



OMNITECH[®]



OMNITECH ENGINEERING LTD

Price Band

₹216 to ₹227

Issue Opens

25 Feb to 27 Feb, 2026

Face Value

₹5

Issue Size

₹583 Cr

Lot Size

66 Shares

Listing At

NSE, BSE

Omnitech Engineering Ltd Info

Issue Size	2,56,82,818 shares / ₹583 Cr
Fresh Issue	1,84,14,096 shares / ₹418 Cr
Offer for Sale	72,68,722 shares of ₹5 / ₹165 Cr
Retail Quota	Not less than 35% of the Net Issue
Retail Min/Max	Rs.14,982 / 1,94,766

Omnitech Engineering Ltd Timeline

Tentative Allotment	Mon, Mar 2, 2026
Initiation of Refunds	Wed, Mar 4, 2026
Credit of Shares to Demat	Wed, Mar 4, 2026
"Omnitech Engineering Ltd" Listing Day	Thu, Mar 5, 2026



Objects of The Offer

The Net Proceeds from the Fresh Issue are proposed to be utilised towards the following objectives:

- **Repayment / Pre-payment of Borrowings:** An estimated amount of ₹500.00 million will be utilised towards full or partial repayment/pre-payment of certain outstanding borrowings. This is aimed at reducing debt levels, lowering interest costs, and improving the overall capital structure.
- **Setting up New Manufacturing Facilities (Proposed Facility 1 & 2):** An estimated ₹2,335.58 million will be used for civil construction, interior development, and procurement of plant and machinery for two new facilities. This expansion is intended to enhance production capacity and support future growth.
- **Capital Expenditure at Existing Facility 2:** An estimated ₹186.98 million will be deployed for rooftop solar installation and purchase of additional equipment and machinery. This is expected to improve operational efficiency and reduce power costs.

About The Company and Business Overview

Omnitech Engineering Limited is a precision engineering company engaged in manufacturing high-precision machined components and assemblies for global OEMs. With nearly two decades of operating history, the company focuses on safety-critical and performance-driven applications across multiple industrial sectors.

The company offers a highly customized and technically diverse product portfolio. It manufactures components ranging from very small micro-precision parts to large heavy-duty assemblies, handling materials such as carbon steel, alloy steel, stainless steel, nickel alloys, titanium, and aluminium. Its products are used in demanding environments where dimensional accuracy and reliability are crucial.



Omnitech primarily serves four major industry verticals. The Energy sector is the largest contributor, where it supplies critical components for oil & gas exploration, drilling, refining, and renewable energy systems. In Motion Control and Automation, it manufactures shafts, cylinders, and actuator components for robotics and industrial automation systems. In Industrial Equipment Systems, it supplies parts used in aerospace ground support, construction, mining, and heavy equipment.

The company also caters to automotive, medical, metal forming, and consumer electronics industries.

Operationally, Omnitech runs three manufacturing facilities in Rajkot, Gujarat, equipped with advanced CNC machines, grinding systems, laser cutting machines, and industrial robots. The company maintains strong in-house capabilities, including plating, welding, and specialized surface treatments. It operates with high precision standards, delivering tolerances as fine as 5 microns, supported by certifications such as AS9100:2016 and API Spec Q1.

The business is export-driven, with nearly four-fifths of revenue coming from international markets. It serves over 256 customers across 24 countries and operates a warehouse in Houston, USA to support North American clients.

Overall, Omnitech functions as a global precision engineering partner, supplying mission-critical components across industries where performance, durability, and accuracy are non-negotiable.

FINANCIAL RATIOS:

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Azad Engineering Limited	12.20	8.58	89.70	184.90	45.80
Unimech Aerospace and Manufacturing Limited	22.20	19.90	69.60	184.90	42.40
PTC Industries Limited	7.74	6.07	404.00	184.90	207.00
MTAR Technologies Limited	10.50	7.51	169.00	184.90	77.00
Dynamic Technologies Limited	8.96	6.21	146.00	184.90	35.40
Omnitech Engineering Limited	16.08	21.55	53.28	184.90	N/A



