OMNITECH

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To, **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Script Symbol: OMNI**	To, **BSE Limited** Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai – 400 001 **Script Code: 544720**

<u>Subject: Transcript of the Conference Call with Analysts/Investors in respect of the Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter ended June 30, 2026</u>

Dear Sir/Madam,

In accordance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of the Conference Call held with Analysts/Investors on Friday, August 07, 2026, subsequent to the declaration of the Unaudited Financial Results (Standalone and Consolidated) of Omnitech Engineering Limited ("the Company") for the quarter ended June 30, 2026.

The said transcript is also available on the Company's website at: https://omnitecheng.com/notices-announcements-2026-27/

This is for your information and records. Thanking you,

Yours faithfully
For Omnitech Engineering Limited

Vadhavana Bhoomi Manharbhai

Digitally signed by Vadhavana Bhoomi Manharbhai
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Company Secretary & Compliance Officer
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***(Encl.:** As above)*

"Omnitech Engineering Limited
Q1 FY27 Earnings Conference Call"
August 07, 2026

MANAGEMENT: **MR. UDAYKUMAR PAREKH – CHAIRMAN AND MANAGING DIRECTOR – OMNITECH ENGINEERING LIMITED**
MR. PARAS PAREKH – WHOLE-TIME DIRECTOR & CFO – OMNITECH ENGINEERING LIMITED
MR. BHAVIN ACHARYA – CHIEF REVENUE OFFICER – OMNITECH ENGINEERING LIMITED

MODERATOR: **MR. VAIBHAV SHAH – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Omnitech Engineering Limited Q1 FY27 Earnings Conference Call hosted by Equirus Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vaibhav Shah from Equirus Securities. Thank you and over to you, sir.

Vaibhav Shah: Yes, hi everyone. On behalf of Equirus Securities, I welcome you to the Q1 FY27 Earnings Conference Call of Omnitech Engineering Limited. We are pleased to have with us management represented by Mr. Udaykumar Parekh, Chairman and Managing Director, Mr. Paras Parekh, Whole-Time Director and Chief Revenue Officer. I will now hand over the call to the management team for their opening remarks which will be followed by a Q&A session. Thank you and over to you, sir.

Udaykumar Parekh: Good evening, everyone. A warm welcome all of to you. Thank you for the joining Omnitech Engineering call for the quarter ended June 30th, 2026. I'm Uday Parekh, CMD of the Omnitech Engineering. Along with me, Paras Parekh and Bhavin Acharya is here. We hope you have had opportunity to review our Q1 FY27 investor presentation uploaded on the stock exchange and company's websites.

I'm glad to share that we have started the year on the strong note delivering our strong quarterly performance revenue of INR116 crores, a year-on-year growth of 61.5% along with the PAT has grown significantly on the year-on-year basis to a INR29.7 crores. This is not the one number. It reflects the disciplined approach to execution we have been building into the organization.

We expect this trajectory to hold through the rest of the years. Our order book stands robust over the INR3,000 crores, well-distributed across the business vertical, giving us a strong revenue visibility even as we continue to pursue new qualifications and approval to further strengthen it. Our capex requirement is a progressing well in aim to expand our capacity to meet the order book along with the growing customer demand.

Over the 14 months, we expect to the operationalize two new facilities, strengthening our manufacturing capacity along with some new capability supporting for our future growth. As a company, our priority remains same, beyond it is a disciplined execution and sustainable growth, continuously strengthening our processes and bringing the right talent onto the team at every level. With that, I will hand over to Paras Parekh to walk you through the financial performance in the greater detail. Thank you, everyone.

Paras Parekh: Yes, thank you, Udaybhai. A warm good evening to everyone joining us today. We appreciate your time and continued interest in Omnitech Engineering Limited. I am pleased to walk you through our financial performance for the quarter ended June 30th, 2026 which marks the first quarter of FY27. Let me begin with the key financial highlights on a consolidated basis. If we go through the year-on-year Q1 FY27 performance, revenue grew by 61.5% to INR166.6 crores.

EBITDA increased by 90.8% to INR50.62 crores. Profit before tax rose sharply by 425.7% to INR39.68 crores. Profit after tax increased by 468.7% to INR29.73 crores. If we go through for the quarter-on-quarter basis performance, our revenue increased by 12.1% to INR166.6 crores. EBITDA grew by 1.7% to INR50.62 crores. Our profit before tax increased by 2.8% to INR39.68 crores. Profit after tax rose by 1.4% to INR29.73 crores.

