Omnitech Engineering Ltd.

February 20th, 2026

IPO Details

IPO Date	25th to 27th Feb, 2026
Face Value	₹5 per share
Price Band	₹216 to ₹227
Lot Size	66 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	2,56,82,818 shares (agg. up to ₹583 Cr)
Fresh Issue	1,84,14,096 shares (agg. up to ₹418 Cr)
Offer for Sale	72,68,722 shares of ₹5 (agg. up to ₹165 Cr)
Employee Discount	₹11.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	10,52,49,680 shares
Shareholding post issue	12,36,63,776 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	66 Shares & 858 shares
Retail (Min & Max) application amount	₹14,982 & ₹1,94,766
S-HNI (Min shares & application amount)	924 shares & ₹2,09,748
S-HNI (Max shares & application amount)	4,356 shares & ₹9,88,812
B-HNI (Min shares & application amount)	4,422 shares & ₹10,03,794
Basis of Allotment	Mon, Mar 2, 2026
Initiation of Refunds	Wed, Mar 4, 2026
Credit of Shares to Demat	Wed, Mar 4, 2026
Listing Date	Thu, Mar 5, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Feb 27, 2026
Promoters	Udaykumar Arunkumar Parekh and Dharmi A Parekh
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Omnitech Engineering Limited is a prominent Indian manufacturer of high precision engineered components and assemblies, catering to safety critical applications across global industries including Energy, Motion Control and Automation, and Industrial Equipment Systems. With 19 years of industry experience, the company operates three strategic manufacturing facilities in Rajkot, Gujarat, and reaches clients in 24 countries through a global delivery model that includes a warehouse in Houston, Texas, managed by its subsidiary, Omnitech Group Inc. The company provides customized, ready to deploy solutions to over 256 customers, (including marquee partners such as SLB, Halliburton, and Weatherford) utilizing a wide array of materials like carbon steel, titanium, aluminum, and specialized alloys.

Objects of the Issue

- ❑ Offer for Sale – Rs. 165 Crore
- ❑ Repayment and/ or pre payment, in full or in part, of certain outstanding borrowings availed by the Company – Rs. 50 Crore
- ❑ Funding towards Setting up New Projects at:

i. Proposed Facility 1 – Rs. 132.84 Crore
ii. Proposed Facility 2 – Rs. 100.71 Crore

- ❑ Funding towards Capital Expenditure for purchase and installation of solar panels on the roof top, and purchase of new equipment / machinery for, Existing Facility 2 – Rs. 18.69 Crore
- ❑ General corporate purposes – Rs. 115.76 Crore

Financial Details

Particulars (Amount in Crores)	6MFY26	31-Mar-25	31-Mar-24	31-Mar-23
Revenue				
- Revenue from Operations	**228.17**	**342.91**	**178.18**	**177.33**
Expenses				
- Cost of materials consumed	86.18	124.88	55.33	56.31
- Changes in Inventories of finished goods and work-in-progress	(28.27)	(43.62)	(13.85)	(6.39)
- Employee Benefit Expense	37.06	55.02	26.34	23.90
- Other expenses	63.10	88.98	45.41	40.04
Total expenses	**158.07**	**225.26**	**113.23**	**113.86**
EBITDA	**70.1**	**117.65**	**64.95**	**63.47**
EBITDA Margin (%)	**30.72%**	**34.31%**	**36.45%**	**35.79%**
- Finance Cost	19.52	29.73	14.23	9.35
- Depreciation and amortization expense	22.26	38.51	22.98	16.51
- Other Income	8.52	6.79	3.77	6.38
Profit/(Loss) before tax	**36.81**	**56.18**	**31.48**	**43.96**
Tax expense/(credit)	9.03	12.32	12.57	11.67
Profit/(Loss) After Tax	**27.79**	**43.86**	**18.90**	**32.29**
PAT Margin (%)	**12%**	**13%**	**10%**	**18%**
Basic EPS (in Rs.)	2.64	4.26	1.89	3.23

Key Metrics	6MFY26	Mar-25	Mar-24	Mar-23
Installed capacity* (Machine - Hours per annum)	**10,99,956**	**17,34,876**	**12,19,504**	**9,18,060**
Order Book	**17647.84**	**2836.85**	**839.32**	**575.49**
ROCE (%)	**9.19%**	**16.08%**	**14.75%**	**35.85%**
ROE (%)	**12.07%**	**21.55%**	**23.79%**	**53.88%**
Net D/E	**1.65**	**1.60**	**2.87**	**1.45**
Net working capital days	**256.39**	**282.69**	**196.64**	**138.97**

*Calculation for installed capacity assumes 26 working days in a month and 22 working hours in a day; machines from erstwhile facilities of the Company have been consolidated into Existing Facility 2 and capacity and capacity utilization numbers for Existing Facility 2 include data for such machines from Fiscal 2023 onwards.

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Source: RHP of the Company

Competitive Strengths

- **Strong Relationships with Marquee Customers:** The company has a proven track record of customer retention and long standing relationships with key Indian and international clients across diverse industries. On average, it has maintained relationships of approximately 2.90 years with its top 10 customers and 3.80 years with its top 20 customers. These relationships are built on the company's ability to adhere to stringent quality standards and provide customized high precision components.

- **Global Delivery Model:** Supported by strong supply chain expertise, Omnitech services customers in 24 countries, including the USA, UAE, Germany, and Canada. To better serve its North American clientele, it operates a warehouse in Houston, Texas, through its subsidiary, Omnitech Group Inc.

