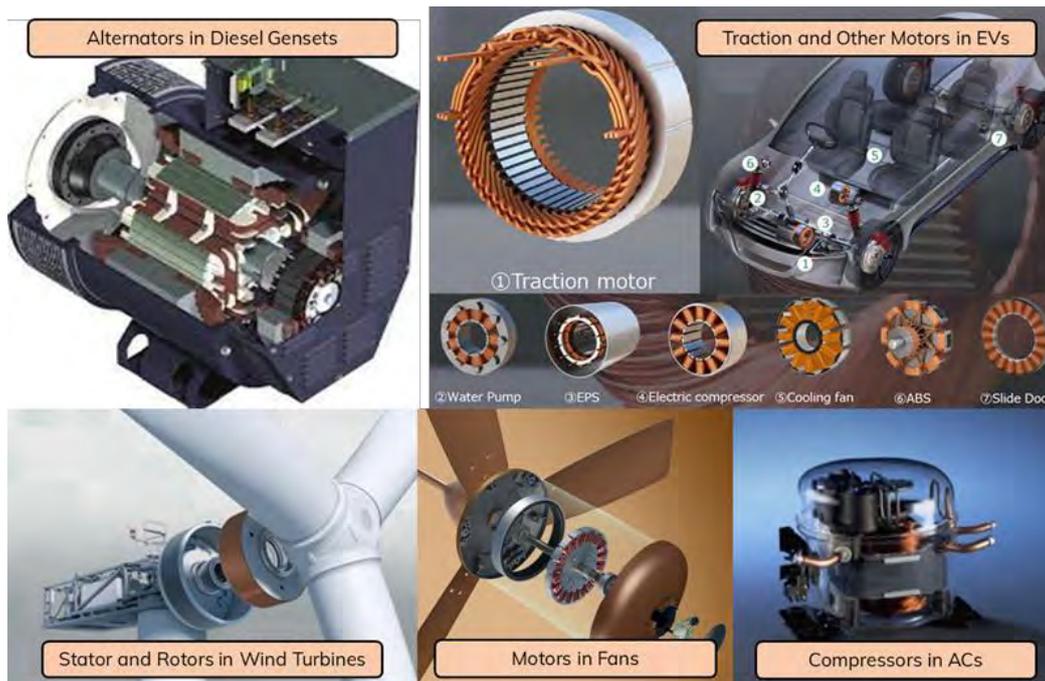
Source: Company data, I-Sec research

We estimate the value of a transformer could be INR 10-12mn/MVA and winding wires could be INR 0.10mn-0.2mn/MVA. India is largely self-sufficient in terms of demand and supply of magnetic wires. However, wires larger than 800kva for HVDC transformers are being imported from Europe.

Round enamelled copper/aluminium winding wire

This is the most widely used form of magnetic wire and consists of a circular copper or aluminium conductor coated with a thin, uniform layer of insulating enamel. This is manufactured using high quality electrolytic grade copper and aluminium rods that are drawn through special die series and high-speed enamelling machines.

Exhibit 51: Uses of round enamelled wire



Source: I-Sec research, Company data

This round enamelled wire is extensively used in a broad range of low to medium power electrical and electronic applications. These include household appliances such

as ceiling fans, refrigerators and washing machines, as well as small and medium-sized motors, compressors, relays and inductors.

Rectangular enamelled wire

Rectangular enamelled wire, also referred to as flat or profile enamelled wire, is manufactured with a rectangular cross-section and coated with high-performance insulating enamel. This product is primarily used in applications where higher power density, compact winding design and superior thermal performance are required. Typical end-use applications include power transformers, traction motors, electric vehicle motors, large industrial motors and high-efficiency generators.

This is manufactured using high quality copper rods that are extruded or drawn through dies of special size and are further coated with enamel.