Brief profile of the Directors

- **Udaykumar Arunkumar Parekh** is serving as the Chairman, Managing Director and one of the Promoters of the Company. A bachelor's degree in Engineering (Mechanical) from V.V.P. Engineering College, Rajkot, Saurashtra University and a diploma in Mechanical Engineering from the Technical Examinations Board, Gujarat State were obtained by him. He has been associated with the Company since its incorporation and is responsible for managing its day-to-day operations. He has over 19 years of experience in the machining industry.
- **Paras Mukundrai Parekh** is serving as the Whole-Time Director and Chief Financial Officer of the Company. A bachelor's degree in Commerce from J.C. Education Trust Commerce College, Junagadh, Saurashtra University and a master's degree in Business Administration from Sinhgad Institute of Business Administration and Research, Pune, were obtained by him. He has been associated with the Company since 2014 and has over 18 years of experience in banking and the engineering precision components industry.
- **Dharmi A Parekh** is serving as the Non-Executive Director and one of the Promoters of the Company. A bachelor's degree in Commerce from Shreemati Nathibai Damodar Thackersey Women's University, Mumbai, was obtained by her. She has over 9 years of experience in administration and management.
- **Ketan Chandrakant Doshi** is serving as an Independent Director of the Company. A bachelor's degree in Mechanical Engineering from M.S. Ramaiah Institute of Technology, Bangalore University, was obtained by him. He has around 20 years of experience in the manufacturing industry.
- **Mahendra Tribhuvan Panchasara** is serving as an Independent Director of the Company. Diplomas in Mechanical Engineering and Electrical Engineering from Government Polytechnic, Rajkot, Technical Examinations Board, Gujarat State were obtained by him. He has around 42 years of experience in the manufacturing industry.
- **Punitbhai Mahendrabhai Sodha** is serving as an Independent Director of the Company. A bachelor's degree in Commerce from Saurashtra University was obtained by him. He is a Fellow Member of the Institute of Chartered Accountants of India and holds a certificate of practice since 2013. He has around 20 years of experience in banking and accounting.
- **Vidhi Nishit Shah** is serving as an Independent Director of the Company. A bachelor's degree in Commerce from M.M.G. Mahila Arts & Commerce College, Saurashtra University, a master's degree in Business Management & Administration (Finance) from Gujarat Technological University and a diploma in Taxation Laws & Practice from J.C. Educational Trust Law College, Saurashtra University were obtained by her. She has around 5 years of experience in accounting and executive roles.

Strengths



- **Strong Position in Safety-Critical Precision Components:** The company manufactures high-precision engineered components used in safety-critical applications across energy, industrial, and automation sectors. This creates high entry barriers and strong customer stickiness.
- **Diversified End-Use Industry Exposure:** Omnitech serves multiple industries including energy, motion control, industrial equipment, aerospace ground support, and renewables. This reduces dependency on a single sector and balances cyclicality.
- **Advanced Manufacturing Infrastructure:** With 383 CNC and specialized machines across three facilities and deployed industrial robots, the company ensures scalability, repeatability, and high operational efficiency.
- **High Precision and Quality Certifications:** The ability to manufacture components with precision up to 5 microns, supported by certifications like AS9100:2016 and API Spec Q1, strengthens credibility with global OEMs.
- **Strong Export-Oriented Global Presence:** Nearly 79% of revenue comes from exports, serving 256+ customers across 24 countries. The Houston warehouse enhances delivery efficiency and strengthens its North American footprint.
- **In-House Special Processing Capabilities:** Internal handling of plating, phosphating, welding, and surface treatments improves quality control, reduces dependency on third parties, and enhances margin control.