- **Strategic Manufacturing Advantage:** The company operates three manufacturing facilities in Rajkot, Gujarat, covering over 80,000 square meters. These facilities are strategically located approximately 300 kilometers from Mundra Port, facilitating efficient raw material imports and finished product exports. The location also provides access to a robust industrial ecosystem, skilled labor, and a local vendor base for job work.

- **Diversified Product Portfolio and Development:** Omnitech offers a wide range of products using various materials, including carbon steel, titanium, aluminum, and specialized alloys. Its integrated capabilities allow it to handle everything from design and engineering to testing and quality inspection, providing clients with ready to deploy solutions.

- **Commitment to Quality:** The company's facilities hold multiple international certifications, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. It also holds specialized industry certifications such as AS9100:2016 for the aerospace supply chain and API Spec Q1 for the oil and gas sector.

Key Risk Factors

- **Tariffs and Trade Regulations:** Omnitech Engineering faces significant financial risks from tariffs, as North America accounts for 59.88% of its revenue. The company is highly vulnerable to U.S. policy shifts, such as the 50% tariff on Indian engineering goods in August 2025, which could force it to absorb costs, reducing margins, or lose clients to competitors in lower-tariff regions.

- **Quality Standards and Rejections:** Omnitech faces significant financial risks from quality failures, as product rejections jumped from one instance in Fiscal 2023 to 106 instances in the first half of Fiscal 2026, causing a ₹ 24.33 million impact. Such defects, often caused by set up errors or material flaws, expose the company to liquidated damages of up to 20% of invoice value and threaten the repeat orders vital to its business model. Failure to consistently meet high global standards could lead to order cancellations, loss of marquee clients, and permanent damage to the company's reputation.

- **Indebtedness:** As of September 30, 2025, the company has an outstanding indebtedness of ₹ 3,829.13 million. High debt levels require substantial cash flow for servicing and impose restrictive covenants that limit operational freedom. Omnitech incurred negative net cash flows from operating activities in Fiscal 2025 due to scaled operations and high working capital requirements.

- **Geographic Concentration:** The existing manufacturing operations are based out of their 3 Manufacturing Facilities in Rajkot, Gujarat and their Proposed Facilities are also proposed to be located in Rajkot, Gujarat. The concentration of the Manufacturing Facilities and operations in a single location in Gujarat subjects them to various risks, including vulnerability to change of policies, laws and regulations or the political, availability of skilled manpower, disruption or disturbance in surrounding areas and natural calamities, any of which, could adversely affect the business, financial condition, results of operations, cash flows and prospects.

- **Exposure to Specific Industries:** Omnitech faces high industry concentration risk, with the energy sector—primarily oil and gas exploration—accounting for 50.53% of recent revenue and 74.07% of its total Order Book. This dependence makes the company's financial health highly vulnerable to crude oil price volatility, shifting environmental regulations, and changes in global energy demand.

Comparison with Listed Peers

Name of the Companies.	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Omnitech Engineering Ltd.	NA	5	50.55*	4.49**	4.49**	21.46%	19.82
Peers:-							
Azad Engineering Ltd.	1724.70	2	117.65	14.66	14.66	6.21%	215.70
Unimech Aerospace and Manufacturing Ltd.	908.50	5	51.65	17.59	17.59	12.48%	131.53
PTC Industries Ltd.	17743.00	10	429.30	41.37	41.33	4.40%	925.42
MTAR Technologies Ltd.	3702.60	10	215.39	17.19	17.19	7.26%	236.97
Dynamatic Technologies Ltd.	9977.00	10	157.39	63.39	63.39	6.00%	1056.48

* P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

With 19 years of experience, Omnitech Engineering manufactures highly engineered precision machined components and assemblies that are majorly utilized towards safety critical applications. They manufacture a wide range of components ranging from weight of 0.003 kg to 503.33 kg, diameter of 1.27 cm to 1 meters and length of 0.2 cm to 10 meters which helps them cater to the diverse requirements of their marquee customer base. Its operational infrastructure is highly specialized, featuring 383 CNC machines and the deployment of industrial robots for specific machining lines to ensure high repeatability and minimal human intervention.

The precision engineering industry is a vital sector focused on manufacturing components and assemblies with extremely high accuracy and tight tolerances, primarily for safety critical applications. As per industry reports, the global market for precision engineered goods was valued at USD 269.1 billion in CY2024, having grown at a CAGR of 6.4% since 2018. This market is projected to reach USD 395.4 billion by CY2028, with an accelerated growth rate of 9.9% CAGR which is primarily driven by technological progress, specifically the integration of AI, IoT, and automation to create "smart factories" that enhance productivity and accuracy. Furthermore, increasing quality expectations in safety critical sectors like aerospace, automotive, and electronics mandate the high precision components that this industry provides.

The proceeds from the issue are proposed to be utilized toward expanding capacity and strengthening the company's financial position. A portion will be used for repayment or pre payment of outstanding borrowings, which would reduce finance costs and improve leverage. Significant funds are earmarked for setting up two new projects, expected to enhance production capacity and support future demand growth. Additional capex at the existing facility, including rooftop solar installation and new machinery, should improve operational efficiency and lower energy costs. The allocation toward general corporate purposes provides flexibility to support working capital and strategic initiatives, positioning the company for scalable growth with a stronger balance sheet.

Therefore, it is recommended to "Subscribe" to the IPO for long term investment, considering its growth potential.

DISCLAIMER

Prepared By:

Research Analyst : Anmol Grover

Email ID: anmolgrover@adroitfinancial.com

Research Associate : Bhavin Tharwani

Email ID: bhavintharwani@adroitfinancial.com

Phone Number: 0120-4550300*270/388

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