These results reflect strong execution across our operations, continued demand momentum and the sustained margin discipline. Turning to the balance sheet, the following figures are on consolidated basis as of June 30th, 2026. Cash and cash equivalents were INR133.75 crores compared with INR163 crores at the year-end of FY26. Our net debt to equity ratio stood at 2.41 times 0.41 compared to 0.34 at the year-end of FY26.

We remain focused on maintaining a prudent capital structure and continue to actively manage our borrowing mix. If we see the return on equity annualized base was 16.8% compared with 11.7% for FY26. Our return on capital employed annualized improved to 17.8% compared to 13.7% at the year-end of FY26.

On the working capital front, we delivered a meaningful improvement during the quarter. Our net working capital days improved to 233 days as of June 30th, 2026 compared with 294 days as of March 31, 2026. The improvement was driven by the following two things: inventory days reduced to 182 days from 225 days at the year-end; receivable days reduced to 119 days from 153 days at the year-end; receivable days improved significantly to 119 days from 153 days at the year-end as expected collections normalized during the quarter, reflecting the healthy conversion of the revenue recorded towards the end of the financial year '26; payable days moderated to 69 days compared to 80 days at the year end.

Overall, the improvement in net working capital was primarily driven by normalization of the inventory and receivables, partially offset by the reduction in payable days. This progress is fully aligned with the three working capital levers we outlined during our previous call: inventory rationalization, receivable normalization and the payable optimization.

We remain committed to closely monitoring all three areas through the remainder of FY27. To conclude, we are pleased with our start of financial year '27. The quarter was characterized by strong revenue growth, significant improvement in the profitability, disciplined margin management and a meaningful reduction in working capital days.

These results reinforce our confidence in the growth roadmap that we set at the time of our financial '26 results. As we continue to ramp up capacities and execute on our strategic priorities, our focus remains on delivering sustainable growth, improving operational efficiencies and translating our opportunities into the consistent quarterly performance throughout the financial year '27.

Thank you. And with this background, I would now request Bhavinbhai to take you through the updates.

Bhavin Acharya: Thank you, Parasbhai. Good evening, everyone. Let me take you through the business performance, the diversification of our revenue base, and the visibility provided by the order book. For the quarter ended June 30th of 2026, energy contributed around 49% of the revenue base, motion control and automation contributed around 24%, industrial equipment systems contributed around 19%, and other diversified industrial application contributed around 7%.

This mix demonstrates that the business is gradually broadening across industries while retaining a strong position in the energy segment. From a geographic perspective, North America contributed around 52%, Asia contributed around 27%, India contributed around 17%, and Europe and United Kingdom contributed around 3%.

The geography mix with approximately 78% of the revenue has been generated from the export during the quarter. And this reflects the strong and sustained confidence of our global customers in Omnitech's capability, quality, and execution. By already having an end-to-end integrated precision engineering capability, which enable us to offer larger product basket along with contract manufacturing to our customers, the opportunity pipeline continues to remain robust across our existing and emerging industry segments.

In addition, the Nadcap certification process is also in progress, and the development orders from the defense and aerospace segment are also progressing well. Our strong order book as on July 31st was about INR3,000 crores. It includes, and you must be well aware of, the multi-year order received from Weatherford with a total order value exceeding USD100 million.

The order book remains long term in nature, and the dispatches are carried out against schedule received from customers. This provides reasonable visibility while quarterly revenue conversion will continue to depend on customer delivery schedules, manufacturing execution, and logistics. For the participants who may be joining us for the first time, I would like to give a very short brief.

Omnitech has completed 19 years of operations and served to more than 256 global customers across 24 countries. We operate three manufacturing facilities with an aggregated area of around 80,000 square meters with an annualized installed machine capacity of 3.2 million hours as on 30th June. Our manufacturing capability covers precision levels of up to 5 microns.

In addition, the annualized machining capacity has increased by approximately 20.7% compared by FY26, providing additional headroom for the execution of the existing order book and the future programs in which we are working on. Our focus remains on converting the order book in a disciplined manner, diversifying the industry mix, strengthening our customer relationships, and maintaining consistency in the execution.