Exhibit 52: Rectangular enamelled wire



Source: Company data

Peer Profile

Apar Industries Ltd

Apar Industries is a diversified industrial manufacturing company operating across three major segments:

- Conductors
- Transformer and specialty oils
- Power and telecom cables

Within its conductor business, the company manufactures enamelled winding wires and continuously transposed conductors (CTC), catering primarily to transformers and motor OEMs.

Founded in 1958, Apar has evolved from a domestic cable manufacturer into a globally integrated electrical solutions player. Today, the company exports to 100+ countries and derives a meaningful portion of revenue from international markets.

Apar has total conductor manufacturing capacity of 220kt and CTC capacity of 7kt.

Product portfolio:

- Round and rectangular enamelled wires
- CTC conductors
- Paper covered conductors
- High temperature and specialty insulation grades

Apar has NTPC, NPCIL, RDSO and KEMA High Voltage Labs, Netherlands' approval. It also has approval from PGCIL for 765KV transformers.

Exhibit 53: Apar Industries financials (INR mn)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR (%)
Net Sales	79,055	73,827	63,570	93,200	1,43,591	1,61,673	1,85,812	15%
EBITDA	4,094	4,180	3,881	5,461	12,339	15,223	15,465	25%
Margin	5%	6%	6%	6%	9%	9%	8%	
Depreciation	667	871	934	978	1,043	1,157	1,322	12%
Finance Cost	1,999	2,277	1,360	1,406	3,055	3,866	4,089	13%
Other Income	151	96	186	343	306	864	1,003	37%
PBT	1,579	1,129	1,772	3,419	8,546	11,065	11,057	38%
Adjusted PAT	777	786	1,295	2,570	6,396	8,257	8,214	48%
Margin (%)	1%	1%	2%	3%	4%	5%	4%	
EPS	20	21	34	67	167	206	204	47%
Net Worth	12,024	11,664	14,092	17,152	22,364	38,764	45,035	25%
Long-term Debt	1,303	1,879	1,916	1,954	1,514	3,343	2,983	15%
Fixed Assets (Gross)	8,861	11,456	12,282	13,184	14,924	18,505	23,294	17%
NWC days	15	12	28	30	21	51	75	30%

Source: I-Sec research, Company data

Precision Wires India Ltd

Precision Wires is India's largest manufacturer of enamelled winding wires and a dominant pure-play participant in the magnet wire industry.

Established in 1989, the company is engaged in manufacturing enamelled round and rectangular copper winding wires, CTC, and paper / mica / nomex insulated copper conductor. It primarily supplies to the OEM sector and various industries like power, auto, consumer durables, transformers, construction etc. It is the largest producer of winding wires in South Asia.

Listed in 1995, Precision Wires has total manufacturing capacity of 55k MT and CTC capacity of 10k MT.

Product portfolio:

- Enamelled round copper wires
- Enamelled rectangular copper wires
- Submersible winding wires
- Continuously transposed conductors (CTC)

Precision has approvals from NTPC and RDSO; for PGCIL, it has only 765KV approval; no approval for HVDC.

Exhibit 54: Precision Wires financials (INR mn)

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR (%)
Net Sales	14,078	17,579	15,258	17,186	26,831	30,336	33,017	40,148	15%
Gross Profit Margin	13%	11%	11%	10%	9%	8%	9%	9%	
EBITDA	853	930	727	785	1,174	1,065	1,340	1,659	10%
Margin	6%	5%	5%	5%	4%	4%	4%	4%	
Depreciation	141	128	161	161	152	142	174	196	7%
Finance Cost	152	171	190	151	249	329	371	467	18%
Other Income	20	15	41	43	69	219	193	208	54%
PBT	581	646	417	515	842	813	988	1,204	11%
Adjusted PAT	360	418	318	393	630	595	729	900	14%
Margin (%)	3%	2%	2%	2%	2%	2%	2%	2%	
EPS	2.0	2.3	1.8	2.2	3.5	3.3	4.1	5.0	14%
Net Worth	23,651	26,543	28,281	31,605	36,488	45,031	50,644	57,624	14%
Long-term Debt	-	1,648	1,198	748	298	1,318	1,941	3,867	15%
Fixed Assets (Gross)	2,879	3,336	3,521	3,466	3,499	3,707	4,082	4,997	7%
NWC days	23	27	34	39	30	31	33	31	2%

Source: I-Sec research

Asta India Private Ltd

Asta India is an unlisted private manufacturing company, incorporated on 22 Feb'05. It operates as the Indian subsidiary of ASTA Energy Solutions AG, a global technology leader in copper conductor solutions with heritage spanning over a century.

