Hem Securities
Building your wealth through values

BROKING | INVESTMENT BANKING | RESEARCH | DISTRIBUTION | DEPOSITORY | PMS

HY-TECH ENGINEERS LIMITED

SUBSCRIBE

IPO Report

23rd Aug 26

Snapshot

Company is an engineering company engaged in the design, manufacture and supply of hydraulic fittings catering to diverse industrial applications, with over four decades of operational experience in the hydraulics industry. Company's product portfolio comprises standard hydraulic fittings viz. DIN-metric fittings, JIC flared and flareless fittings, O-Ring Face Seal (ORFS) fittings and conversion fittings, as well as fittings customized to customer specifications. As of March 31, 2026, company's portfolio consists of more than 11,000 stock keeping units (SKUs) of hydraulic fittings, serving diverse application needs across industries such as construction machinery, automotive, farming machinery, injection moulding machines and hydraulic systems. In addition, company have obtained certifications which enable it to cater to sectors such as railways and defence, thereby expanding company's addressable market.

VALUATION

Company is bringing the issue at price band of Rs 50-53 per share at p/e multiple of 22x on post issue FY26 basis.

Company has integrated operations and product development capabilities with diversified customer base with wide market reach & established global presence with access to growing international markets with experienced leadership, deep market understanding and industry credibility & decentralized cell-based manufacturing model.

Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**50-53**
Opening date of the issue	**24th Aug '2026**
Closing Date of the issue	**27th Aug '2026**
No of shares pre issue	8,35,31,840 Eq Shares
Issue Size	Rs 131-136 Cr
Fresh Issue	Rs 60 Cr
OFS	14,289,450 Eq Shares
Face Value (Rs/ share)	Rs 5/share
Bid Lot	283
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 1,28,05,103 eq Shares)
Non-Institutional	15% of the offer (Approx 38,41,531 eq Shares)
Retail	35% of the offer (Approx 89,63,572 eq Shares)
Lead managers	New Berry Capitals Pvt. Ltd
Registrar to the issue	Bigshare Services Pvt Ltd

WHAT WE LIKE

Integrated operations and product development capabilities

Company's product portfolio includes more than 11,000 SKUs, comprising standard hydraulic fittings such as DIN-metric fittings, JIC flared fittings, O-Ring Face Seal (ORFS) fittings, and conversion fittings. Company also have the capability to develop application-specific fittings tailored to customer specifications and applicable industry standards, with 880 new SKUs in Fiscal 2026, 1,676 in Fiscal 2025, and 2,206 in Fiscal 2024. This breadth and pace of product development demonstrates both the scale and adaptability of its operations..

Diversified customer base with wide market reach

Company's business model is designed to provide scalability by balancing direct engagement with customers and a distributor network. While direct sales to OEMs and other industrial users allow company to customize solutions and build enduring relationships, its distributors also enable access to smaller and mid-sized industrial customers across domestic and overseas markets. Company served 170 direct customers in Fiscal 2026, compared to 152 in Fiscal 2025 and 144 in Fiscal 2024, while the number of distributors and distribution partners has grown from 5 in Fiscal 2024 to 7 in Fiscal 2026. This dual channel approach provides access to diverse customer segments and reduces dependence on any single sales channel or industry vertical.

Established global presence with access to growing international markets

As of March 31, 2026, company's operations span both domestic and international markets, supported by a product portfolio of over 11,000 SKUs. During the last three Fiscals, company have exported hydraulic fittings to eleven countries including the USA, Belgium, Poland, Russia, Brazil, Italy, Saudi Arabia, Hungary, UAE, Thailand and Germanyrt team for the Core Business in Fiscal 2026. This removes the need for extensive external support.

COMPANY BACKGROUND

Company operate on a business-to-business (B2B) model across both domestic and international markets. Company's sales approach combines direct engagement with original equipment manufacturers ("**OEMs**") and other industrial customers as also through a network of authorized distributors and distribution partners. Direct customer engagement enables company to build long-term relationships and offer tailored solutions aligned with specific industry requirements. During Fiscal 2026, company have supplied to 170 direct customers including OEMs. To complement its direct sales efforts, company leverage a network of distributors and distribution partners in India and overseas, which allows it to expand its reach to a broader customer base. The distributors typically maintain inventory in their territories, promote its products, provide after-sales support, and act as the primary interface for customers. This dual-channel distribution strategy enhances its market penetration and provides company with the opportunity to increase market share for its offerings across a wide range of industrial sectors. Company have also engaged with a non-exclusive distribution partner in Europe who is not directly involved in customer acquisition but primarily provide post-sale services, local coordination and logistics support.

