Hy-Tech Engineers Limited

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IPO Note **21st August 2026**

Company Overview

Hy-Tech Engineers is an engineering company engaged in the design, manufacture, and supply of hydraulic fittings, with over four decades of experience in the hydraulics industry. Its portfolio comprises over 11,000 SKUs, including standard and customized hydraulic fittings, catering to construction machinery, automotive, agricultural machinery, injection moulding and hydraulic systems. Certifications for railways and defence further expand its addressable market. The company follows a B2B model through direct sales to OEMs and industrial customers, supported by authorized distributors and distribution partners. It served 170 direct customers, including OEMs, in FY26. Direct sales contributed 88.4% of FY26 revenue, while distributors accounted for 11.6%. The company has an international presence across the USA, Europe, Russia, Brazil, Saudi Arabia, UAE, Thailand, and Germany. Hy-Tech Engineers operates six manufacturing facilities across Maharashtra and Madhya Pradesh. Its Nashik facility manufactures forged metal parts primarily for captive consumption, providing backward integration benefits through lower supplier dependence, cost efficiency, shorter lead times and better-quality control. The remaining facilities manufacture hydraulic fittings with a combined installed capacity of 483 lakh pieces p.a.

Objects of the issue

The company proposes to utilize the proceeds from the issue towards the following objects:

⇒ Funding the capital expenditure requirements towards procurement of machinery and equipment for expansion at Kavathe Unit, Shirwal Unit and Pithampur Unit-I;

⇒ Repayment or prepayment, in full or in part, of certain outstanding borrowings availed by the company; and

⇒ General corporate purpose.

Investment Rationale

Integrated manufacturing capabilities enable cost control, quality assurance and product customization

Hy-Tech Engineers has developed an integrated manufacturing setup covering die designing, forging, heat treatment, machining, plating, inspection and testing, with these processes primarily undertaken in-house. The Nashik facility provides backward integration by manufacturing forged components that are used as raw material at the company's other manufacturing facilities. With a forging capacity of 3,120 MT p.a. and hydraulic fittings manufacturing capacity of 483 lakh pieces p.a., this setup reduces reliance on external suppliers while supporting cost efficiency, lead time reduction and quality control. The company also has in-house product design capabilities, allowing it to develop application-specific fittings based on customer requirements and industry standards. This is reflected in its product development track record, with 880 new SKUs added in FY26, taking the overall portfolio to more than 11,000 SKUs. The combination of integrated manufacturing and product development capabilities allows the company to cater to both standard and specialized applications across a broad range of industrial customers.

Strong customer retention combined with diversified end-market and geographical exposure provides revenue visibility

Hy-Tech Engineers has established relationships with customers across construction machinery, farming, automotive, injection moulding machines, hydraulic systems, and other industrial applications. The company served 170 direct customers in FY26, up from 144 in FY24, while its distributor and distribution partner network increased from five to seven over the same period. Importantly, repeat customers contributed Rs. 180.1 crore, or 95.1% of FY26 revenue from operations, compared with 91.2% in FY24, indicating a high proportion of revenue generated from established customer relationships. The company's revenue base is also geographically diversified, with exports to 11 countries and overseas revenue contributing 29.4% of FY26 revenue. The USA remained the largest overseas market, contributing 21.4% of FY26 revenue, while Belgium contributed another 6.1%. This combination of a growing direct customer base, high repeat revenue and presence across multiple end-use industries and international markets provides the company with a diversified revenue base and supports continuity in customer relationships.

Issue Details	
Offer Period	24th Aug. 2026 – 26th Aug. 2026
Price Band	Rs. 50 to Rs. 53
Bid Lot	283
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	2.6
Issue Size (Rs. in Cr.)	136
Face Value (Rs.)	5

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	New Berry Capitals Private Limited
Registrar	Bigshare Services Private Limited

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	98.0%	71.2%
Public	2.0%	28.8%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Hy-Tech Engineering Limited

