

IPO Details

IPO Date	4 to 6 Mar, 2026
Face Value	₹10 per share
Price Band	₹1287 to ₹1352
Lot Size	11 Shares
Sale Type	Offer For Sale
Total Issue Size	80,43,300 shares (agg. up to ₹1,087 Cr)
Employee Discount	₹128.00
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	4,41,61,500 shares
Shareholding post issue	4,41,61,500 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	11 Shares & 143 shares
Retail (Min & Max) application amount	₹14,872 & ₹1,93,336
S-HNI (Min shares & application amount)	154 shares & ₹2,08,208
S-HNI (Max shares & application amount)	737 shares & ₹9,96,424
B-HNI (Min shares & application amount)	748 shares & ₹10,11,296
Basis of Allotment	Mon, Mar 9, 2026
Initiation of Refunds	Tue, Mar 10, 2026
Credit of Shares to Demat	Tue, Mar 10, 2026
Listing Date	Wed, Mar 11, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Mar 6, 2026
Promoters	Prof. Shashikanth Suryanarayanan, Amit Arun Dixit, Manish Sharma and Anaykumar Avinash Joshi
Registrar	MUG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link <https://ipo.adroitfinancial.com/> for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

SEDEMAC Mechatronics Limited, incorporated in 2007 and headquartered in Pune, India, is a technology driven Tier I supplier specializing in the design, development, and manufacture of critical, control intensive electronic control units (ECUs) for major vehicle and industrial equipment manufacturers. Originating from a lab at the Indian Institute of Technology (IIT) Bombay, the company focuses on delivering in house developed, application specific solutions that manage complex systems in real time, serving large end markets such as two and three wheelers (both Internal Combustion Engine (ICE) and electric), gensets, and power tools across India, the United States, and Europe.

SEDEMAC is a market leader in India, being the first to introduce sensorless commutation (SLC) based Integrated Starter Generators (ISG) and holding a dominant 75-77% market share in the domestic genset controller segment for 9MFY26. Supported by a strong "technical nucleus" of engineers from premier institutions like IITs and NITs, the company maintains fully integrated operations from design to manufacturing at its Pune facilities, having cumulatively sold over 10 million control intensive products as of December 31, 2025.

Objects of the Issue

☐ Offer for Sale – Rs. 1,087 Crore

Financial Details

Particulars (Amount in Crores)	9MFY26	31-Mar-25	31-Mar-24	31-Mar-23
Revenue				
- Revenue from Operations	770.66	658.36	530.65	423.02
Expenses				
- Cost of materials consumed	492.45	414.60	366.77	303.96
- Changes in inventories of finished goods and work-in-progress	(18.24)	(3.95)	(3.75)	(0.63)
- Employee Benefit Expense	66.19	61.42	42.76	32.48
- Other expenses	73.83	65.38	46.99	39.80
Total Expenses	614.23	537.45	452.77	375.61
EBITDA	156.43	120.91	77.88	47.41
EBITDA Margin (%)	20%	18%	15%	11%
- Finance Cost	7.21	12.03	38.44	16.04
- Depreciation, impairment and amortization expense	45.58	45.33	35.86	30.18
- Other Income	4.64	4.17	5.24	6.83
Profit/(Loss) before tax	108.27	67.69	8.81	8.00
Tax expense/(credit)	36.77	20.65	2.93	(0.56)
Profit/(Loss) After Tax	71.49	47.04	5.87	8.57
PAT Margin (%)	9%	7%	1%	2%
Basic EPS (in Rs.)	16.59	10.93	1.45	2.12

Key Metrics	9MFY26*	Mar-25	Mar-24	Mar-23
Number of Control-Intensive Controllers Sold	28,58,050	24,38,518	19,17,339	14,25,155
D/E	0.17	0.21	1.37	1.16
RoCE (%)	32.52%	33.79%	28.87%	17.51%
RoE (%)	20.03%	22.01%	4.92%	7.84%

* Not annualized

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Competitive Strengths

- **First to market advantage driving market leadership** : The company's first to market innovations in control intensive technologies have helped it build strong entry barriers and market leadership. By introducing differentiated solutions such as integrated electronic governing, sensorless commutation (SLC) based ISG, and SmartIgn, it has positioned itself as a credible innovation partner for major Original Equipment Manufacturers (OEMs).
- **Agility at scale through integrated operations** : SEDEMAC's integrated design, engineering, and manufacturing model enables rapid innovation and quick response to market needs. Full in house control of the product lifecycle allows fast root cause analysis and scalable customization without reliance on third parties. This agility was evident during the global semiconductor shortage, when the company swiftly redesigned products and managed supply chains to ensure uninterrupted deliveries.
- **Synergies driving cross market technology use and procurement** : The company leverages its core technology platforms across multiple markets, adapting proven solutions from one segment to others. For example, its motor control architecture developed for ISG systems has been extended to electric two and three wheelers and is now entering the power tools segment. Operating across large markets also enables procurement synergies through aggregated volumes, resulting in cost efficiencies and a stronger supply chain.
- **Continued ability to innovate through a "technical nucleus"** : SEDEMAC's continued innovation is driven by its strong technical expertise and high quality engineering team. As of December 31, 2025, about 64.75% of its engineers were graduates from premier institutions such as IITs, NITs, and BITS. This robust "technical nucleus" enables the company to adapt across product cycles and consistently introduce advanced, benchmark setting technologies.
- **Commitment to quality, traceability, and reliable delivery** : The company ensures high reliability and low failure rates through a robust manufacturing system and strict validation processes. Its end to end traceability from raw materials to finished products guarantees consistent quality and transparency. Extensive in house testing using specialized rigs and dynamometers ensures dependable performance under demanding conditions.

