IPO REVIEW

Orient Cables (India) IPO

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- The company is engaged in the manufacturing of networking cables, passive networking equipment, and serving telecom, data centres, renewable energy, FMEG and Automotive segments.
- The company marked steady growth in its top lines for the reported periods.
- It posted marginal growth in its bottom lines for fiscal 2026 over fiscal 2025, despite higher top line.
- Based on its recent average financial data, the issue appears aggressively priced.
- However, well-informed investors may park funds for medium to long term.

About the Company

Orient Cables (India) Ltd. (OCIL) is a manufacturing company with a primary focus on networking cables and passive networking equipment, operating for nearly two decades and catering to high-growth industries including broadband, telecom, data centres, renewable energy, smart building automation/ security, system integration, FMEG and automotive.

It manufactures a diverse range of products, as provided below, under the following broad segments-

• Networking Cables and Solutions: its range of Networking Cables include CAT5, CAT 5e, CAT6 and CAT6A cables and their variants. The company manufactures networking cable terminated assemblies with connectors (patch cords) and CCTV and Coaxial Cables;

• Specialty Power, Optical Fibre Cables and Solutions: through its Specialty Power, Optical Fibre Cables and Solutions segment, it manufactures instrumentation cables, control cables and power cables as well as optical fibre cables in the Unitube and Multitube categories along with fibre patch cords and custom assemblies;

• Wire and Cable Harness Assemblies, EV Charging Guns Cable Assembly: It has recently started assembly of wire and cable harness, EV Charging guns cable and other ancillary components in Fiscal 2026.

• Other Allied Products: its other allied products include keystone jacks, power strips and power cords.

According to the 1Lattice Report OCIL is one of India’s top four players in the networking cables industry with a market share of approximately 22.9% in Fiscal 2026. According to the 1Lattice Report, OCIL is one of the youngest companies amongst its peer set with one of the most comprehensive product ranges across the industry. As a result, it has increased its market share (by revenue) from

approximately 16% in Fiscal 2022 to approximately 22.9% in Fiscal 2026. It is one of the fastest growing players in the wires and cables industry with a revenue CAGR of approximately 33.45% from Fiscal 2024 to Fiscal 2026. while the average revenue CAGR of peers was approximately 17.27% during Fiscal 2024 to Fiscal 2026. The company has the highest ROE among peers in Fiscal 2025 and Fiscal 2026, while maintaining a high ROCE of 36.46% and 23.82% in Fiscal 2025 and Fiscal 2026, respectively, indicating operational efficiency.

To keep up with the growing demand in the industry, it has been consistently increasing manufacturing capacity. As of June 30, 2026, it had an installed capacity of 895,776 kms of networking cables, specialty power cables, optical fibre cables. The company has a keen focus on continuous customization and upgradation of existing product portfolio and are venturing into new products.

OCIL manufactures customized products for its marquee customers who are typically telecommunication service providers, or a multi-national company engaged in developing and supplying networking and connectivity products, providers of IT solutions, data centers etc. As per the 1 Lattice Report, the Company caters to two out of the top three telecom companies by revenue as on March 31, 2026. Given the critical applications of its products, customers require strict compliance with global standards for products and processes. They typically audit OCIL’s facilities and often mandate third-party testing of samples outside India before placing orders. It has maintained relationships with its top ten customers for an average period of over nine years. The quality of its products and manufacturing capabilities has allowed relationships with customers to grow and has resulted in a consistent increase in revenue from such customers.

The company has capitalized on its established domestic presence and customer relationships to build a robust international presence as well. It exports products to overseas customers located in UAE, Qatar, USA, Australia, New Zealand, Nepal, Singapore and Netherlands, amongst others. Its R&D and quality departments are focused on continuous innovation and new product development and are supported by well-equipped, quality laboratories with calibrated testing infrastructure. OCIL provides innovative and custom designed solutions to customers through design, pilot manufacturing and comprehensive testing. Its customer focused approach has helped it resolve technical problems faced by customers and has led to the development of various new products. Innovations in its product offerings include LAN Cables with CPR Compliance (DCA/ECA/B2CA) for European markets, UL Compliance (CMR) for US and Canadian Markets, ETL Certification on CAT6A U/UTP clearing Alien Crosstalk performance parameters, development of thin diameter CAT6A 26AWG Cable, CAT6A 23 AWG armoured type cable and KNX Cable for building automation.