Valuation

Hy-Tech Engineers is an established manufacturer of hydraulic fittings with over four decades of industry experience and a portfolio of more than 11,000 SKUs. The company's integrated manufacturing capabilities, including in-house forging, machining, testing, and product development, support its ability to meet standard and application-specific requirements. Its diversified customer base across construction machinery, farming, automotive and other industrial applications, along with a presence across 11 international markets, provides a broad revenue base. The company's growth prospects are further supported by the expanding hydraulic fittings market, driven by industrialization, infrastructure development, automation and increasing adoption of technologically advanced machinery. The Indian hydraulic fittings market grew at a CAGR of 10% between CY21 and CY25 and is expected to grow at 11% CAGR between CY26 and CY31. Globally, the market is also expected to maintain healthy growth, with Asia, the Middle East, the USA, and Europe projected to grow at CAGRs of 9.2%, 10.1%, 8.2% and 8.6%, respectively, during CY26-CY31. Financially, Hy-Tech Engineers delivered a 17.3% revenue CAGR over FY24-FY26, with revenue increasing from Rs. 138 crores to Rs. 189 crores. EBITDA grew at a significantly higher CAGR of 36.0% to Rs. 42 crores, while PAT increased at a CAGR of 39.6% to Rs. 23 crores during the same period. The company's EBITDA margin improved from 16.4% in FY24 to 22.0% in FY26, while PAT margin increased from 8.4% to 11.9%, reflecting the improvement in profitability over the period. At the upper price band of Rs. 871, the issue is valued at a P/E multiple of 35.7x based on FY26 diluted EPS of Rs. 24.4. **Considering the company's established customer relationships, strong growth prospects, healthy financial performance, and favourable long-term industry outlook, we believe the valuation is fair. Accordingly, we assign a 'SUBSCRIBE' rating to the issue.**

Key Risks

⇒ The company has a relatively concentrated customer base, with its top 10 customers accounting for 45.32%, 42.02% and 48.72% of revenue from operations in FY26, FY25 and FY24, respectively. Further, the company does not enter long-term arrangements with customers, and any loss or discontinuation of existing customer relationships could adversely impact its business, financial performance, operations, and cash flows.

⇒ Four of the company's six manufacturing facilities are located in Maharashtra, which contributed 77.6% of FY26 revenue. Any disruption in Maharashtra or Madhya Pradesh could adversely impact operations and financial performance.

⇒ The company's top 10 suppliers accounted for 65.6% of total purchases in FY26. Any shortage or disruption in raw material supplies could adversely impact its operations and financial performance.

Hy-Tech Engineering Limited

Income Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Sales	138	161	189
Total revenue from operations	**138**	**161**	**189**
Expenses			
Cost of Raw Materials and Components Consumed	50	59	67
Change in Inventories of Finished Goods and Work in Progress	-1	-3	-1
Manufacturing Expenses and Operating Expenses	34	39	46
Employee benefits	19	20	23
Other expenses	12	11	13
Total operating expenses	**115**	**126**	**148**
EBITDA	**23**	**36**	**42**
Depreciation & amortization	7	10	11
EBIT	**15**	**26**	**31**
Finance costs	3	5	4
Other Income	3	5	4
PBT	**16**	**26**	**31**
Total tax	4	7	8
Net Profit	**12**	**20**	**23**
Diluted EPS	**1.4**	**2.4**	**2.7**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	19	17	30
Cash flow from/(used in) investing activities	-36	-13	-7
Net cash flows (used in) / from financing activities	17	-3	-21
Increase/(decrease) in cash and cash equivalents	**0**	**0**	**2**
Cash and cash equivalents at the beginning of the period	**1**	**1**	**1**
Cash and cash equivalents at the end of the period	**1**	**1**	**3**

Source: RHP, BP Equities Research

Hy-Tech Engineering Limited

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Assets			
Non-Current Assets			
Property, plant & equipment	56	64	59
Intangible assets	0	0	0
Capital Work-In-Progress	6	3	6
Intangible Assets under development	0	0	0
Financial assets	0	0	0
(i) Investments	1	2	2
(ii) Other financial assets	11	3	2
Deferred Tax Assets (net)	1	2	2
Other Non Current Assets	2	1	5
Total Non-Current Assets	**77**	**74**	**77**
Current Assets			
Inventories	21	27	28
Financial assets			
(i) Trade receivables	37	46	50
(ii) Cash & Cash equivalents	1	1	3
(iii) Bank Balances other than (ii) above	5	1	12
(iv) Loans	0	0	0
(v) Other financial assets	0	18	0
Other current assets	4	5	5
Current tax assets (net)	1	0	0
Total Current Assets	**69**	**97**	**99**
Total Assets	**146**	**171**	**176**
Equity and Liabilities			
Equity share capital	0	42	42
Other equity	82	59	80
Total Equity	**82**	**101**	**122**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	21	23	17
(i) Other financial liabilities	1	1	2
Provisions	1	1	1
Total Non-Current Liabilities	**23**	**26**	**20**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	21	13
(ii) Trade payables	13	17	15
(iii) Other financial liabilities	4	4	4
Other current liabilities	2	1	0
Provisions	1	1	1
Current tax liabilities (net)	0	1	1
Total Current Liabilities	**41**	**44**	**34**
Total Liabilities	**64**	**69**	**54**
Total Equity and Liabilities	**146**	**171**	**176**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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