

## Om Power Transmission- IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
9 April 2026	13 April 2026	₹166 to ₹175	Apply

### Investment Summary

Om Power Transmission Limited presents an investment opportunity in India's expanding power transmission infrastructure segment, supported by sustained government investment in grid strengthening, renewable energy integration and transmission network expansion. The company operates in a technically specialized EPC segment with demonstrated execution capability across transmission lines, substations, and underground cabling projects, positioning it to benefit from continued infrastructure spending in the power sector. The company maintains a diversified project portfolio across multiple states supported by an established track record in executing high-voltage transmission projects and substation infrastructure. Its participation in both overhead transmission and underground cabling projects enhances its ability to address varied grid infrastructure requirements, while its technical approvals and certifications enable participation in regulated utility tenders. Growth prospects remain linked to increasing electricity demand, rural electrification initiatives, renewable energy evacuation infrastructure, and modernization of existing grid systems across India. Continued investments in transmission networks and renewable energy corridors are expected to create sustained tender opportunities, enabling the company to scale its project pipeline and geographic footprint. Its EPC execution model, supplemented by recurring maintenance services, supports operational continuity and revenue stability. However, performance remains sensitive to order inflow, project execution timelines, working capital requirements, and competitive bidding dynamics within the infrastructure EPC sector.

### Company Overview

Om Power Transmission Limited is a power transmission infrastructure engineering, procurement, and construction (EPC) company engaged in the execution of high-voltage (HV) and extra-high voltage (EHV) transmission infrastructure projects. The company provides turnkey solutions for transmission lines, substations, and underground cabling systems across utility and infrastructure networks. The company commenced operations in 2011 in Gujarat and has since expanded its geographic presence to Rajasthan, Punjab, and the Union Territories of Dadra & Nagar Haveli and Daman & Diu. Its EPC capabilities cover transmission lines ranging from 11 kV to 400 kV and substations up to 220 kV, including air-insulated substations (AIS), gas-insulated substations (GIS), and SCADA-enabled systems. Since inception, the company has commissioned transmission infrastructure covering over 1,000 circuit kilometers of transmission lines along with multiple substations and underground cable networks. As of December 31, 2025, its unexecuted order book comprised 58 projects, including EPC contracts and operation and maintenance assignments, providing revenue visibility over the medium term. The company operates under recognized quality, safety, and environmental standards, holding ISO certifications and technical accreditation from Gujarat Energy Transmission Corporation (GETCO), enabling it to undertake large-scale transmission and substation projects.

### Business Model

The company derives a significant portion of its revenue from constructing overhead transmission lines for power utilities and infrastructure developers. These projects include tower erection, conductor stringing, testing, and commissioning across high-voltage and extra-high voltage networks. Execution is carried out on a turnkey basis, covering the entire lifecycle from engineering design to project handover. Substation development constitutes another major vertical, involving civil works, electrical installation, equipment integration, and system commissioning. The company undertakes both air-insulated and gas-insulated substation projects, enabling electricity evacuation and grid stabilization across regional transmission networks. The company executes underground cable laying works, particularly in urban and industrial environments where overhead lines are not feasible. The scope includes trenching, cable laying, jointing, termination, and testing of underground power transmission systems. Following project completion, the company provides operation and maintenance services for substations and transmission infrastructure. These contracts generate recurring revenue streams and support long-term client relationships. As of December 31, 2025, the company

was operating and maintaining 124 substations under O&M contracts. This combination of turnkey execution and post-commissioning services enables revenue visibility while supporting long-term engagement across successive infrastructure projects.