On behalf of the entire Omnitech team, I would like to thank all our shareholders, customers, employees, suppliers, and partners for their continuous support and confidence. We will now be happy to take your questions. Thank you very much.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question is from Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Thank you very much for the opportunity, and congratulations on a great quarter. Sir, firstly on our overall capex plans, we have three facilities: Metoda, Chhapara and Padavala. So, if you could highlight what is the current capacity in terms of machining hours at each of these locations, and where this capacity will reach in the next 2 to 3 years?

What kind of capital expenditure we are doing at all these three sites? I think in Chhapara, we are also doing one more facility. And on top of that, we have acquired land at both Hyderabad as well as Ahmedabad as well. So, if you could highlight your capacity expansion plans at each of these locations, both in terms of absolute capex as well as machining hours, that will be very helpful.

Paras Parekh: Yeah, Harshit, this is Paras. So, at present, as of first quarter 30th June 2026, our annualized capacity for all the three plants is 31 lakhs, around 32 lakhs. So, if we distribute this, for the Metoda facility, it is around 11 lakhs of machine hour capacities. For our existing Chhapara plant, it is around 19.5 lakhs hours machine hours capacities.

And our existing facility three, that is the Padavala plant, it has around 1,37,000 lakhs of capacities. So, this is the overall capacities of our existing plant. And for our capex expenditures, so total we have we are upcoming of two world class facilities in the Chhapara location only. So, if you will see the overall capex, it's coming to around INR250 crores of capex.

Out of INR250 crores of capex, around INR100 crores is for the building and INR150 crores is of the plant and machinery. And if we go for the overall capacity at the end of the executions of these two plants, then that will be around 42 lakhs to 43 lakhs of machine hour capacities which we are estimating.

Harshit Patel: Understood. So, this INR250 crores will be entirely spent at Chhapara new facility, right? Not in the existing Chhapara or in Padavala. Is that the right understanding?

Paras Parekh: See, no. Yes, out of INR250 crores, INR150 crores is for the plant and machinery. And out of INR150 crores, around INR25 crores is for our existing Chhapara plant capacities, and rest are for our new plant capacities of Chhapara.

Udaykumar Parekh: And adding to Paras' points we are investing our machine hour capacity in a first phase of the tranche. But still there is a some very good headroom to invest more onto the machine capacity in the further years. But we are only investing first tranche of the machine hour capacity. But building and facility have a very good headroom to increase the further more machine hour capacity in the same plants.

Harshit Patel: Understood, sir. Sir, today INR250 crores that we have spoken about, this entire amount will be spent in FY27 itself or will there be some spillover to FY28 as well?

Udaykumar Parekh: So, it will be in there will be a some slightly spillover in FY28 due to some recent rainy seasons. We are roughly around 1 or 1 month to 45 days we are running in the schedules. But our project teams are very working hard to catch up the schedules to meet our target deadlines to ramp up that capacities.

Harshit Patel: Understood, sir. Sir, secondly, you have spoken about doing first articles for a few of the aerospace and defense customers, namely OEMs and their tier 1 suppliers as well, as the qualifications are going on, that's what you have mentioned. So, could you give us some more idea on the progress, as to what kind of customers are these, what kind of eventual margin profile will be there, will those margins be higher or lower than our current business, what could be the potential revenue size and by when we could see some revenue start flowing through? So, if that's some more color on the upcoming aerospace and defense opportunity, that's the last one.

Bhavin Acharya: Yes, perfect. So, this is Bhavin. With regards to defense and aerospace, as I mentioned earlier that already the FAs are undergoing, and the business case is also looking reasonably well. And we looking at the ongoing process, usually aerospace and defense would take a significant amount of time on documentation and approvals and so on.

But we are right on track as far as the FA approvals are concerned and also the process which are in line for us to get approved. So, I feel that going forward this would be a very good vertical for us going forward. And also, you mentioned about the margins and so on, definitely the margins are good enough in comparison to what we have today.

So, margin is not the subject of discussion, I would say, in this case. But overall objective is that we are very -- working hard on ensuring that what we are committed in getting the FA qualified as quickly as possible. And of course, there are certain processes and approvals what we need to take, like say we are working on Nadcap accreditation for certain processes and so on, and then there would be some validation. So, all those things are well in line. And we are on track right now.

