

ABOUT THE COMPANY: Omnitech Engineering Limited is a manufacturer of high-precision engineered components and assemblies catering to energy, motion control & automation, and industrial equipment sectors. With nearly two decades of experience, the company specializes in safety-critical applications and serves a diverse global customer base.

KEY BUSINESS INSIGHTS:

Omnitech Engineering is a Gujarat-based precision manufacturing company with three facilities and 1,800+ employees, serving 256 customers across 24 countries with an export-led model (~79% revenue). Strong quality standards drive repeat business (97% in H1 FY26), with clients including Halliburton. The company has delivered robust growth, posting a 39% revenue CAGR and 16.55% PAT CAGR, supported by healthy margins, while FY25 cash flow was temporarily impacted by capacity expansion. Its order book has surged to ₹1,764.78 crore as of September 2025, largely driven by the Energy segment, though revenue remains concentrated among top clients.

OUR VIEW:

With over 19 years of experience, the company manufactures high-precision components for energy, motion control & automation, and industrial sectors, serving 256+ customers across 24 countries. It has delivered strong growth, reporting 92.45% revenue growth in FY25 and a 39% CAGR (FY23–FY25), though risks such as revenue concentration and forex exposure persist. Financially, it posted a 39% topline and 16.55% bottomline CAGR, with healthy cash flows except for a temporary dip in FY25 due to capacity expansion. With utilisation at 65–75%, a strong order book, and a P/E of 53x versus higher peer levels, we assign a “SUBSCRIBE” rating.



ISSUE DETAILS	
Price Band (in ₹ per share)	216-227
Issue size (in ₹ Crore)	583 cr
Fresh Issue (in ₹ Crore)	418 cr
Offer for Sale (in ₹ Crore)	165 cr
Issue Open Date	25-02-2026
Issue Close Date	27-02-2026
Tentative Date of Allotment	02-03-2026
Tentative Date of Listing	05-03-2026
Total Number of Shares (in lakhs)	256.83 – 269.91
Face Value (in ₹)	5.00
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	66	14,982
Retail (Max)	13	858	1,94,766
S-HNI (Min)	14	924	2,09,748
S-HNI (Max)	66	4356	9,88,812
B-HNI (Min)	67	4422	10,03,794

BRLMs: ICICI Securities Limited & Equirus Capital Private Limited

PROMOTERS: UDAYKUMAR ARUNKUMAR PAREKH AND DHARMI A PAREKH

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)*	H1FY26	FY25	FY24	FY23
Share Capital***	52.63	52.63	50.00	5.00
Net Worth	232.27	204.44	78.81	59.90
Revenue from Operations	228.17	342.91	178.18	177.33
EBITDA	70.08	117.65	64.94	63.46
EBITDA Margin (%)	30.7%	34.3%	36.4%	35.8%
Profit/(Loss) After Tax	27.78	43.87	18.91	32.29
EPS (in Rs.)	2.64	4.26	1.89	3.23
Net Asset Value (in Rs.)	22.07	19.82	7.88	5.99
Total borrowings	382.91	330.63	230.49	88.81
P/E#	85.98	53.29	NA	NA
P/B#	10.29	11.45	NA	NA

* Restated consolidated financials; #Calculated at upper price band ***9:1 Bonus Issue (FY 2024)& Private Placements for Cash (FY 2025)

OBJECTS OF THE OFFER

The Company proposes to utilize the net proceeds towards funding the following objects:

- To carry out the Offer for Sale.
- Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.
- Funding towards Setting up New Projects at: proposed facility 1 & 2.
- Funding capex for rooftop solar installation and new machinery at Existing Facility 2.
- General corporate purposes.

