

## KSH International Limited

February 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	61.08 (Reduced from 195.96)	CARE A; Stable	Upgraded from CARE A-; Stable
Long-term / Short-term bank facilities	330.00 (Enhanced from 180.00)	CARE A; Stable / CARE A1	Upgraded from CARE A-; Stable / CARE A2
Short-term bank facilities	59.00 (Enhanced from 29.00)	CARE A1	Upgraded from CARE A2

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The upgrade in ratings assigned to bank facilities of KSH International Limited (KSH; earlier known as KSH International Private Limited) factors in substantial improvement in the scale of operations and profitability in FY25 (refers to April 01 to March 31) and 9MFY26 (refers to April 01 to December 31) and strengthening of capital structure post the fund raising by way of Initial Public Offer (IPO). Growth was supported by sustained demand from key end-user industries and higher realisation. Ratings upgrade also considers successful commissioning of the greenfield project without cost overrun. CARE Ratings Limited (CareEdge Ratings) expects KSH to sustain revenue growth while maintaining profitability levels supported by capacity enhancement.

Ratings continue to derive strength from long-track record of operations, experienced promoter group, established and diversified customer base and KSH's healthy market position in the magnetic windings wire industry.

These strengths are partially offset by modest profitability margin, exposure to raw material price volatility, working capital intensive operations and end-user concentration in revenue.

CareEdge Ratings has withdrawn ratings assigned to certain bank facilities, which have been repaid in full and CareEdge Ratings has received No Dues Certificate (NDC) from lenders that have extended the facilities.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Significant improvement in TOI and profitability on a sustained basis.
- Total debt to profit before interest, lease rentals, depreciation and taxation (TD/PBILDT) of less than 1.50x on a sustained basis.

#### Negative factors

- TD/PBILDT above 3x on a sustained basis.
- Overall gearing above 1x on a sustained basis

**Analytical approach:** Standalone

#### Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that KSH shall be able to sustain its business risk profile in the medium term, supported by its established presence in magnet winding wire industry, long-standing association with reputed customers, and the benefits expected to accrue from its newly commenced manufacturing facility.

### Detailed description of key rating drivers:

#### Key strengths

##### Consistent growth in scale of operations driven by higher volumes

KSH's total operating income (TOI) grew consistently from FY21-FY25, supported by steady volume growth. In FY25, TOI improved by ~39% to ₹1,935.15 crore from ₹1,387.56 in FY24, with a volume growth of ~9% led by customer addition and sustained demand from key end-user industries such as power and railways. Growth continued in 9MFY26, indicated by TOI of ₹2,088.63 crore against ₹1,420.46 crore in 9MFY25 with healthy volume of 20,556 MT (23,324 MT for FY25). CareEdge Ratings

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

expects scale of operations to grow steadily in the medium term, considering improved order flow, capacity enhancement and addition of new products and customers across geographies.

#### **Commencement of operations at newly set up manufacturing facility**

KSH had undertaken a sizeable greenfield project at Supa, Maharashtra for Phase I. The expansion, aimed at enhancing manufacturing capacity by 12,000 MTPA across standard and special grade magnetic winding wires, had been primarily funded through a term loan of ₹177 crore. Phase-1 commenced operations in September 2025.

In line with its medium-term growth plans and anticipating sustained demand momentum, KSH also proposes to implement Phase II of the expansion at the same location. Phase II is expected to add a further 18,000 MTPA of capacity by FY27-end. This phase is proposed to be largely funded through the proceeds raised from the recent IPO, limiting additional debt requirements.

#### **Strengthening of capital structure and debt coverage indicators**

In FY25, the company's capital structure had exhibited a marginal deterioration driven by higher utilisation of working capital borrowings and additional project-related debt availed in the year. Overall gearing stood at 1.23x and 1.40x as on March 31, 2025, and September 30, 2025, against 0.93x as on March 31, 2024. Interest coverage ratio remained satisfactory at 4.54x in FY25 (4.24x in FY24). TD to gross cash accruals (TD/GCA) stood at 4.53x in FY25 (4.44x in FY24). KSH completed its initial public offering (IPO) in December 2025, raising equity proceeds of ~₹420 crore. A substantial portion of these proceeds has been deployed towards repayment of short term (₹50 crore) and long-term debt (₹175.98 crore). CareEdge Ratings expects a marked strengthening in the company's capital structure and debt coverage indicators following the equity infusion and subsequent reduction in borrowings, with estimated overall gearing at below unity levels.

#### **Experienced promoter group with long track record of operations**

KSH's promoters have been in the copper conductors business for about five decades. Kushal Hegde, the Chairman, has experience of over five decades in manufacturing and infrastructure sectors. Second-generation entrepreneur of the Hegde family, Rajesh Hegde has over two decades of industry experience and is ably supported by a second-tier management team with requisite experience and technical competence. Through its four decades of existence, the company has established significant presence in the copper winding wire industry in India and export markets.

#### **Long-association with established and diversified customer base with healthy market position in magnet winding wire industry**

KSH continues to maintain a healthy market position in the domestic magnet winding wire industry, particularly in insulated copper wires and continuous transposed conductors (CTC). The company services a diversified customer base of over 100 clients across India and overseas markets, including several reputed original equipment manufacturers (OEMs), with its products catering to end-use sectors such as power, automotive, railways, and consumer durables. Long-standing relationships with key customers-many spanning over a decade- reflect strong business continuity and stable repeat revenue.