Harshit Patel: Understood, sir. Thank you very much for answering my questions and all the very best.

Bhavin Acharya: Thank you. Thank you.

Moderator: Thank you. The next question is from Lucky Agarwal, an individual investor. Please go ahead.

Lucky Agarwal: Hello. Congratulations on good set of numbers. Previously, you had mentioned about two large orders which you had received.

Management: Hello? Yes. Am I audible? Yeah, yeah. We are listening to you.

Lucky Agarwal: Yes, sir. So, out of total, how much you have executed? And ballpark which were roughly around INR1,000 crores, and execution was to start from FY27. So, far how executed and how execution schedule will be there going forward? Any guidance on that?

Udaykumar Parekh: Yeah. So, that order is a somewhat in the 3 to 5 years of the range, different on the product lines. So, execution has been already started on these projects. So, tentatively, if you see roughly the numbers will be around INR50 crores and more on these orders. But this is a year-on-year ramp-up orders.

So, for year one to a year fifth, there will be the staggered ramp up because we have also our existing customer base apart from these order, there is also significant some good amount of the order which are in the short cycle nature, like our industrial and motion control, industrial equipment, there is a short cycle order of around 3-4 months of time. So, these order have been started executing from this year, and year-on-year there will be the gradual improvement and ramp up in this order.

Lucky Agarwal: Okay. Next thing, I want to ask you about any guidance about product mix margin product mix and any margin guidance? Are current EBITDA margin or gross margin sustainable going forward or you can improve or give show some dip in margins?

Udaykumar Parekh: See, our overall historically we have a similar margins we have done in, 3 to 5 years and beyond that also. So, these margin are purely based on the capability and competency which we are operating into the business. So, it is not a segment-specific, but of course, sometimes in a some product we may have a some 2%, 3%, 4% lesser margin, and some product have a little bit more margin.

That level of the little bit, you can say, 1 to 2 percent of the averaging out. And presently, we are heavily investing in our new verticals, new segment, and growth trajectory. So, it is like we have we should have a equal talent on board to project our growth which is more than like 1 or 2 years beyond that also, because aerospace, defense and new some of energy verticals we are working, there we have already invested and start invested on the talent side, some of the capability development, like as Bhavin as said, like about Nadcap and like that. So, that is also already we are incurring into our P&L.

Lucky Agarwal: Okay. Got it, sir. Sir, one more question, sir. What would be the product composition between large, mid and small and or build-to-print and build-to-specs in our pipeline? Currently or any guidance for now onwards?

Udaykumar Parekh: So, our, you can say, maximum business is build-to-print. Because we don't... Yeah. Go ahead. Go ahead.

Lucky Agarwal: Going forward, it will be maintained or you will be focusing more on build-to-specs?

Udaykumar Parekh: So, see, our business is B2B, so we want to be into that segments.

Lucky Agarwal: Okay. And last question, sir. Can you highlight about the raw material mix by metal used?

Udaykumar Parekh: Exact quarter-on-quarter little bit it gets changed, but you can say high level we operate into stainless steel to Inconel, to carbon steel, low alloy steel, and aluminum. So, probably presently our Inconel level probably it will be I don't have exact numbers, but it may be a less than 15% in the stainless steel categories. High alloy stainless steel. Because our machinery and our capability is well -- capable to machine these types of, titanium and like that. So, our customer is also preferring to give the consolidated baskets in the different material mix.

Lucky Agarwal: Okay. Thanks a lot for answering my question, sir. Thanks.

Udaykumar Parekh: Thank you.

Moderator: Thank you. The next question is from Deeya Jain from Sapphire Capital. Please go ahead.

Deeya Jain: Hi, sir. Thank you for the opportunity. So, how do we look at FY28 in terms of revenue and margins, sir?

Udaykumar Parekh: FY27 or '28?

Deeya Jain: FY28.

Udaykumar Parekh: So, historically we are growing in the range of around 35% to 40%. So, we are projecting in around that range, because we have a at present also plant have enough capacity to ramp up and execute this level of the revenues.

Deeya Jain: And can we see some margin improvement?

Udaykumar Parekh: Yes. So, margin will be a similar in the range of 30% and above, something like that.

Deeya Jain: Okay, sir. And how much order book do we have in Q1?