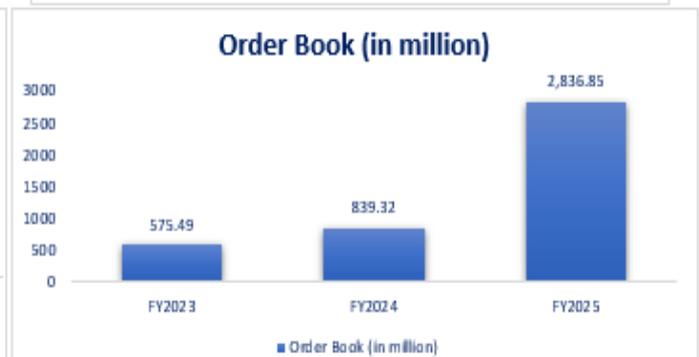
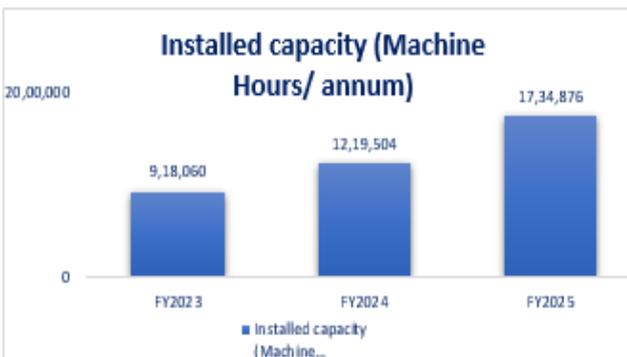
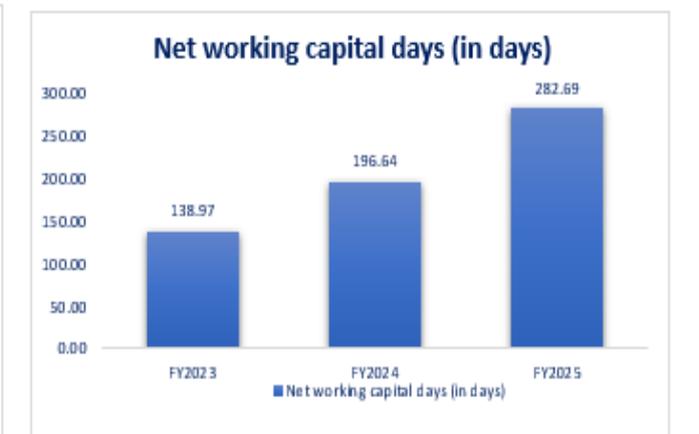
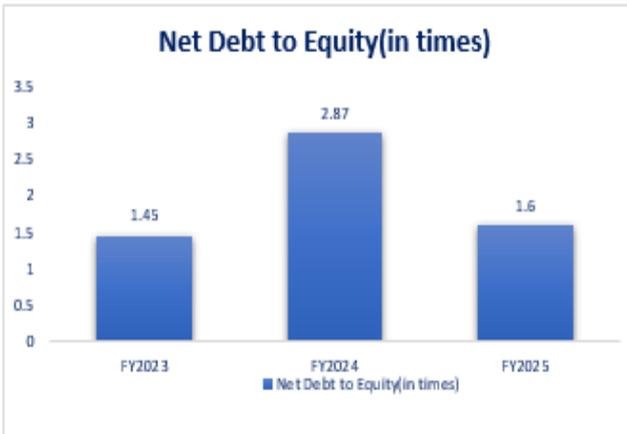
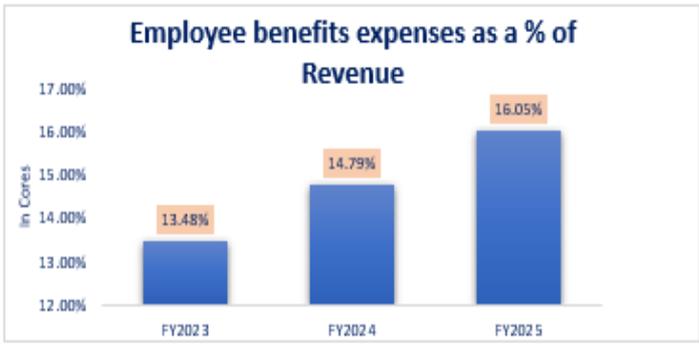
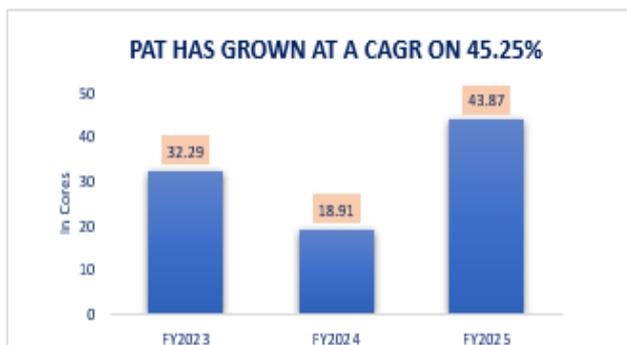
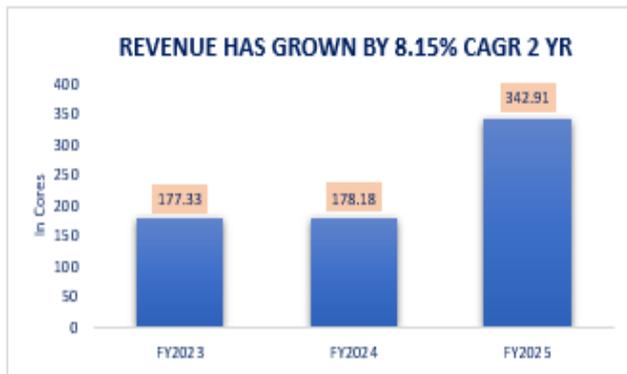
FINANCIAL STATEMENTS