ASTA India's manufacturing base is located at Vadodara (GIDC Manjusar), Gujarat, where it produces high-precision electrical conductors primarily for power and industrial applications. The company's facilities leverage technical know-how from its Austrian parent and sister units in Europe, China, and Brazil to serve both Indian and global OEMs.

Product portfolio:

- Continuously transposed conductors (CTC)
- Paper insulated conductors
- Other copper conductors
- Custom and specialty grades

Asta has a CTC manufacturing capacity of 6.5kt.

Exhibit 55: Asta India financials (INR mn)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	CAGR (%)
Net Sales	1,839	1,977	1,959	2,821	3,333	3,691	15%
Gross Profit Margin	16%	15%	20%	15%	11%	12%	
EBITDA	9	15	134	168	35	138	74%
Margin	0%	1%	7%	6%	1%	4%	
Depreciation	47	45	44	44	46	50	1%
Finance Cost	95	94	95	104	121	141	8%
Other Income	3	3	10	2	1	1	-21%
PBT	-131	-122	5	22	-131	-52	NA
Adjusted PAT	-132	-122	5	22	-131	-52	NA
Margin (%)	-7%	-6%	0%	1%	-4%	-1%	
EPS	-15.2	-13.9	0.6	2.5	-15.1	-6.0	NA
Net Worth	355	233	238	262	130	79	-26%
Long-term Debt	361	371	269	341	370	667	13%
Fixed Assets (Gross)	1,144	1,163	1,168	1,173	1,218	1,274	2%
NWC days	59	34	13	33	23	23	-17%

Source: I-Sec research

Exhibit 56: TAM assumptions of specialised winding wires

Winding wire demand from transformers	FY23	FY24	FY25	FY26E	FY27E	FY28E
Substation transformer demand (MVA)	75,902	70,728	86,433	98,534	1,20,211	1,45,455
- Interstate Transformer (MVA)	23,765	31,820	39,335	56,840	71,050	85,260
- Intra State Transformer (MVA)	52,137	38,908	47,098	42,940	51,528	60,803
Reactors	12999	14,025	23,733	28,480	34,176	41,011
HVDC Transformers					15,000	15,000
Volume of winding copper (tons) required per MVA	0.25	0.25	0.25	0.25	0.25	0.25
Demand volume (tons) (a)	22,225	21,188	27,542	31,753	42,347	50,366
Distribution and step-down transformers demand (MVA)	1,06,294	1,53,101	1,98,348	2,10,248	2,27,068	2,42,963
Volume of winding copper (tons) required per MVA	0.125	0.125	0.125	0.125	0.125	0.125
% of capacity where copper windings are preferred	75%	75%	75%	75%	75%	75%
Demand volume (tons) (b)	9,965	14,353	18,595	19,711	21,288	22,778
Total demand volume (tons) (a+b)	32,190	35,541	46,137	51,464	63,634	73,144
Realisation (INR/kg)	788	812	836	861	887	914
Total winding wire market (INR bn)	25	29	39	44	56	67

Source: I-Sec research, Company data, IEEMA, CEA, CERC

Financial Summary

Exhibit 57: Profit & Loss

(INR mn, year ending Mar-31)

