



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

### Issue Highlights

Industry	Precision Engg. and Mfg.,
Offer for sale (Shares)	72,68,722
Fresh Issue (Shares)	18,41,4096
Net Offer to the Public	2,56,82,818.00
Issue Size (Rs. Cr.)	554-583
Price Band (Rs.)	216-227
Offer Date	25-Feb-26
Close Date	27-Feb-26
Face Value	5
Lot Size	66

### Issue Composition

	In shares
Total Issue for Sale	2,56,82,818
QIB	1,28,41,409
NIB	38,52,423
Retail	89,88,986

### About the company

Incorporated in 2021, Omnitech Engineering delivers integrated manufacturing and engineering solutions, with a focus on precision-engineered components, industrial automation, and customized mechanical systems for sectors such as automotive, aerospace, pharmaceuticals, energy, and general manufacturing. Backed by over 19 years of industry experience, the company produces high-precision machined components and assemblies used in safety-critical applications for clients across 24 countries, including the United States, Germany, and the United Arab Emirates. Its portfolio spans energy systems, motion control and automation, industrial equipment, and metal forming applications. Omnitech operates three advanced manufacturing facilities in Rajkot, Gujarat, equipped with CNC machinery, robotic systems, and IoT-enabled processes, enabling precision up to 5 microns. The company prioritizes innovation, stringent quality control, and customized engineering to enhance client productivity and operational efficiency.

### Strengths

**Established Relationships with Marquee Clients Across Diverse End-User Industries:** Omnitech Engineering has cultivated long-standing relationships with leading clients across sectors such as energy, motion control and automation, industrial equipment systems, and metal forming, supported by stringent qualification processes and consistent product quality. As of September 30, 2025, the company has maintained average relationships of approximately 2.9 years with its top 10 customers and 3.8 years with its top 20 customers. Its ability to deliver customized precision-engineered components, enable process optimization, and ensure timely global delivery has driven repeat orders and strengthened customer loyalty, reflecting the reliability and performance of its solutions.

**Robust Global Delivery Model Backed by Supply Chain Expertise:** The company's global delivery framework, supported by strong supply chain capabilities, effectively underpins its export-oriented operations across 24 countries, including the United States, Germany, the UAE, the United Kingdom, and Australia. International operations are further strengthened by a warehouse facility in Houston, USA, enabling efficient service to North American customers. Flexible manufacturing planning, IoT-enabled systems, diversified sourcing, buffer inventory, and outsourced vendor networks allow the company to manage demand variability while ensuring timely deliveries and dependable service through dedicated logistics and supply chain teams.

**Scalable Manufacturing Infrastructure with Strategic Locational Advantage:** Omnitech operates three advanced manufacturing facilities in Rajkot, Gujarat, spanning 80,802.68 square meters, with an annual machining capacity of 2,429,856 machine hours and fabrication capacity of

### Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	94.08%	80.07%
QIB	0.00%	4.51%
NIB	5.92%	8.15%
Retail	0.00%	7.27%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*calculated on the upper price band

### Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. epayment and/ or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company
2. Setting up New Projects at Proposed Facility 1
3. Setting up New Projects at Proposed Facility 2
4. Funding towards Capital Expenditure at Existing Facility 2
5. General corporate purposes

### Book Running Lead Manager

- Equirus Capital Private Limited
- ICICI Securities Limited

### Name of the registrar

- MUFG Intime India Private Limited

7,200 MTPA as of September 30, 2025. Located near Mundra Port, these facilities benefit from logistical efficiencies, skilled labour availability, and strong vendor ecosystems. Equipped with advanced CNC machinery, robotic systems, in-house plating and welding capabilities, and specialized testing centres, the company ensures manufacturing precision of up to 5 microns, supported by quality certifications and IoT-enabled monitoring for predictive maintenance and operational efficiency.

**Diversified Product Portfolio Supported by Strong Development Capabilities:**

The company offers a wide range of customized precision-engineered components manufactured from materials such as carbon steel, alloy steel, stainless steel, titanium, aluminium, and specialized alloys. With component weights ranging from 0.003 kg to 503.33 kg and lengths of up to 10 meters, Omnitech provides fully assembled, ready-to-deploy solutions that reduce lead times and improve operational reliability. Backed by advanced machining processes, robotic production lines, specialized fabrication techniques, and rigorous quality inspection systems, its product development capabilities enable delivery of cost-effective solutions across multiple industrial applications.