Profit & Loss Statement			
Particulars (In Crores)	FY2023	FY2024	FY2025
Income			
Revenue from operations	177.33	178.18	342.91
Other income	6.38	3.77	6.79
Total income	183.71	181.95	349.71
YoY Growth (%)	-	-0.96%	92.20%
Expenses			
Cost of materials consumed	56.32	55.34	124.88
Change in inventories of FG and W	-6.39	-13.86	-43.62
Employee benefit expense	23.91	26.35	55.02
Finance costs	9.36	14.24	29.73
Depreciation& amortisation expe	16.51	22.98	38.52
Other expenses	40.05	45.42	88.98
Total Expenses	139.75	150.47	293.52
EBITDA	63.46	64.94	117.65
EBITDA Margin (%)	35.8%	36.4%	34.3%
EBIT	53.32	45.72	85.92
PBT	43.97	31.49	56.19
Tax expense/(credit)			
Current tax	12.43	10.11	13.43
Deferred tax	-1.43	1.24	-1.18
Profit after Tax	32.29	18.91	43.87
PAT Margin (%)	17.58%	10.39%	12.54%

Cash Flows			
Particulars (In Crores)	FY2023	FY2024	FY2025
Net cash flow from/(used in) operating activities	39.36	21.30	-68.99
Net cash flow from/(used in) investing activities	-46.29	-144.88	-74.52
Net cash flow from/(used in) financing activities	3.71	124.08	146.36
Net increase/(decrease) in cash and cash equivalent	-3.23	0.50	2.85
Cash and cash equivalents at the beginning of the y	5.00	1.78	2.28
Cash and cash equivalents at the end of the year	1.78	2.28	5.13

Balance Sheet			
Particulars (In Crores)	FY2023	FY2024	FY2025
ASSETS			
I. Non-current assets			
Property, plant and equipment	53.32	182.57	203.67
Capital Work-in-Progress	5.21	0	25.61
Other Intangible Assets	0.00	0.45	0.98
Financial assets: Investments	0	0	0
Other non-current assets	32.83	53.37	53.45
Total Non-Current Assets	91.35	236.39	283.7
II. Current assets			
Inventories	53.68	91.45	179.14
Financial Assets: Trade receivables	33.42	43.49	128.07
Financial Assets: Cash and cash equiv	1.78	2.28	5.13
Financial Assets: Bank Balances	0	0	0
Financial Assets: Other financial asse	0.00	2.26	2.54
Income Tax Assets (Net)	0	0	0
Other current assets	4.95	11.12	27.75
Total Current Assets	93.82	150.59	342.63
TOTAL ASSETS	185.18	386.99	626.33
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5.00	50.00	52.63
Other equity	54.94	29.48	151.02
Non-controlling interest	0.00	0.00	0.00
Total Equity	59.94	79.48	203.64
Liabilities			
I. Non-current liabilities			
Financial Liabilities: Borrowings	31.71	128.26	149.38
Non Current provisions	0.80	1.26	2.47
Deferred tax liabilities (net)	0	0	0
Total Non-current liabilities	32.51	129.52	151.84
II. Current liabilities			
Financial liabilities: Borrowings	70.97	133.52	211.64
Trade payables	10.01	30.27	34.47
Other current liabilities	2.21	4.65	13.05
Current Provisions	0.81	0.95	0.84
Current tax liabilities (net)	8.74	8.6	10.84
Total Current liabilities	92.73	177.99	270.85
TOTAL EQUITY AND LIABILITIES	185.18	386.99	626.33