	FY25A	FY26E	FY27E	FY28E
Net Sales	19,280	30,479	38,396	45,428
Operating Expenses	924	1,284	1,584	1,945
EBITDA	1,212	1,884	2,433	3,022
EBITDA Margin (%)	6.3	6.2	6.3	6.7
Depreciation & Amortization	140	223	282	338
EBIT	1,072	1,661	2,151	2,684
Interest expenditure	274	433	320	222
Other Non-operating Income	105	170	187	206
Recurring PBT	903	1,398	2,018	2,667
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	217	349	484	640
PAT	686	1,048	1,534	2,027
Less: Minority Interest	-	-	-	-
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	686	1,048	1,534	2,027
Net Income (Adjusted)	686	1,048	1,534	2,027

Source Company data, I-Sec research

Exhibit 58: Balance sheet

(INR mn, year ending Mar-31)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	4,476	7,900	8,286	10,398
of which cash & cash eqv.	87	1,544	347	1,052
Total Current Liabilities & Provisions	318	523	808	1,258
Net Current Assets	4,158	7,377	7,478	9,140
Investments	-	-	-	-
Net Fixed Assets	1,297	3,674	4,192	3,854
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,070	300	-	-
Total Intangible Assets	-	-	-	-
Other assets	81	81	81	81
Deferred Tax Assets	-	-	-	-
Total Assets	6,606	11,432	11,751	13,075
Liabilities				
Borrowings	3,607	3,200	2,000	1,300
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	98	83	68	65
Equity Share Capital	284	339	339	339
Reserves & Surplus	2,617	7,811	9,344	11,371
Total Net Worth	2,901	8,149	9,683	11,710
Minority Interest	-	-	-	-
Total Liabilities	6,606	11,432	11,751	13,075

Source Company data, I-Sec research

Exhibit 59: Cashflow statement

(INR mn, year ending Mar-31)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	(608)	(713)	235	1,070
Working Capital Changes	(1,294)	(1,762)	(1,298)	(957)
Capital Commitments	(909)	(1,607)	(218)	338
Free Cashflow	301	894	454	731
Other investing cashflow	-	-	-	-
Cashflow from Investing Activities	(909)	(1,607)	(218)	338
Issue of Share Capital	-	-	-	1
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	1,539	(407)	(1,200)	(700)
Dividend paid	-	4,200	0	0
Others	(252)	(15)	(15)	(3)
Cash flow from Financing Activities	1,287	3,778	(1,215)	(703)
Chg. in Cash & Bank balance	(230)	1,457	(1,197)	705
Closing cash & balance	(52)	1,544	347	1,052

Source Company data, I-Sec research

Exhibit 60: Key ratios

(Year ending Mar-31)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	10.1	15.5	22.6	29.9
Adjusted EPS (Diluted)	10.1	15.5	22.6	29.9
Cash EPS	12.2	18.8	26.8	34.9
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	42.8	120.3	142.9	172.8
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	39.4	58.1	26.0	18.3
EBITDA	69.6	55.4	29.1	24.2
EPS (INR)	83.7	52.8	46.3	32.1
Valuation Ratios (x)				
P/E	39.1	25.6	17.5	13.2
P/CEPS	32.5	21.1	14.8	11.3
P/BV	9.2	3.3	2.8	2.3
EV / EBITDA	25.0	15.1	11.7	9.0
P / Sales	1.4	0.9	0.7	0.6
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	11.1	10.4	10.5	10.9
EBITDA Margins (%)	6.3	6.2	6.3	6.7
Effective Tax Rate (%)	24.0	25.0	24.0	24.0
Net Profit Margins (%)	3.6	3.4	4.0	4.5
NWC / Total Assets (%)	0.1	-	-	-
Net Debt / Equity (x)	1.2	0.2	0.2	0.0
Net Debt / EBITDA (x)	2.9	0.9	0.7	0.1
Profitability Ratios				
RoCE (%)	23.0	18.1	17.0	18.9
RoE (%)	26.3	19.0	17.2	18.9
RoC (%)	16.4	15.4	15.4	17.8
Fixed Asset Turnover (x)	14.4	12.3	9.8	11.3
Inventory Turnover Days	43	43	39	38
Receivables Days	49	47	42	41
Payables Days	4	5	7	10

Source Company data, I-Sec research

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