Key Risk Factors

- **High revenue concentration with a small number of customers** : SEDEMAC has high revenue concentration, with a significant portion of sales coming from a few key customers, TVS Motor Company alone contributing over 75% in recent years. This dependence creates substantial risk, as any reduction in demand or change in relationship with major customers could materially impact revenue, profitability, and cash flows.
- **Dependency on localized manufacturing facilities in Pune** : The company's entire production is concentrated in two manufacturing facilities located in Pune, Maharashtra, creating geographic concentration risk. This dependence makes operations vulnerable to regional disruptions such as natural disasters, civil unrest, regulatory or policy changes, industrial accidents, or equipment breakdowns. Any prolonged interruption at these facilities could significantly impact production schedules, delay customer deliveries, and materially affect revenue and profitability.
- **Supply chain and geopolitical risks from critical imports** : SEDEMAC relies on critical imports such as semiconductors and PCBs from China, exposing it to geopolitical and supply chain risks. Trade tensions, export controls, or policy changes could cause shortages, cost increases, or production delays. Although the company has alternative sourcing strategies, its ability to fully offset these region specific risks remains limited.
- **Risk from industry transition towards electrification**: SEDEMAC faces risk from the rapid electrification of the Indian two and three wheeler industry, which could reduce demand for its core ICE based products. Although the company is developing EV motor controllers, these are still in the early growth stage and may not match the scale or profitability of its ICE portfolio. Failure to establish a strong position in the EV segment could lead to a contraction in its addressable market.
- **Counterparty credit risk and trade receivable management** : The company faces counterparty credit risk as it extends credit to customers, exposing it to potential payment delays or defaults. Trade receivables from its top customers have risen, partly due to a shift from TReDS (Trade Receivable Discounting System) to direct invoicing. Any weakening in the financial position of key OEM clients could lengthen cash conversion cycles and increase working capital needs.

Comparison with Listed Peers

Name of the Companies.	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
SEDEMAC Mechatronics Ltd.	NA	10	62.69*	21.61**	21.57**	15.48%	71.57
Peers:-							
Bosch Ltd.	36180	10	52.95	683.25	683.25	14.59%	4682.43
ZF Commercial Vehicle Control Systems India Ltd.	15038	5	61.91	242.90	242.90	14.31%	1697
Sona Blw Precision Forgings Ltd.	534	10	53.83	9.92	9.92	10.94%	88.39
Schaeffler India Ltd. ^	4398	2	73.18	60.1	60.1	17.59%	341.57

* P/E calculated based on upper band price.

**EPS calculated including fresh issue shares.

^ Based on year ended Dec 31, 2024 data.

Summary

Established in 2007 as a spin off from a research lab at IIT Bombay, SEDEMAC Mechatronics Limited is a Pune based Tier I technology supplier that recently transitioned to a public limited company in September 2024. The firm specializes in the end to end design and manufacture of control intensive electronic control units (ECUs) which are fundamental for the real time operation of two and three wheelers (ICE and electric), power generators, and cordless power tools.

SEDEMAC Mechatronics operates within the automotive electronics and powertrain systems industry, serving the rapidly growing two wheeler, three wheeler, and small engine/genset sectors. The Indian two wheeler market alone is a multi-billion dollar industry estimated at around \$ 24.5 billion in 2025 and projected to grow at a 7%+ CAGR through the next decade due to rising urbanization, increasing disposable incomes, affordable mobility needs, and supportive government policies, with demand further strengthened by a shift toward electric mobility and advanced vehicle features. Globally, the two wheeler market is also expanding, with forecasts indicating growth from hundreds of billions of dollars today toward higher valuations by 2030, driven by urban transport demand and emerging economies.

The three wheeler segment, both ICE and EV is similarly robust, with the global market expected to grow at a 8–9 % CAGR to 2030, supported by last mile logistics needs, e-commerce expansion, and electrification trends. In parallel, the global and Indian genset markets are expanding as infrastructure build outs, data center growth, and stricter emission norms increase demand for electronically controlled power solutions. Across these industries, growth drivers include rising vehicle electrification, enhanced electronics content per vehicle, regulatory shifts toward cleaner technologies, and increasing consumer preference for technologically advanced products are all creating a favorable structural backdrop for SEDEMAC's embedded control systems and power electronics solutions over the medium to long term.

SEDEMAC Mechatronics is expanding its operations through the addition of two new manufacturing facilities and entry into adjacent product segments. The company is setting up Manufacturing Facility 3 (MF3) in Chakan, a 80,000 sq. ft. plant focused on controller production, and Manufacturing Facility 4 (MF4) dedicated to electric motor manufacturing, along with incremental capacity additions at its existing facility. These expansions are intended to support increasing volumes across both ICE and EV related products. At the same time, SEDEMAC is moving beyond its traditional two wheeler and genset markets into the power tools and commercial vehicle segments. In power tools, its sensorless commutation (SLC) motor control technology has reached the commercial business win stage, while in commercial vehicles the company is developing ECUs for BS-VI after-treatment systems and supplying control solutions for both ICE and electric light commercial vehicles. These initiatives are aimed at diversifying the revenue base and utilizing its existing control technology platforms across larger market opportunities.

Therefore, it is recommended to **“Subscribe”** the IPO for long-term investment, considering its growth potential.

DISCLAIMER

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