PERFORMANCE THROUGH CHARTS

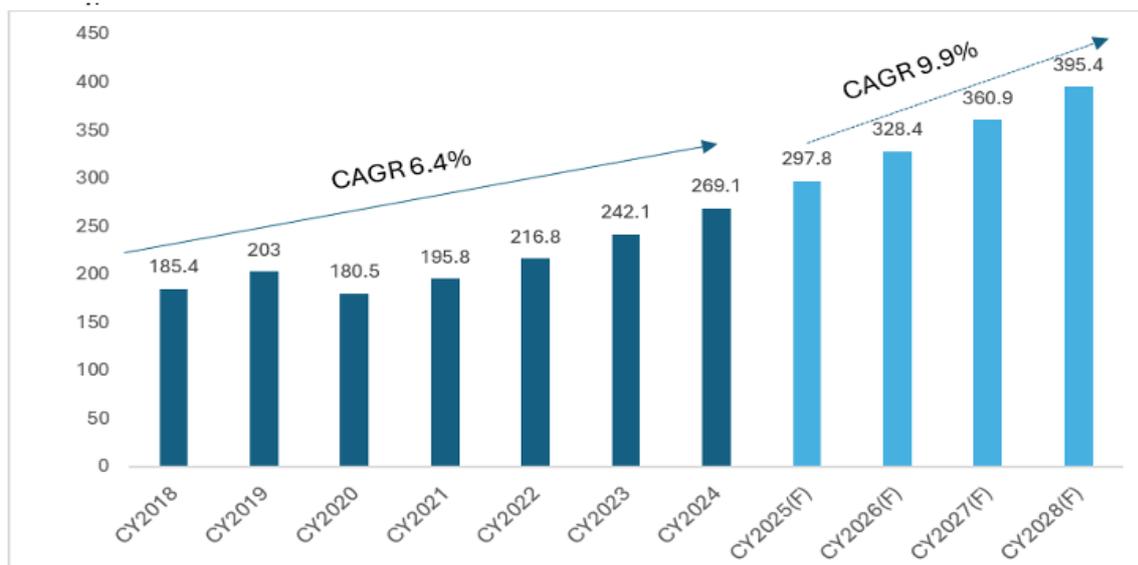


INDUSTRY REVIEW

OVERVIEW OF THE INDUSTRY IN INDIA

- India is emerging as a preferred alternative for global OEMs in precision engineering, driven by strong technical capabilities, cost competitiveness, skilled manpower, and policy support through initiatives like PLI and Make in India, alongside rising demand from aerospace, automotive, and defence sectors.
- In Budget 2025–26, the government launched the National Manufacturing Mission and expanded PLI schemes, allocating USD 2.7 billion for electronics to attract USD 7 billion in investments and generate ~91,000 jobs. MSME credit limits were enhanced to ₹10 crore (₹20 crore for startups), with ₹7,680.23 crore earmarked for green manufacturing.
- India’s EV market is expected to surge from USD 8.9 billion in CY2024 to USD 114 billion by CY2029, reflecting a 66.5% CAGR, with a target of up to 80% EV adoption in two- and three-wheelers by 2030. The country also aims to achieve 500 GW renewable capacity by 2030 and net-zero emissions by 2070.
- Globally, the precision engineering market in automobiles was valued at USD 74.9 billion in CY2024 and is projected to reach USD 111.0 billion by CY2028, supported by trends such as electrification, autonomous technologies, lightweighting, and sustainability.
- The industrial machinery market stood at USD 45.7 billion in CY2024 and is expected to grow to USD 68.9 billion by CY2028, fueled by increasing adoption of robotics, CNC systems, AI, IoT, and smart manufacturing technologies.

Chart 25: Global Precision Engineered Goods Market Sales Value and Forecast (in USD billion), CY2018-CY2028



Source: IMARC group, ICRA Analytics
 Note: F-Forecasted

COMPETITIVE STRENGTHS OF THE COMPANY

Strong Marquee Customer Relationships Across Diversified End-User Industries

- The company maintains long-standing relationships with reputed global clients across energy, motion control, and industrial equipment sectors, backed by rigorous qualification standards and exposure to end-use industries such as oil & gas, power, aerospace, and construction.
- Revenue for 6M FY26 stood at ₹217.40 crore, driven by energy (50.53%), followed by motion control and industrial equipment. FY25 revenue rose to ₹320.29 crore from ₹165.83 crore in FY24 and ₹165.08 crore in FY23, reflecting strong growth momentum.
- Repeat customers accounted for 96.87% of revenue in 6M FY26 and 79.78% in FY25, underscoring strong client retention, with average relationships of ~3 years among key customers.