As on March 31, 2026, company's international presence extends to markets such as USA, Belgium, Poland, Russia, Brazil, Italy, Saudi Arabia, Hungary, UAE, Thailand and Germany supported by relationships with global customers including OEMs, industrial customers and distributors.

Each of company's manufacturing facilities situated at Thane, Shirwal, Kavathe, and Pithampur operates as an independent manufacturing unit and is not operationally inter-dependent. However, company's Nashik Unit, which forms an integral part of its backward integration strategy, supplies forgings, which serve as a raw material to all these units. Accordingly, the manufacturing operations for hydraulic fittings at company's other units are dependent on the supply of forged components from the Nashik Unit. This structure allows better inventory management and operational flexibility. Company's facilities are supported by necessary infrastructure for manufacturing, storage of raw materials and finished goods, together with quality control, and are strategically located in the western and central regions of the country with availability of all modes of transportation and facilitates convenient transportation of company's products, sourcing of raw materials and easy access to customers.

Company is led by its Promoter and Managing Director, Hemant Tukaram Mondkar, an alumnus of the Indian Institute ofTechnology (Bombay), who has an extensive experience of more than four decades in the hydraulic fittings industry. In addition, company's Promoter and Non-Executive Director, Ashwin Hemant Mondkar, plays an important role in supporting the Company's international expansion. Company's Board of Directors and senior management team bring industry expertise and operational experience, which enables it to identify market opportunities, formulate and execute business strategies and meet customer expectations.

OBJECTS OF OFFER

The Offer comprises a Fresh Issue of Equity Shares of face value of ₹5 each, aggregating up to ₹600.00 million by Company and an Offer for Sale of up to 14,289,450 Equity Shares of face value of ₹5 each by the Promoter Selling Shareholders.

Requirement of funds

Company proposes to utilize the Net Proceeds towards funding the following objects:

1. Funding the capital expenditure requirements towards procurement of machinery and equipment for expansion at Kavathe Unit, Shirwal Unit and Pithampur Unit-I;
2. Repayment or prepayment, in full or in part, of certain outstanding borrowings availed by Company; and
3. General corporate purposes

RISKS

Company is dependent on a few customers for a major portion of its revenues with its top 10 customers contributing to 45.32%, 42.02% and 48.72% of its revenue from operations in the Fiscals 2026, 2025 and 2024, respectively. Further, company do not enter into long-term arrangements with its customers and any failure to continue its existing arrangements with such customers could adversely affect company's business, financial condition results of operations and cash flows.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	1377.08	1613.82	1894.04
Total Expenditure (B)	1151.57	1255.95	1477.18
EBIDTA	225.51	357.87	416.86
EBIDTA Margin	16.38	22.18	22.01
Other Income	34.65	53.25	40.31
Depreciation	73.39	101.07	106.83
EBIT	186.77	310.05	350.34
Interest	28.74	48.12	44.71
PBT	158.03	261.93	305.63
Share of profit in Asso	0.00	0.00	0.00
PBIT	158.03	261.93	305.63
Exceptional	0.00	0.00	0.00
PBT	158.03	261.93	305.63
Tax	42.07	65.75	79.71
PAT	115.96	196.18	225.92
NPM	8.42	12.16	11.93
ROE%	15.11	21.39	20.24
EPS	1.39	2.35	2.70
Eq Cap	3.73	417.66	417.66
Net Worth	822.16	1,012.51	1,220.17

(Source: RHP)

DISCLAIMER

HEM Securities Limited ("Research Entity or HSL") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services, merchant banking services, Portfolio Management Services and other related activities. Broking services offered by HEM Securities Limited are under SEBI Registration No.: INZ000168034.

This Report has been prepared by HEM Securities Limited in the capacity of a Research Analyst having SEBI Registration No. INH100002250 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. This should not be construed as invitation or solicitation to do business with HSL. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject HSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. HSL reserves the right to make modifications and alterations to this statement as may be required from time to time. HSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. HSL is committed to providing independent and transparent recommendation to its clients. Neither HSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

HSL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Investments in securities market are subject to market risks, read all the related documents carefully before investing.