## Industry Outlook

India's power transmission sector is expected to witness sustained growth driven by rising electricity demand, expansion of renewable energy capacity, and continued government investment in grid infrastructure. National electricity demand is projected to grow at approximately 6.0–6.5% annually through FY2030, while total installed power generation capacity is expected to increase from around 442 GW in FY24 to approximately 673 GW by FY30, necessitating significant transmission network expansion. Increasing integration of renewable energy sources such as solar and wind requires the development of high-capacity transmission corridors, inter-state connectivity, and evacuation infrastructure, creating significant opportunities for EPC contractors operating in the transmission segment. The government has outlined plans to invest approximately ₹7.9 lakh crore in transmission infrastructure by FY2036, alongside the development of renewable energy corridors to integrate over 900 GW of non-fossil fuel capacity, supporting long-term capital expenditure across the sector. Additionally, modernization of aging infrastructure and deployment of underground cabling in urban regions are likely to contribute to steady demand for transmission and substation development services.

## Investment Rationale

### 1. Strong Industry Tailwinds Supporting Order Opportunities

Om Power Transmission Limited operates within a sector supported by structural demand arising from renewable energy expansion, grid modernization, and capacity addition across transmission networks. Continued investment in power infrastructure is expected to generate sustained tender activity, providing opportunities for project acquisition and business growth. India targets 500 GW of non-fossil fuel capacity by 2030, with renewable energy expected to contribute over 35% of total power generation by FY2030. The integration of renewable energy sources requires dedicated evacuation and grid infrastructure, increasing demand for transmission lines, substations, and related EPC services.

### 2. Established Capabilities Across Multiple Transmission Segments

The company has developed technical capabilities in executing transmission lines, substations, and underground cabling projects, enabling participation across diverse project categories. Its experience in handling turnkey EPC assignments supports operational efficiency and strengthens its ability to deliver complex infrastructure within defined timelines. With India's transmission network exceeding 4.9 lakh circuit kilometers and an estimated requirement for an additional ~191,000 circuit kilometers of transmission lines by 2031-32, experienced EPC contractors remain positioned to benefit from expanding infrastructure requirements.

### 3. Visible Revenue Pipeline Supported by Ongoing Projects

The presence of an active order book provides medium-term revenue visibility and supports earnings continuity. Continued sector investment, including planned cumulative transmission infrastructure expenditure of approximately ₹9.15 lakh crore by FY2032, enhances project availability and supports sustained execution activity across the industry.

### 4. Recurring Income Contribution from Maintenance Services

Operation and maintenance contracts complement EPC activities by generating recurring revenue streams after project completion. This service component supports financial stability while reinforcing long-term relationships with utility customers, particularly in a sector where long asset lifecycles require ongoing operational support.

## Key Risks

### 1. High dependence on PSU and Limited Customer Base

The company derives a significant portion of its business from government utilities and public sector undertakings (PSUs). PSUs accounted for approximately 83.74%, 84.21%, and 87.48% of the order book in FY25, FY24, and FY23, respectively. Additionally, revenue concentration remains elevated, with the top 10 customers contributing over 95–98%

of revenue across FY23–FY25, while the single largest customer contributed 71.55% of revenue in 9M FY26, exposing the company to customer concentration risk

## 2. Elevated Debt and Financing Obligations

As of December 31, 2025, the company reported total outstanding borrowings of approximately ₹2.7 crores, creating fixed repayment obligations. Failure to service debt or maintain adequate liquidity could adversely impact operations, financial flexibility, and expansion plans. The company reported negative cash flow from operating activities of ₹32.51 crore for the period ended December 31, 2025, indicating pressure on internal liquidity. Continued negative operating cash flows could limit the company's ability to fund operations or pursue growth opportunities without additional borrowing.

## 3. Raw Material Price Volatility Risk

The company's project costs are influenced by fluctuations in the prices of key materials such as steel, aluminium conductors, and electrical equipment. In cases where contracts do not provide adequate price variation clauses, sharp increases in material costs could compress margins.