Its product development efforts have also resulted in its receiving international certifications including ETL, UL, Construction Product Regulation (CPR) and European Conformity (CE). The company regularly engages in prototyping new products, improving existing products and working with customers towards replacing imported products with indigenous cost-effective solutions. As of

June 30, 2026, it had 613 employees on its payroll, and additional 1327 contract workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO worth Rs. 552.00 cr. (of approx. 20294118 equity shares at the upper cap). The IPO consists of fresh equity shares worth Rs. 320.00 cr. (approx. 11764706 equity shares at the upper cap) and an Offer for Sale (OFS) worth Rs. 232.00 cr. (approx. 8529412 equity shares at the upper cap). The company has announced a price band of Rs. 258 – Rs. 272 per equity shares of Re. 1 each. The issue opens for subscription on September 25, 2026, and will close on September 29, 2026. The minimum application to be made is for 37 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 17.83% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 155.50 cr. for repayment/prepayment of certain borrowings, Rs. 91.50 cr. for capex on purchase of machinery, equipment and civil works for its manufacturing facilities, and the rest for general corporate purposes.

The two joint Book Running Lead Managers (BRLMs) to this issue are IIFL Capital Services Ltd., and JM Financial Ltd., while KFin Technologies Ltd. is the registrar to the issue. JM Financial Services Ltd. is a syndicate member.

After issuing initial equity shares at par value, the company has issued further equity shares in the price range of Rs. 3.00 – Rs. 20.00 per share (based on Re. 1 FV), between October 2008, and March 2012. The company also issued bonus shares in the ratio of 9 for 1 in January 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.00, Rs. 0.01, Rs. 0.10, Rs. 5.67, Rs. 24.23, and Rs. 35.00 per share.

Post-IPO, its current paid-up equity capital of Rs. 10.20 cr. (102035000 equity shares) will stand enhanced to Rs. 11.38 cr. (113799706 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 3095.35 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 664.98 cr. / Rs. 40.07 cr. (FY24), Rs. 831.86 cr. / Rs. 53.32 cr. (FY25), and Rs. 1181.67 cr. / Rs. 53.56 cr. (FY26). For Q1 of FY27 ended on June 30, 2026, it earned a net profit of Rs. 32.78 cr. on a total income of Rs. 490.94 cr. The Q1 number indicates bright prospects ahead for the company. Its contingent liabilities stood at Rs. 103.43 cr. as of March 31, 2026. Surge in trade receivables year on year raise concern.

For the last three fiscals, the company has posted an average EPS of Rs. 3.26 and an average RoNW of 30.66 %. The issue is priced at a P/BV of 10.33 based on its NAV of Rs. 26.34 as of June 30, 2026, and at a P/BV of 5.57 based on its post-IPO NAV of Rs. 48.84 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 23.61. Based on FY25 earnings, the P/E stands at 57.75. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 6.03% (FY24), 6.41% (FY25), 4.55% (FY26), 6.77% (Q1-FY27), and RoCE margins of 41.13%, 36.46%, 23.82%, 10.36%, respectively, for the referred 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 July 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown RR Kabel, Polycab India, Finolex Cables, Havells India, KEI Ind., Paramount Communications, Birla Cable, Sterlite Technologies, as its listed peers. They are currently trading at a P/E of 46.8, 44.1, 28.3, 41.0, 44.5, 32.3, 22.4, and 179.0 (as of September 24, 2026). 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 two BRLMs associated with this issue has handled 90 IPOs in the last three fiscals and out of which 26 IPOs closed below the issue price on listing date.

Conclusion / Investment Strategy

OCIL is engaged in the manufacturing of networking cables, passive networking equipment, and serving telecom, data centres, renewable energy, FMEG and Automotive segments. The company marked steady growth in its top lines for the reported periods. It posted marginal growth in its bottom lines for fiscal 2026 over fiscal 2025, despite higher top line. Based on its recent average financial data, the issue appears aggressively priced. However, well-informed investors may park funds for medium to 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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