Udaykumar Parekh: So we have executed this just a high level. Our present order book is a more than INR3,000 crores, and we have already executed 166 in the Q1. So, similar we have a new upcoming orders already filling up. So, still our order book is remain same and stronger, and further more expected to grow further more. But we have to be a more careful before accepting the order, because at the end of a day, we have to execute the orders. So, we are having a very strong order book as of now, and we are skeptical to taking the more bigger orders also.

Deeya Jain: And this order book is executable over how many years? The INR3,000 crores.

Udaykumar Parekh: So, it's around this is a some two orders out of INR3,000 crores, there is a INR2,000 crores of two orders. So, that is having a timeline of around 4 to 5 years. So, in the range of 3 to 5 years based on some product category. But apart from that, then one there is a INR1,000 crores, which are having mix of the short cycle order and little bit a moderate cycle order which have to we have to fulfill into 6 to 18 months or something like that time.

Deeya Jain: Okay, got it. And how much capex are we planning in 2 to 3 years?

Udaykumar Parekh: So, presently INR250 crores we are investing on the capex side. Apart from that we have acquired a some new potential land into the Ahmedabad. So, that capex yet we have not planned it, but we have to be little bit in advance to having strategic land acquisitions and like that, because we are having a good opportunity, we are seeing into the markets. So, presently our we are projecting 250 is our firm of what we have already planned. So, in upcoming time, it will be more evolve based on the segment-wise needs.

Deeya Jain: Okay, And the two new plants that you are planning, when do we expect them to commercialize? In Chhapara, the new facility that we are planning.

Udaykumar Parekh: So, in FY28, it will be started.

Deeya Jain: Okay, okay, fine. And how do you manage the raw material price volatility? Do we pass it on to our customers?

Udaykumar Parekh: Yes. We have a all major customers are OEMs, so we have pass-through mechanisms along with forex and like that.

Deeya Jain: So, that's 100% pass-through.

Udaykumar Parekh: Yeah, yeah, it is 100% pass-through.

Deeya Jain: And when can we expect significant revenue from the defense and aerospace segment?

Udaykumar Parekh: So, if you see our last year's others was a less and like Q1, our others has been increased. So, it has been start showing into that other areas in the revenue. So, now it is a 6.9%. So, what I mean to say, some revenue at the FA level and some level it has been already start showing into the our revenue models. So, we are expecting in the 1 to 3 years, that will be gradually based on the FA approval, based on the order, it will start showing into the revenues.

Deeya Jain: Okay, sir, got it. Thank you, and all the best.

Udaykumar Parekh: Thank you.

Moderator: Thank you. The next question is from Pawan Kumar from Share Capital. Please go ahead.

Pawan Kumar: First of all, congratulations management for a great set of numbers. Yeah. Can you hear me?

Moderator: Sir, there's a lot of noise in your background.

Pawan Kumar: Just a moment, let me try again. Is it better?

Moderator: Yes. Yes, sir, please.

Pawan Kumar: Yeah, first of all, thank you for the opportunity and very good set of numbers. So, my first question is like what is the maximum revenue potential from your current capacity based on the maximum utilization?

Udaykumar Parekh: See, our due to the different material mix, revenue exactly to be a little bit difficult to say, but I'll tell you in the other way around, our this year of revenue is a more or less covered along with the FY28 some of the beginning of the quarters, that capacity is already covered at our present facilities. So, roughly around you can say like INR800 crores to INR900 crores roughly we can do from the existing. And the similar size of the building in terms of the square feet, in terms of the land, we are also investing into the new capex. So, there is a good room to grow our revenues in our existing plants along with our new plants also.

Pawan Kumar: Okay, okay. And my second question is like you have mentioned about there is, I think, good amount of working capital improvement like in receivables, like inventory. So, do we have more room for improvement in this?

Udaykumar Parekh: Yes. So, we are working on the good room for the improvements. Historically, we were below 200-220. So, we are working on that. So, at see like just as we are doing a just giving you the example, as we are doing a many of the FAs for the new verticals, so initially we have to procure some minimum MOQs and like that. But there is a some good room to improvements. But it will take -- we are like we have to tread off, like our trajectory is more on the growth side. So, we are we are working on the balancing both.

Pawan Kumar: Okay, okay. Okay. And lastly, like, are you facing some issues due to the macroeconomic situation like -- you're facing problems in like execution of the orders, particularly at the export front?

