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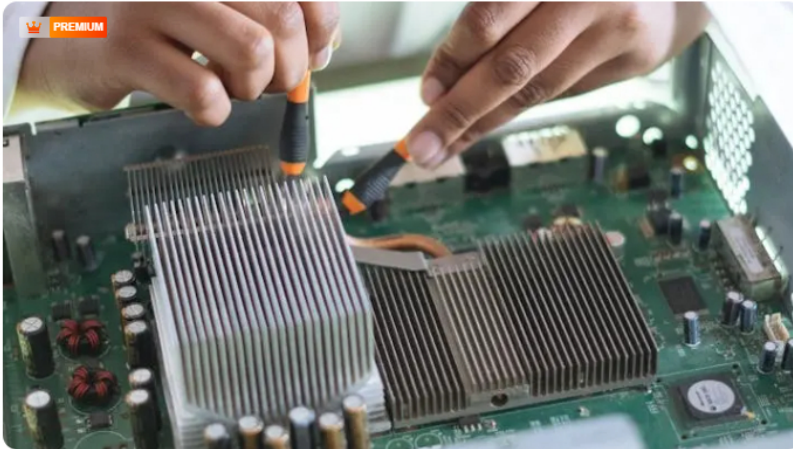
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PCB Maker Hi-Q Electronics Pockets Maiden PE Funding Cheque

By • Roshan Abraham
06 Mar 2026

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Hi-Q Electronics Pvt Ltd, a domestic printed circuit boards (PCBs) maker, has added a private equity investor to its cap table as it seeks to expand its production facility and tap strong demand from the defence sector in external markets.

The Bengaluru-based company, established in 1978 by Dr S Venkatchalam, raised Rs 175 crore (\$19 million) in growth capital from ValueQuest Group's Tristar Fund, the alternative investment manager said in a statement.

The announcement comes a few months after VCCircle reported in October that HI-Q Electronics was planning to raise its maiden external funding round of around \$20 million from institutional investors. The company held preliminary discussions with a clutch of mid-market private equity and growth capital investors.

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Anand Rathi Investment Banking acted as the exclusive financial advisor to Hi-Q Electronics on this transaction.

Sendyl Venkatchalam, managing director at Hi-Q Electronics, told VCCircle that all the primary capital raised will be deployed to enhance production capacity.

"We have enormous orders and need to expand fast," Venkatchalam said. "Most of it will be deployed by the end of this year for capex (capital expenditure) to increase production by 1.7 to 1.8 times current revenue numbers. We are also starting a new facility in Shoolaaqiri [in Tamil Nadu], which should come

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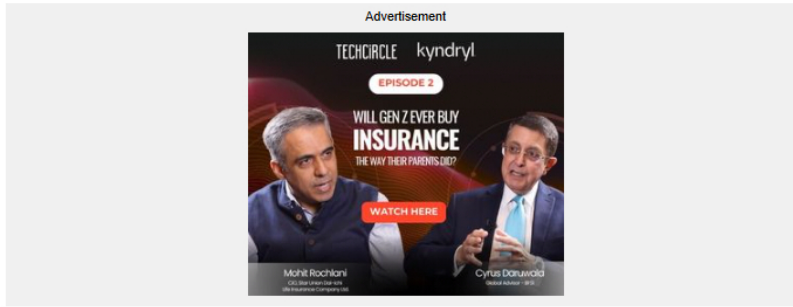
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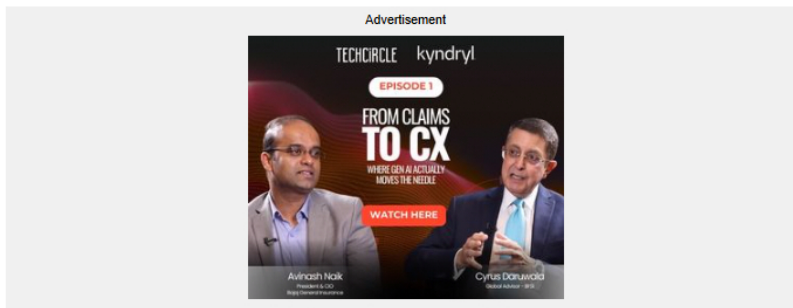
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While the company serves critical applications across aerospace, defence, and industrial electronics for both domestic and global customers, Venkatachalam said that around 75% of the sales go to the defence sector. Virtually all of HI-Q's products are PCBs used in defence applications such as drones, lasers, rockets, laser defence systems, electronic warfare, and aircraft. The company's key markets are Europe and Israel, where defence original equipment manufacturers (OEMs) show strong demand.

For the current financial year ending in March, Venkatachalam expects the company's revenue to reach around Rs 175 crore with an EBITDA of about Rs 50 crore. In FY25, the company recorded over 45% revenue growth, reaching Rs 135.7 crore on a standalone basis. However, its profit dipped by around 12% to Rs 21.4 crore, according to VCCEdge data. Venkatachalam attributed the decline to a one-time land sale of Rs 10-12 crore.

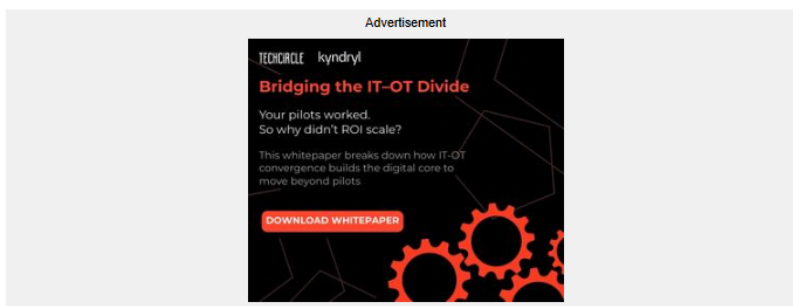
In the coming financial year, Venkatachalam expects revenue of Rs 250 crore and Rs 350-400 crore in the following year. The company is expanding its brownfield facility in Hosur, Tamil Nadu and its new greenfield facility in Shoolagiri. "Once both plants are fully operational in 2028-29, revenue should reach Rs 700-800 crore with an EBITDA of Rs 150-200 crore," Venkatachalam added.



For ValueQuest, this is the third investment from the Tristar Fund. In February, the fund surpassed its target size of Rs 1,500 crore, activating its greenshoe option of an additional Rs 500 crore owing to strong investor demand. ValueQuest said the fund drew commitments and interest from large family offices. The fund's original target corpus of Rs 1,000 crore was hence increased to Rs 2,000 crore to reflect the expanding investment opportunity.

Aniket Dharamshi, managing director and fund manager for Tristar, said the fund prefers to invest in businesses with strong order books or nominated vendor status.

"We focus on three areas: upgrading existing systems, manufacturing systems nobody else will sell us—such as parts of intercontinental and submarine-launched ballistic missiles—and integrating foreign systems into Indian doctrines," he said. "We are looking at indigenization and reducing dependence."



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