

Tuesday, 24 February 2026

CM RATING 44 /100

# Omnitech Engineering

## Exporter of high precision engineered components

### **OEL is one of India's fastest growing manufacturers of high precision engineered components and assemblies catering largely to energy industry**

Omnitech Engineering (OEL), promoted by Udaykumar Arunkumar Parekh, is one of the key manufacturers of high precision engineered components and assemblies supplying to global customers across industries such as energy, motion control & automation, industrial equipment systems, metal forming and other diversified industrial applications. With 19 years of experience, the company manufactures highly engineered precision machined components and assemblies that are majorly utilized towards safety critical applications.

OEL offer a diverse range of products across materials, dimensions, manufacturing processes that the components need to go through, levels of assembly and packaging and dispatch options. OEL's diverse machining capabilities enables it to handle a variety of materials including carbon steel, alloy steel, stainless steel, nickel alloys, titanium, aluminium and specialized alloys in bar form, tubes, forgings, castings and in other forms. Its ability to process such diverse materials helps us to deliver a diverse range of fully assembled, ready-to deploy solutions, reducing lead times and ensuring operational reliability for its clients.

It manufactures a wide range of components ranging from weight of 0.003 kg to 503.33 kg, diameter of 1.27 centimeter to 1 meters and length of 0.2 centimeter to 10 meters which helps it cater to the diverse requirements of its marquee customer base.

OEL's products find applications in industries such as (i) Energy which includes supplies with end application primarily in oil & gas, wind energy and power sector; (ii) Motion Control and Automation which primarily includes supplies with electro-mechanical systems to end applications primarily in drives and motors, flow control, motion control, sensors, automation and hydraulics; (iii) Industrial Equipment Systems which includes supplies with end application primarily in aerospace ground support equipment, construction equipment, machineries for diverse applications, and components for winches and hoists; and (iv) Others which includes supplies with end application primarily in metal forming and other diversified industrial applications.

Revenue mix interms of end use industries in 6mFY26 was 50.53%, 26.82%, 18.54% and 4.11% from energy, motion control and automation, industrial equipment systems and others respectively and 42.35%, 35.71%, 20.12% and 1.82% in FY25.

During 6 months ended September 30, 2025, Fiscals 2025, 2024 and 2023, it supplied customized high precision engineered components and assemblies to over 256 customers across 24 countries including United States of America, India, United Arab Emirates, Germany, Bulgaria, Sweden, United Kingdom, France, Australia and Canada. Revenue from operations outside of India account for 78.98% in 6mFY26 and 74.95% in FY25 and balance is from inside India.

Majority of its revenue is derived from sale of products and services to certain geographies outside India like North America, Asia (excluding India) and Europe. USA accounted for 58.19% of revenue in FY25, India 19.76%, UAE 14.48%, Germany 2.41%, Bulgaria 1.63%, Sweden 1.26% and balance are from other countries.

OEL operate out of its 3 Manufacturing Facilities which are spread across 80,802.68 square meters with a combined installed annualised machining capacity of 2,429,856 machine hours and annualized fabrication capacity of 7,200 MTPA as at September 30, 2025. Its manufacturing facilities are strategically located,

providing easy access to Mundra Port in Gujarat, which is approximately 300 kilometres from its manufacturing facilities.

Healthy order book as end of Sep 2025 stood at Rs 1764.784 crore [5.1 times of FY25 sales] with well diversified interms of end industry with energy account for 74.07%, MCA 3.7%, IES 21.3% and others 0.94%.

### **The issue & object of the issue**

The issue comprise both offer for sale and fresh issue of equity shares (of Rs 5 face value) worth aggregating to Rs 165 crore and Rs 418 crore respectively. The entire portion of offer for sale is by Udaykumar Arunkumar Parekh.

Of the net proceeds the company proposed to utilize Rs 50 crore towards repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by the company; Rs 233.558 crore towards setting up of two new manufacturing facility at Village Chhapara (in Rajkot District) [with Rs 132.844 crore for facility 1 and Rs 100.714 crore for Facility 2]; Rs 18.698 crore for funding towards capital expenditure requirements for purchase and installation of solar panels on the rooftop at, and, purchase of new equipment / machinery for, existing manufacturing facility at village Chhapara and balance towards general corporate purposes.

Outstanding borrowings as end of Sep 2025 stood at Rs 382.913 crore.

### **Strength**

Diversified product portfolio enabled by product development capabilities.