Udaykumar Parekh: I told we don't see any challenges into executions or anything. Yeah, see, normal operations and execution have always like we have to work on the talent acquisitions, we have to consistently work on the some new product ramp up and everything. That is also always a part of the business.

Pawan Kumar: Okay, and sir, lastly, any challenges due to high energy cost? Are you able to pass it fully or is it some issues in that?

Udaykumar Parekh: See, see, we don't have a average energy pass-through clause, but we have a, you can say, we have a inflators and similar types of discussion with customer, so we consolidate everything and we have to pass to the customers. But one more thing from the IPO capex, our solar of roughly around 1.2 megawatt has been already start working and that has been already started producing the units for us. So, that is already start coming into our P&Ls.

Pawan Kumar: Okay. Thank you. Thank you for all your answers, and good luck for the next quarter. Thank you.

Udaykumar Parekh: Thank you. Thank you.

Moderator: Thank you. The next question is from Sumit Chopra, an individual investor. Please go ahead.

Sumit Chopra: Hello? Am I audible?

Udaykumar Parekh: Yes, yes.

Sumit Chopra: Sir, my first question is regarding like while we were earlier also said that and currently also we are saying that there is a increase whenever there is a increase, we pass on all the raw material cost to the customer, but if I see the trend, sir, Q-o-Q basis, last quarter also in Q4 last year, so from Q3 to Q4, there was a raw material cost increase from 20% to 24%, and now in this quarter also, it has further increased to 28%.

So, sir, if is there any time lag between passing on this raw material cost? So, are there any challenges that we are facing currently in passing on this cost or maybe is this cost is due to some change in product mix? So, if you can highlight this sequential increase in raw material prices.

Udaykumar Parekh: Yeah. So, of course, there is always a we are low volume high mix of the business. So, always product mix makes in the effect. But other than that, like we can talk to our customers for the material increase or anything on the more or less quarterly business reviews, so QBR level. So, it takes around 2 to 3 months to pass through that. But again if you see in terms of that we have a raw material raw material pass-through and we have a many customers have a our currency also. So, we have to both equalize and what is actual pass-through, that we can able to pass discuss with the customers and pass through that.

Sumit Chopra: Okay. Okay, okay. So, sir, for our guidance, what could be the sustainable level? So, like we have seen this 8% variance within 2-3 quarters. So, for our working, what should be the average level that we consider going forward as a gross margin level?

Paras Parekh: So, yeah, it will remain same at present is around 70%. So, what we are estimating, it will be around, say, 68% to -- between 71% that we are anticipating.

Sumit Chopra: Okay. Okay, sir, thanks. And sir, my second question is like we are guiding 35% to 40% growth. And now as we have already delivered 60% growth in the Q1, so do we want to upgrade our guidance or considering this growth, are we seeing some lower growth going forward in upcoming quarters?

Udaykumar Parekh: See, our overall guidance pattern is on a year year-on-year. So, last year's our Chhapara plant was step-by-step ramping up. So, you have seen some that 60% on that quarter-on-quarter, but now it has reached to a one level. So, we have a moderate level of the growth on the quarter-on-quarter, but on year-on-year, we are projecting around 35% to 40%.

Sumit Chopra: Okay, sir. Okay. Thanks.

Moderator: Thank you. The next question is from Aditya Magar from Elios Financial Services. Please go ahead.

Aditya Magar: Hello. Am I audible?

Udaykumar Parekh: Yes.

Aditya Magar: Yes. I just wanted to understand how will the working capital cycle look like in FY27 and '28, and if you could just provide the geographical segmentation of the order book, how much in India, how much in North America and so on?

Udaykumar Parekh: So, in the working capital, you can just we are seeing in terms of -- in this range, and we are we are working on to improve another 10% to 20% in the range of to improve the working capital. And in terms of the geography-wise, yes, North America is still around 55% to 60%. So, that will be around, we are working on the -- as per our strategies, we are working on the balancing that our geographical risk, that so for that our Middle East and our Europe regions, that is growing in the good way. So, that will be also there will be around 10 to 20% of the balancing of our geographical dependence.

Aditya Magar: Okay, thank you. All the best.

Udaykumar Parekh: Thank you.

Moderator: Thank you. The next question is from Sumit Jain, an individual investor. Please go ahead.

