

Om Power Transmission IPO

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- The company is engaged as an EPC contractor for the power distribution segment.
- After focusing on Gujarat, recently it has expanded its reach to Rajasthan, Punjab and Union Territories of Dadra and Nagar Haveli, Daman and Diu.
- The company marked growth in its top and bottom lines for the reported periods. Its order book stood at Rs. 744.60 cr. as of December 31, 2025.
- The surge in its bottom lines from FY25 onwards raise eyebrows and concern over its sustainability going forward.
- Based on its recent financial data, the issue appears fully priced, discounting all near term positives.
- Well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Om Power Transmission Ltd. (OPTL) is a power transmission infrastructure engineering, procurement, and construction (“EPC”) company with over 14 years of experience. Its expertise lies in the execution of high-voltage (“HV”) and extra-high voltage (“EHV”) transmission lines, substations and underground cabling projects delivered on a turnkey basis, encompassing design, engineering, supply, erection, installation, testing, commissioning, and comprehensive operation and maintenance (“O&M”) services.

Since commencement of operations in 2011 in the State of Gujarat, it has commissioned transmission lines, substations and underground cables, covering in aggregate over 1,000 circuit kilometers (“CKM”) of transmission lines and 11 substations respectively. OPTL’s EPC capabilities extend to transmission lines ranging from 11 kilovolts (“kV”) to 400 kV and substations up to 220 kV. During the nine months period ended December 31, 2025 and the last three Fiscals, the company has completed EPC works aggregating to more than 500 CKM of transmission lines, and underground cables, and 4 substations. As of December 31, 2025, our unexecuted Order Book comprised 58 projects amounting to Rs. 744.60 cr., including 51 EPC projects and 7 O&M contracts. As of December 31, 2025, it had operating and maintaining 124 substations. While its business has historically been concentrated in the State of Gujarat, it has recently expanded operations to the States of Rajasthan and Punjab along with union territory of Dadra and Nagar Haveli and Daman and Diu, having secured EPC project awards in these states and union territory.

Its rising contingent liability raise concern. (Refer page no. 82 of the offer document. (It stood at Rs. 1.68 cr. as of December 31, 2025. As of the said date, it had 1164 employees on its payroll. The company also hires independent contractors' as and when required.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 8575000 equity shares of Rs. 10 each to mobilize Rs. 150.06 cr. at the upper cap. The IPO consists of 7575000 fresh equity shares worth Rs. 132.56 cr. at the upper cap, and an Offer for Sale of 1000000 equity shares worth Rs. 17.50 cr. at the upper cap. The company has announced a price band of Rs. 166 – Rs. 175 per equity shares of Rs. 10 each. The issue opens for subscription on April 09, 2026, and will close on April 13, 2026. The minimum application to be made is for 85 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.04% of the post-IPO paid-up equity capital. From the net proceeds of fresh equity issue, the company will utilize Rs. 11.21 cr. for capex on purchase of machinery and equipment, Rs. 25.00 cr. for repayment/prepayment of certain borrowings, Rs. 55.00 cr. for working capital, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is Beeline Capital Advisors Pvt. Ltd., while MUFG Intime India Pvt. Ltd., is the registrar to the issue. Spread X Securities Pvt. Ltd. is a syndicate member.

After issuing/converting initial equity shares at par, the company has issued/converted further equity shares at a fixed price of Rs. 116.00 per share in September 2025. It has also issued bonus shares in the ratio of 40 for 1 in July 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.24 per share.

Post-IPO, its current paid-up equity capital of Rs. 26.67 cr. will stand enhanced to Rs. 34.25 cr. Based on the upper cap of the IPO price band; the company is looking for a market cap of Rs. 599.29 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 121.71 cr. / Rs. 6.24 cr. (FY23), Rs. 184.39 cr. / Rs. 7.41 cr. (FY24), and Rs. 281.65 cr. / Rs. 22.08 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 23.37 cr. on a total income of Rs. 276.50 cr.

For the last three fiscals, the company has posted an average EPS of Rs. 5.92 and an average RoNW of 22.48 %. The issue is priced at a P/BV of 3.89 based on its NAV of Rs. 44.93 as of September 30, 2025, and at a P/BV of 2.37 based on its post-IPO NAV of Rs. 73.71 per share (at the upper cap).

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 19.23. Based on FY25 earnings, the P/E stands at 27.13. Thus, following

higher margins posted from FY25 onwards, the issue appears fully priced, discounting all near term positives. Thanks to bumper profits for 9M-FY26, which has helped it to post lower P/E.

For the reported periods, the company has posted PAT margins of 5.12% (FY23), 4.02% (FY24), 7.84% (FY25), 8.45% (9M-FY26), and RoCE margins of 15.45%, 18.41%, 41.76%, 26.53% respectively, for reported periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Rajesh Power, Advait Energy, and Viviana Power, as its listed peers. They are currently trading at a P/E of 13.3, 43.2, and 24.5 (as of April 06, 2026 – around 12.38 hrs). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The sole BRLM associated with this issue has handled 59 issues in the last 3 fiscals, out of which none of the issue closed below the offer price on listing date.

Conclusion / Investment Strategy

OPTL is engaged as an EPC contractor for the power distribution segment. After focusing on Gujarat, recently it has expanded its reach to Rajasthan, Punjab and Union Territories of Dadra and Nagar Haveli, Daman and Diu. The company marked growth in its top and bottom lines for the reported periods. Its order book stood at Rs. 744.60 cr. as of December 31, 2025. The surge in its bottom lines from FY25 onwards raise eyebrows and concern over its sustainability going forward. Based on its recent financial data, the issue appears fully priced, discounting all near term positives. The scrip will be listed in "T to T" segment initially. Well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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