Scaled and Flexible Manufacturing with Strategic Locational Advantage

- The company operates three manufacturing facilities spread over 80,802.68 sq. m., with annual capacity of 24,29,856 machining hours and 7,200 MTPA fabrication, strategically located in Rajkot near Mundra Port for efficient logistics and vendor connectivity.
- The facilities are certified with ISO, AS9100, IATF 16949, and API standards, catering to aerospace, defence, automotive, and oil & gas sectors, offering integrated capabilities from design and machining to assembly and testing.
- With 383 CNC machines, automation systems, in-house special processes, and IoT-enabled operations, the company achieves precision up to 5 microns, ensuring strong quality control and efficiency.

Diversified Product Portfolio Backed by Strong Product Development

- The company offers a broad product range across varied materials and sizes, manufacturing components from 0.003 kg to 503.33 kg, with dimensions up to 1 meter in diameter and 10 meters in length.
- Backed by 19 years of experience and an 80-member product development team, it delivers customized solutions, with consistent investments in product development over recent years.
- Supported by an experienced management team and 1,807 employees (including 714 machine specialists as of September 30, 2025), the company maintains scalable and efficient operations.

RISK FACTORS

High Revenue Dependence on Top 10 Customers Poses Concentration Risk

- A significant share of revenue is derived from the top 10 customers, contributing 56.04%, 47.87%, 61.27% and 68.88% in 6M FY26 and FY25, FY24 and FY23, respectively. In 6M FY26, revenue from the top 3, top 5 and top 10 customers stood at ₹64.21 crore, ₹87.01 crore and ₹121.82 crore, respectively.
- Although the company serves 256+ customers across 24 countries with customized high-precision components, a considerable portion of business remains concentrated among a few key clients.
- Any loss of major customers, order reductions, pricing pressure, contract non-renewals, or geopolitical and operational disruptions could materially affect revenue, profitability, and cash flows, with no assurance of sustaining historical business volumes.

Order Book May Not Be Realised and Is Not Indicative of Future Growth

- As of September 30, 2025, the order book stood at ₹1,764.78 crore (over 5.5x FY25 revenue), largely concentrated in the energy segment, including a single order of ₹1,038.87 crore from one customer.
- While the order book reflects expected future revenue, orders may be modified, delayed, cancelled, or remain unpaid. Past cancellations were not material, but similar risks persist.
- Execution challenges, renegotiations, or project delays could impact timely completion and margins, and any significant shortfall may adversely affect revenue, cash flows, and overall financial performance.

High Indebtedness and Foreign Currency Exposure May Impact Financial Stability

- As of September 30, 2025, outstanding borrowings stood at ₹382.91 crore against sanctioned limits of ₹369.98 crore, resulting in substantial servicing obligations and exposure to restrictive covenants. Any covenant breach, refinancing risk, or rise in interest rates may strain cash flows and financial condition.
- A large portion of revenue is export-driven (₹180.22 crore in 6M FY26), along with import-related costs, leading to significant foreign currency exposure.
- Adverse currency fluctuations, regulatory changes, or ineffective hedging strategies could pressure margins and profitability, despite recording forex gains in recent periods.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Omnitech Engineering Ltd	349.71	5.00	4.26	19.82	21.46	53.29	11.45
Azad Engineering Limited	467.95	2.00	14.66	215.70	6.21	117.28	7.97
Unimech Aerospace and	267.69	5.00	17.59	131.53	12.48	51.63	6.90
PTC Industries Limited	342.23	10.00	41.37	925.42	4.40	431.90	19.31
MTAR Technologies Limited	681.15	10.00	17.19	236.97	7.26	212.73	15.43
Dynamatic Technologies Lim-	1426.60	10.00	63.39	1056.48	6.00	156.82	9.41

*P/E & P/B ratio based on closing market price as of 20th February 2026, at the upper price and of IPO, financial details consolidated audited results as of FY26.



Canara Bank Securities Ltd.
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Analyst Certification

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