Strong relationships with marquee customers spread across a wide array of end-user industries, with stringent qualification processes. Revenue from repeat customers account for 96.87% of its 6mFY26 revenue and 79.78% of its FY25 revenue.

### **Weakness**

Revenue from top 3/5/10 customers was 29.53%/40.02%/56.04% respectively in 6mFY26 and 23.85%/31.75%/47.87% in FY25.

Tariffs or other anti-outsourcing legislation may adversely affect its pricing and volume of work and have an overall negative impact on business of the company.

Order Book of Rs 1764.78 crore comprises of one large order worth Rs 1038.87 crore from one customer reflecting high customer concentration. If this order is cancelled or this customer reneges on the order that will heavily impact the business growth of the company.

All its manufacturing operations including its proposed facilities are located in Rajkot, Gujarat, which exposes it to risks associated with geographic concentration.

Have incurred negative net cash flows from operating activities in Fiscal 2025

Operate in a highly competitive environment in both, Indian and overseas markets.

Novatro Techsolutions, a subsidiary of the company have incurred losses in Fiscal 2025 and during the 6 months ended September 30, 2025.

### **Valuation**

Revenues of the company for the fiscal ended March 2025 were up by 92% to Rs 342.91 crore. But with operating profit margin stand contract by 210 bps to 34.3%, the growth at operating profit was 81% to Rs 117.65 crore. Finally, PAT was up by 132% to Rs 43.89 crore.

For the half year ended Sep 2025, the net profit was Rs 27.79 crore on sales of Rs 228.17 crore.

The EPS for FY2025 on expanded equity (on the upper price band) was Rs 3.5. The PE on upper price band works out to 64.9 times of its FY25 EPS and 50.4 times of its annualised H1FY26 EPS. The P/BV stood at 4.3 times and EV/sales stood at 9.4 times of its FY25 sales.

As of Sep 30, 2025, total consolidated borrowings of the company stood at Rs 382.91 crore. The company proposes to utilize Rs 50 crore of the net proceeds from fresh issue towards prepayment of the borrowing. Repayment of Rs 50 crore will bring the borrowings down by about 15% resulting in lower interest outgo and boosting the net-profit substantially. The annualised EPS for H1FY26 works out to Rs 6.6 if 15% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 46.3 times of its annualised H1FY26 EPS.

The company has no comparable peers with exact product/business profile. But Azad engineering, Unimech Aerospace, PTC Industries, MTAR Technologies and Dynamatic Technologies which the company quotes as peers quotes at 90.11 times, 69.46 times, 403.63 times, 172.98 times and 141.61 times respectively of their EPS for TTM period ended Sep 2025.

Omnitech Engineering : Re-stated Consolidated Financials				
	2303 (12)	2403 (12)	2503 (12)	2509 (6)
Sales	177.33	178.18	342.91	228.17
OPM (%)	35.8	36.4	34.3	30.7
OP	63.46	64.94	117.65	70.08
Other income	6.38	3.77	6.79	8.52
PBIDT	69.84	68.71	124.44	78.61
Interest	9.36	14.24	29.73	19.53
PBDT	60.48	54.47	94.71	59.08
Depreciation	16.51	22.98	38.52	22.27
PBT	43.97	31.49	56.19	36.82
EO Exp	0.00	0.00	0.00	0.00
PBT after EO	43.97	31.49	56.19	36.82
Tax	11.67	12.58	12.32	9.04
PAT	32.29	18.91	43.87	27.78
Share of Profit from Associates	0.00	0.00	0.00	0.00
Minority Interest	0.00	0.00	-0.02	-0.01
Net profit after MI	32.29	18.91	43.89	27.79
EPS (Rs)*	2.6	1.5	3.5	4.5
* on post IPO fully diluted equity (on upper price band) of Rs 61.83 crore. Face Value: Rs 5				
EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate database				

Omnitech Engineering : Issue Highlights	
Fresh Issue (Rs crore)	418
Offer for sale (Rs crore)	165
Price band (Rs.) **	
Upper	227
Lower	216
Post-issue equity (Rs crore)	
in Upper price band	61.83
in Lower Price Band	62.30

Post-issue promoter (including promoter group) stake (%)	74.19
Minimum Bid (in nos.)	66
Issue Open Date	25-02-2026
Issue Close Date	27-02-2026
Listing	BSE, NSE
Rating	44 /100