**Consistent Financial Performance and Growth Track Record:** The company has demonstrated robust financial growth, with operational revenue recording a CAGR of 39.06% between Fiscal 2023 and Fiscal 2025, alongside EBITDA margins exceeding 34% over the past three fiscal years. Capital investments of Rs. 306.24 Crore between Fiscal 2023 and September 30, 2025 have supported expansion of machining capacity from 918,060 hours to 2,429,856 annualized machine hours, along with a fabrication capacity of 7,200 MTPA. Healthy return on equity levels further reflect efficient capital utilization and scalable operations.

## Strategies

**Leverage Growth in Precision Engineering Across Key End-User Industries:**

Omnitech aims to capitalize on the expanding global precision engineering market by strengthening its presence in existing sectors such as energy, motion control and automation, and industrial equipment systems, while entering emerging industries including defence, space, semiconductors, aerospace, and railways. Enhanced capabilities through certifications such as AS9100:2016 and the commissioning of a new fabrication line at its Padavala facility in Rajkot will support delivery of fully assembled components and expansion into safety-critical applications.

**Expand Geographical Presence:** The company is focused on strengthening its international footprint across key global markets, particularly in Europe and North America. Its global operations are supported by Omnitech Group Inc. and a warehouse in Houston, USA, which facilitates regional expansion into Canada and Mexico. To enhance logistics efficiency and customer responsiveness, the company plans to establish additional warehouses in Europe, the Middle East, and the United States, enabling faster deliveries and deeper customer engagement.

**Capacity Expansion Aligned with Business Growth:** Omnitech plans to augment its manufacturing capacity through facility upgrades and new investments. As of September 30, 2025, its three manufacturing plants operate at a capacity utilization of 73.01%, supported by a strong order book of Rs. 764.78 Crore. The company intends to invest Rs. 252.26 Crore towards solar installations, new machinery, and additional

facilities, which are expected to increase annual machining capacity to 3,301,584 machine hours, while improving production efficiency and supply chain reliability through backward and forward integration initiatives.

**Pursue Strategic Inorganic Growth Opportunities:** The company intends to expand through targeted acquisitions and joint ventures to strengthen manufacturing capabilities, diversify its product portfolio, and deepen its presence in high-growth sectors such as defence, aerospace, railways, and semiconductors. Its inorganic growth strategy focuses on achieving operational synergies, accessing new customer segments, enhancing distribution networks, and improving market diversification through partnerships with technologically advanced enterprises.

**Strengthen Financial Profile:** Omnitech seeks to improve its financial position by reducing leverage and optimizing its capital structure. As of September 30, 2025, total outstanding non-current borrowings stood at Rs. 141.76 Crore, with total debt of Rs. 382.91 Crore. The company plans to allocate up to Rs. 50 Crore from net proceeds towards repayment of certain borrowings, which is expected to reduce financing costs, enhance internal cash flows, and improve financial flexibility for future growth initiatives.

### Risk Factors

- High Debt Levels – Significant borrowings require strong cash flows; any covenant breach could impact operations and financial stability.
- New Segment Risk – Entry into fabrication and robotics carries execution risk due to limited experience.
- Negative Operating Cash Flow – Fiscal 2025 saw negative operating cash flows, which may affect future growth.

### Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Dynatomic Tech.	1568.85	35.94	68.93	146.02	8.94	1126.35	10.00	10065.10	6835.66
PTC Industries	499.23	66.22	44.43	403.68	18.98	944.91	10.00	17935.60	26890.04
MTAR Technologie	741.76	63.47	21.51	173.33	15.41	241.89	10.00	3728.40	11468.41
Azad Engineering	568.37	122.24	18.93	90.10	7.45	228.99	2.00	1705.60	11015.06
Unimech Aero.	227.06	66.38	13.05	69.47	6.53	138.88	5.00	906.55	4610.43
Omnitech Engineering	456.34	55.56	4.49	50.53	4.15	54.66	5.00	227.00	2807.17

\*Peer companies financials are TTM based

OMNITECH ENGINEERING LIMITED financials are based on Estimated FY26

### Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.227, the stock is priced at pre issue P/E of 43x on Estimated Annualised FY26 EPS of Rs.5.28. Post issue, the stock is priced at a P/E of 50.53x on its EPS of Rs. 4.49. Looking at the P/B ratio at Rs. 227 pre issue, book value of Rs. 24.51 of P/Bvx 9.26x. Post issue, book value of Rs.54.66 of P/Bvx 4.15x.

Considering the P/E valuation, on the lower end of the price band of Rs.216, the stock is priced at pre issue P/E of 40.92x on estimated Annualised FY26 EPS of Rs. 5.28. Post issue, the stock is priced at a P/E of 48.08x on its EPS of Rs.4.49. Looking at the P/B ratio at Rs. 216 pre issue, book value of Rs. 24.51 of P/Bvx 8.81x. Post issue, book value of Rs.54.66 of P/Bvx 3.95x.