Key Risk Factors

- **High Customer Concentration:** Top 10 customers contribute over 56% of revenue. Loss of any major client can materially impact revenue visibility and cash flows.
- **Heavy Dependence on Energy Sector:** Over 50% of revenue and 74% of order book is linked to oil & gas. Any slowdown in global energy capex directly affects demand.
- **Geographic Concentration of Facilities:** All manufacturing units are located in Rajkot, Gujarat. Regional disruptions like natural calamities or regulatory issues could halt operations entirely.
- **Export and US Market Dependence:** Nearly 79% revenue comes from exports, with the USA alone contributing ~59%. Tariffs, trade restrictions, or geopolitical issues pose significant risks.
- **Foreign Exchange Exposure:** Revenue is largely in foreign currencies while raw materials are partly imported. Currency volatility can compress margins.
- **Supplier Concentration Risk:** Top 10 suppliers account for ~43% of material purchases. Disruptions or pricing power of suppliers could affect production continuity and costs.
- **High Working Capital Requirements:** Net working capital days stood at 283 days in FY25. Large inventory holding and extended credit cycles strain liquidity.
- **Negative Operating Cash Flows:** The company reported negative operating cash flows in FY25, indicating pressure on internal funding capability.
- **Debt Burden and Recallable Loans:** Outstanding debt of ₹3,829 million and unsecured promoter loans (recallable on demand) increase financial risk.
- **Order Book Concentration Risk:** A single large customer order forms a significant portion of the total order book. Cancellation or delay could sharply impact future revenues.

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	FY 2025	FY 2024	FY 2023
Revenue from Operations	3,429.13	1,781.80	1,773.31
Other Income	67.93	37.72	63.82
Total Income	3,497.06	1,819.52	1,837.13
Expenses			
Cost of materials consumed	1,248.84	553.36	563.16
Changes in inventories	(436.23)	(138.55)	(63.92)
Employee benefit expenses	550.22	263.47	239.05
Finance Cost	297.34	142.38	93.58
Depreciation & amortisation	385.19	229.84	165.14
Other expenses	889.83	454.16	400.46
Total Expenses	2,935.19	1,504.66	1,397.47
Profit before tax	561.87	314.86	439.66
Tax Expense			
Current tax	134.29	101.08	124.25
Deferred tax	(11.84)	12.41	(14.34)
Earlier year adjustments	0.77	12.29	6.83
Total Tax Expense	123.22	125.78	116.74
Profit for the year/period	438.65	189.08	322.92
Other Comprehensive Income			
Re-measurement of defined benefit plans	(1.33)	0.00	3.11
Tax impact	0.34	0.00	(0.78)
Exchange differences	(14.60)	6.29	0.37
Total OCI	(15.59)	6.29	2.70
Total Comprehensive Income	423.06	195.37	325.62
EPS (₹)			
Basic EPS	4.26	1.89	3.23
Diluted EPS	4.26	1.89	3.23

Valuation and Outlook



Omnitech Engineering Ltd IPO is expected to be priced between ₹216 to ₹227 per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **53.28x**. **Industry (P/E) Price-To-Earning-Ratio is 184.90x**

Name of Company	Face Value (₹)	Total Income (₹ million)	EPS Basic (₹)	EPS Diluted (₹)	NAV (₹ per share)	P/E	RoNW (%)
Omnitech Engineering Limited	5.00	3,497.06	4.26	4.26	19.82	N/A	0.21
Azad Engineering Limited	2.00	4,679.45	14.66	14.66	215.70	89.70	0.06
Unimech Aerospace and Manufacturing Limited	5.00	2,676.93	17.59	17.59	131.53	69.60	0.12
PTC Industries Limited	10.00	3,422.27	41.37	41.33	925.42	404.00	0.04
MITAR Technologies Limited	10.00	6,811.45	17.19	17.19	236.97	169.00	0.07
Dynamatic Technologies Limited	10.00	14,266.00	63.39	63.39	1,056.48	146.00	0.06

Omnitech Engineering Limited's outlook appears structurally positive, supported by its strong positioning in high-precision, safety-critical components and a healthy order book driven largely by the energy sector. The company stands to benefit from continued global capex in oil & gas exploration, renewable energy expansion, and increasing automation across industrial systems. Its focus on complex, customized components with high entry barriers provides pricing power and long-term customer stickiness. The proposed capacity expansion and solar installation initiatives are likely to improve operational efficiency and support margin stability over the medium term.

However, the outlook remains closely tied to global energy cycles and export market stability, particularly the United States. High working capital intensity, elevated debt levels, and customer concentration present financial risks that need careful management. Execution of new facility expansions and diversification into aerospace, defence, and other advanced manufacturing segments will be critical to reducing sectoral dependence and sustaining long-term growth.

Overall, if the company successfully manages leverage, improves cash flow discipline, and diversifies its industry exposure, it is well positioned to scale as a global precision engineering supplier.

Call us on 8448899576 to find out whether or not you should apply.

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