Sumit Jain: Yeah, thanks for the opportunity, sir. My question has been asked answered by the management. So, no more question from my side.

Moderator: Thank you. We'll take the next question from Jagdish, who's an individual investor. Please go ahead.

Jagdish: Hi, sir. Thanks for taking my question, and congrats on the good set of numbers. And so I have two questions, sir. One is, can you please throw some light on depreciation and interest part, since we paid off some of the dues through IPO proceedings, and what would be the net position and the depreciation as well? And along with that, I have one more question on the defense vertical and addressable market. Can you please throw some light on the pipeline which we are currently having and the discussions also? Thank you.

Paras Parekh: Yeah, thank you very much. This is Paras. So, from the IPO proceeds, we have paid debt of INR50 crores, that is a long-term debt, and at present, we have a total debt of INR390 crores. And if we see the interest, then we have done some of the restructuring of our NBFC loans, which will pay the lesser interest to us, which will get the benefit to our P&L account.

And yes, depreciation for the depreciations, see, now we are investing a lot from the IPO capex, and in next 3 years, we are estimating more than INR250 crores to INR300 crores. So, so as per the management and everything, yeah, as per the management and everything what we have decided for these heavy capex and what we are investing in the machineries and everything, so we are we -- from this year we have planning from the written down value to the straight line method of depreciations, which will get the efficiency for us in the next few years.

Udaykumar Parekh: And in terms of defense side...

Jagdish: Yeah, just follow up on that part. So, can we expect the same type of depreciation in the upcoming quarters as well?

Paras Parekh: Yes, yes. So, now it will be from the straight line method, so it will be the same.

Jagdish: Got it. Yes, sir, proceed.

Udaykumar Parekh: Yeah. Again, in terms of defense side, our industry works on the capability sides. So, just an example, if we do turning, milling, 1 meter to a 10 meters, grinding, broaching, and different processes, along with the laser cladding, laser welding, and similar, so if you see the capability define the scopes, and scope define the scales.

So, we are seeing a good capability coverage in terms of the defense and aerospace sides. Yes, of course there is a there is a path to enter into the segment, but that path has been already started since 1.5 years. So, we are seeing the good growth trajectory in in the new upcoming segment also. And that's how our business model, how can we be a more sustainable and diversify our risk to depend on the each segments.

Jagdish: Okay. Can we see some conversions in this financial year or only in FY28?

Udaykumar Parekh: So, in the defense side and something, already we have booked some of revenue in the Q1. So, due to the -- that number is not significant, so we are putting into the others. So, yes, of course, you will see some revenue in this year and in the coming years also, in the FY28 also, there will be some revenues.

Jagdish: Okay. What about the pipeline order, sir? Can we see some conversion into the orders placing?

Udaykumar Parekh: Yeah, we are working on that. So, there is a good pipelines I say. And of course, the second thing, that industries have a very good demand also. Like, if you see the requirement on these industries are pretty high, and we have a very good capacity to execute that.

Jagdish: Got it, sir. Yeah. That's it from my end. Thanks, thanks for answering my questions.

Udaykumar Parekh: Thank You.

Moderator: Thank you. The next question is from Aman Vij from Astute Investment Management. Please go ahead.

Aman Vij: Good Evening Sir, My question is on the capex part. You explained nicely that with the current capacity, we can do, say, INR800 crores, INR900 crores kind of run rate, which is say roughly INR200 crores a quarter. With the new capex that we are doing, INR250 crores, will this quarterly run rate after that at peak, can it scale to INR400 crores kind of number, or say INR1,600 crores peak sales after the current capex?

Udaykumar Parekh: So, as I've said we operating the different material mix, so based on the that, it can convert into the different revenue numbers. But if you see we have a some index on the per hour and like that. So, you like our present facility is also roughly around 800 to 900. And apart from that, in the new capex, we are building at a time, but we are going to put the machine in the staggered way.

Like, we cannot have an order all the machine at a time and fill the plant and increase the capacity to, you can say, like a 5 million or 6 million machine hours. So, what we are doing, we want to finish our building and every infrastructure stage at a time, and we are putting the machine into the step-by-step manner. So, you roughly it will be similar like that, what you have told.