## 4. Working Capital Intensive Nature Of Operations

EPC projects typically require significant upfront investment in materials, labour, and subcontracting expenses before milestone payments are received. Delays in customer payments or extended receivable cycles may increase working capital requirements and reliance on external borrowings, affecting liquidity and finance costs. The EPC business model requires substantial working capital investment, with working capital accounting for 62.42% of total assets as of December 31, 2025, compared with 56.64% in FY25 and 55.05% in FY24. Trade receivables stood at ₹144.07 crore as of December 31, 2025, with receivable days of approximately 142 days, indicating extended collection cycles. Furthermore, 7–20% of receivables remained outstanding for more than six months, increasing liquidity pressure and reliance on external financing.

## Business Vertical Wise Revenue from Operations

Particulars	FY23		FY24		FY25	
	In Cr	%	In Cr	%	In Cr	%
Transmission Line Projects(A)	73.41	61.05%	107.27	58.70%	144.66	51.80%
Substation EPC Projects (B)	9.87	8.21%	13.54	7.40%	23.25	8.30%
Underground Cabling Projects (C)	24.72	20.56%	31.48	17.20%	79.56	28.50%
Others (D)	12.24	10.18%	30.47	16.70%	31.97	11.40%
<b>Revenue from operations</b>	<b>120.24</b>	<b>100%</b>	<b>182.76</b>	<b>100%</b>	<b>279.44</b>	<b>100%</b>

## Financial Snapshot

Metric	FY23	FY24	(In Cr) FY25
<b>Revenue (₹ Cr)</b>	120.23	182.76	279.43
<b>EBITDA (₹ Cr)</b>	11.93	14.47	35.66
<b>Net Profit (₹ Cr)</b>	6.23	7.41	22.08
<b>EBITDA Margin (%)</b>	9.92%	7.92%	12.76%
<b>PAT Margin (%)</b>	5.18%	4.05%	7.90%
<b>EPS (Basic) (₹)</b>	2.33	3.01	8.98

## IPO Details and Use of Proceeds

Parameter	Details
<b>Issuer</b>	Om Power Transmission
<b>IPO Structure</b>	Fresh Issue & Offer for Sale
<b>Issue Size</b>	85,75,000 shares (agg. up to ₹150 Cr) Fresh Issue: 75,75,000 shares (agg. up to ₹133 Cr) Offer for sale: 10,00,000 shares of ₹10 (agg. up to ₹18 Cr)
<b>Price Band</b>	₹ 166 to ₹175 per share
<b>Face Value</b>	₹10 per share
<b>Post-Issue Market Cap</b>	₹ 599.29 Cr.
<b>Promoter Holding (Pre/Post)</b>	92.26% / 68.92%
<b>IPO Opening Date</b>	April 9, 2026
<b>IPO Closing Date</b>	April 13, 2026
<b>Listing</b>	BSE & NSE
<b>Book Running Lead Managers</b>	<ul style="list-style-type: none"> <li>• Beeline Capital Advisors Pvt. Ltd.</li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>• Funding of capex – Rs.11.21 Cr</li> <li>• Repayment of debt – Rs. 25 Cr</li> <li>• Working capital requirement – Rs. 55 Cr</li> <li>• General Corporate Purposes</li> </ul>

## Valuation and Recommendation

At the upper end of the price band of **₹175** per share, Om Power Transmission is valued at **27.14x P/E**, implying a **post-issue market capitalisation of ₹599.29 crores**. This valuation appears overvalued in comparison with listed EPC and power transmission peers, where peer P/E multiples range between ~16x and ~30x, indicating that the issue is expensive relative to the industry. Financially, the company has demonstrated strong growth momentum, with revenue increasing from ₹120.23 crore in FY23 to ₹279.43 crore in FY25, while profit after tax rose from ₹6.22 crore to ₹22.08 crore during the same period, reflecting improving operating scale and profitability. The company also reported ROE of ~35.83% and ROCE of ~41.76% in FY25, indicating efficient capital utilization compared to many infrastructure EPC businesses. However, the valuation remains sensitive to execution risks, given the working capital intensive nature of EPC operations and dependence on government-linked contracts. Considering the company's growth trajectory, sector tailwinds, and fair valuation relative to peers, we recommend an **Apply rating** for the IPO.

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