KSH's competitive position is further supported by its status as an approved supplier for specialised insulated wires and CTC used in critical power equipment. The magnet winding wire industry is characterised by high entry barriers due to stringent pre-qualification requirements by major corporate, government and international entities. KSH's products have been approved by multiple reputed organisations, reflecting strong technical capabilities and reinforcing customer confidence in its offerings.

#### **Key weaknesses**

##### **Modest profitability margin**

KSH either undertakes end-to-end work, outright sales or on job-work basis. Considering relatively low value addition of winding wires, the company's PBILDT margin remained modest and in the range of 5-7%. With fixed fabrication rate per tonne, profitability margins are inversely proportional to copper prices. The PBILDT margin improved to 6.72% in FY25 (5.53% in FY24), supported by a superior sales mix. PAT margin also strengthened to 3.51% in FY25 from 2.69% in FY24. In 9MFY26, KSH reported PBILDT margin of 6.50% (6.15% in 9MFY25) and PAT margin of 3.62% (3.49% in 9MFY25), aided by improved product mix and operating leverage benefits.

##### **Exposure to volatility of copper prices and foreign exchange rates**

Copper is the major raw material for KSH, accounting for ~90% of its total operating cost. The company procures copper on a back-to-back basis against confirmed customer orders; where copper prices are fixed with customers and simultaneously with suppliers. This mechanism mitigates raw material price volatility to a large extent. KSH also derives a portion of its revenue from exports, exposing it to foreign exchange rate fluctuations. However, the company partially offsets this risk through established hedging practices, limiting impact on its profitability.

### End-user concentration

KSH's products cater to multiple end-use industries such as power, railways, automobiles, consumer durables and industrial applications. However, a sizeable share of the company's revenue is derived from the power sector, exposing it to risks associated with delays in project execution and changes in sectoral policies. The company's foray into the round-wire segment is expected to support gradual diversification of its end-user mix in the medium term, as this product line caters to a wider set of industries including automobiles, consumer durables and industrial equipment.

### Liquidity: Strong

The company's liquidity is characterised by healthy cushion in accruals against repayment obligations. Annual GCA are expected to be over ₹100 crore against debt repayment obligations of ~₹10 crore. Future capital expenditure requirements will be funded by a mix of earmarked funds from IPO proceeds and internal accruals. Working capital intensity continues to remain moderate with operating cycle of 65 days in FY25 (PY: 63 days) and average bank limit utilisation averaging at ~74% for 12-months ended December 31, 2025. The company has been increasing its working capital limits to support its growing scale of operations.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

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### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Aluminium, copper and zinc products

Incorporated in 1979, KSH is promoted by Kushal S Hegde. The company is based in Pune and manufactures insulated copper conductors, which include CTC, paper insulated copper conductors (PICC), wrapped and enamelled rectangular copper/aluminium magnet winding wires and other specialty conductors. As on December 31, 2025, KSH had manufacturing capacity of 43,445 MTPA.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,387.56	1,935.15	2,088.63
PBILDT*	76.73	130.00	135.76
Profit after tax (PAT)	37.35	67.99	75.60
Overall gearing (x)	0.93	1.23	NA
Interest coverage (x)	4.24	4.54	4.41

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	30/09/2031	61.08	CARE A; Stable
Fund-based-Short Term		-	-	-	20.00	CARE A1
Fund-based/Non-fund-based-LT/ST		-	-	-	25.00	CARE A; Stable / CARE A1
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	135.00	CARE A; Stable / CARE A1
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	170.00	CARE A; Stable / CARE A1
Non-fund-based - ST-BG/LC		-	-	-	39.00	CARE A1

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	135.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2 (10-Dec-24)	1)CARE A-; Stable / CARE A2 (18-Dec-23)	1)CARE A-; Positive / CARE A2 (30-Nov-22)
2	Fund-based - LT-Term Loan	LT	61.08	CARE A; Stable	-	1)CARE A-; Stable (10-Dec-24)	1)CARE A-; Stable (18-Dec-23)	1)CARE A-; Positive (30-Nov-22)
3	Non-fund-based - ST-BG/LC	ST	39.00	CARE A1	-	1)CARE A2 (10-Dec-24)	1)CARE A2 (18-Dec-23)	1)CARE A2 (30-Nov-22)
4	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	170.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2 (10-Dec-24)	1)CARE A-; Stable / CARE A2 (18-Dec-23)	1)CARE A-; Positive / CARE A2 (30-Nov-22)
5	Fund-based/Non-fund-based-LT/ST	LT/ST	25.00	CARE A; Stable / CARE A1	-	1)CARE A-; Stable / CARE A2 (10-Dec-24)	1)CARE A-; Stable / CARE A2 (18-Dec-23)	1)CARE A-; Positive / CARE A2 (30-Nov-22)
6	Fund-based-Short Term	ST	20.00	CARE A1	-	1)CARE A2 (10-Dec-24)	1)CARE A2 (18-Dec-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based-Short Term	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple
5	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated:** Not applicable

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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