Aman Vij: Okay. Okay, sir. Second question is, so because our -- initially we have to deploy a lot of capital in the business that we have done over last few years, say, from today or say the recent capex that you're doing -- INR250 crores kind of capex, what kind of ROCEs should we assume or should we built in that our business can generate?

Udaykumar Parekh: See, if you see our asset turnover ratios and similar like that, so it is around 2.25 around 2 to 2.5 in between. And in terms of ROCE it should be more than 20 and similar like that. But to reach to the plant to a peak level, it takes little bit years to reach that, because as we are continuously year-on-year growing, so there are so many FAs and everything is going on. And that new product development costs we are already putting into the P&L sides.

Aman Vij: Sure, sir. Final question is, sir, you talked about we already have like a big order book, and I think we have two anchor customers, big oil and gas company. But we were also undergoing trials with the other 2-3 majors. So, I understand because we already have the order book, but where is that trial going on? Is it almost done? Will it be completed say in next 1 year so that by the time the old order book gets depleted, then we'll have we can get new order from even newer customers. Could you talk about that, and also newer customer acquisition on the other side, non-oil and gas side, the motion and automation side? Can you talk about that?

Udaykumar Parekh: Yeah, so our new product development it is always every month is going on, and new customer onboard also. So, if you see the -- in the just a high level, on the last year fourth quarter, our energy was around 52.7, and in this quarter, it is a 49.4. So, our dependency on that energy, but in this energy, it is not a full oil and gas, but there are apart from oil and gas also, we have a, like, just an example, power generation side and similar like that, that also comes into the energy.

So, pure oil and gas is I don't have exact number, but it is again below 40 or something like that. So, our diversification into the energy, but apart from that energy, we have a different segment approach, like motion control, how can we grow more better into the value chain, like moving towards the assembly, testing, and similar like that, doing the more value-added product, somewhat little bit, we are working on how can we offer completely complete product as a contract manufacturing to the customers.

So, that capability already we have already start building up and it is getting maturing.

Aman Vij: Got it. Sir, I was trying to understand the large anchor customer, so we have two anchors now, but there are 3-4 more such players, which can provide maybe INR500 crores, INR1,000 crores of kind of order book and 3–5-year visibility. I was trying to understand where are we in terms of getting our products approval with them. That was the final question.

Udaykumar Parekh: Yeah, so like apart from these two large customers, we have a many large customers like Oshkosh, and then there is a BLY, then there is a -- already we have been approved in the ABB and Siemens and similar like that. So, we are working on the getting, because it's a industry type. In the motion control and automation and industrial equipment, their order cycle time is a lesser.

So, they don't book a 4-5 year of the order. So, in the oil and gas, these order is based on the something like Saudi Aramcos or Petrobras and similar like that. So, they are blocking the big orders. So, but we are working on with other customers to getting the large order in terms of little bit on terms of the assembly side. So, many of our loose compound FA has been completed, and now moving towards the more approval stage. So, probably it can you can say another 6 to 12 months or 15 months, it will be done.

Moderator: Thank you. The next question is from Vedant, an individual investor. Please go ahead.

Vedant: Hello. Am I audible?

Udaykumar Parekh: Yes.

Vedant: Yes, so I wanted to ask that how many new machineries have been ordered for upcoming capex?

Udaykumar Parekh: So in terms of see, from the IPO capex that you can say like based on the lead time, and we have already order some machine, but our actual facility is a constructor facility. So, based on the lead time, like a 4-5 months, 6 months of the time, we need to order in that way. So, with that we can save some money of paying the advance and interest on the advance and something like that. So, I don't have exact numbers.

Vedant: Okay, thank you. That's from my side.

Udaykumar Parekh: Yeah.

Moderator: Thank you very much. That was the last question. I would now like to hand the conference over to the management team for closing comments.

Bhavin Acharya: Thank you, everyone, for joining us today and for your continued interest being shown on Omnitech Engineering Limited. We remain encouraged by the opportunity aheads and will continue to focus on sustainable growth, disciplined execution, capability enhancement and strengthening our position across diversified industries. We sincerely appreciate the continue trust and support of our shareholders, customers, employees, and business partners as we progress on our long-term growth journey. Thank you once again, and we wish you all a good evening ahead.

Management: Thank you.

Moderator: Thank you very much. On behalf of Equirus Securities Limited, twhat concludes this conference call. Thank you for joining us, and you may now disconnect your lines.