## Industrial Outlook

The global precision engineering goods sector is witnessing robust growth, driven by rising demand from energy, power transmission, automotive, aerospace, electronics, and industrial sectors, supported by rapid industrialization and technological advancements. In CY2024, the global energy segment reached USD 6.5 billion and is projected to grow at an 11.1% CAGR through CY2028, led by the expansion of renewable energy, energy storage, and smart grid adoption. India's precision engineering market, valued at USD 7.1 billion in CY2024, is expected to grow at an 11.5% CAGR through CY2028, supported by initiatives such as "Make in India," increasing EV adoption, and investments in aerospace and defence by Indian Space Research Organisation. Growth in oil and gas exploration by Oil and Natural Gas Corporation and expanding electronics manufacturing by global players such as Apple and Samsung are further expected to drive sustained long-term demand for precision-engineered components.

## Outlook

Omnitech Engineering's outlook remains positive, supported by strong client relationships, scalable manufacturing capabilities, diversified product offerings, and a robust global delivery model. Its strategy to expand capacity, deepen presence in high-growth sectors, and enhance geographic reach is expected to drive future growth. However, elevated debt levels, execution risks in new segments such as fabrication and robotics, and negative operating cash flows in Fiscal 2025 may pose near-term challenges to financial stability and expansion plans.

## An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Feb 25, 2026
IPO Close Date	Fri, Feb 27, 2026
Tentative Allotment	Mon, Mar 2, 2026
Initiation of Refunds	Wed, Mar 4, 2026
Credit of Shares to Demat	Wed, Mar 4, 2026
Tentative Listing Date	Thu, Mar 5, 2026

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	228.17	342.91	178.18
Total expenditure	158.09	225.27	113.24
Operating Profit	70.08	117.65	64.94
OPM%	0.31	0.34	0.36
Other Income	8.52	6.79	3.77
Total Net Income	78.61	124.44	68.71
Interest	19.53	29.73	14.24
PBDT	59.08	94.71	54.47
Depreciation	22.27	38.52	22.98
PBT	36.82	56.19	31.49
Tax	9.04	12.32	12.58
Profit & Loss	27.78	43.87	18.91

**Balance sheet is on next page**

## Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
<b>Non-current assets</b>			
Property Plant & Equipment	233.93	203.67	182.57
Capital Work in-progress	13.95	25.61	0.00
Right to use assets	47.19	37.40	35.80
Intangible assets	0.69	0.98	0.45
Intangible assets under development	3.37	0.94	0.42
<b>Financial assets</b>			
Other Financial Assest	9.18	8.01	3.89
Deferred Tax Assets Net	1.25	2.08	0.86
Other non-current assets	7.14	5.03	12.40
<b>Total non-current assets</b>	<b>316.69</b>	<b>283.70</b>	<b>236.39</b>
<b>Current asset</b>			
Inventories	227.43	179.14	91.45
Financial Assets	0.00	0.00	0.00
Investments	2.54	2.44	2.26
Trade receivables	176.91	128.07	43.49
Cash and cash equivalents	3.69	5.13	2.28
Other Financial Assets	1.67	0.10	0.00
Other Current Assets	37.72	27.75	11.12
<b>Total current assets</b>	<b>449.96</b>	<b>342.63</b>	<b>150.59</b>
<b>Total Assets</b>	<b>766.65</b>	<b>626.33</b>	<b>386.99</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	141.76	129.25	102.56
Lease Liabilities	26.54	20.13	25.70
Provisions	2.99	2.47	1.26
<b>Total Non- Current liabilities</b>	<b>171.29</b>	<b>151.84</b>	<b>129.52</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	241.15	201.38	127.93
Lease Liabilities	11.00	10.27	5.59
Trade Payables			
"Total outstanding dues of micro enterprises and small enterprises; and "	54.01	19.77	25.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.28	14.70	4.89
Other financial Liabilities	9.25	5.67	3.76
Provisions	2.45	0.84	0.95
Other Current Liabilities	1.95	7.38	0.90
Current tax liabilities (net)	18.11	10.84	8.60
<b>Total - Current Liabilities</b>	<b>365.20</b>	<b>270.85</b>	<b>177.99</b>
<b>Total Liabilities</b>	<b>536.49</b>	<b>422.69</b>	<b>307.51</b>
Net worth represented by:			
Equity share capital	52.63	52.63	50.00
Other equity	177.54	151.02	29.48
<b>Total Equity</b>	<b>230.17</b>	<b>203.64</b>	<b>79.48</b>

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