

SEDEMAC

SMC Ranking
 ★★☆☆☆ (2/5)

Issue Highlights

Industry	Control electronics
Offer for sale (Shares)	80,43,300
Net Offer to the Public	80,43,300
Issue Size (Rs. Cr.)	1035-1087
Price Band (Rs.)	1287-1352
Employee discount	Rs.128
Offer Date	04-Mar-26
Close Date	06-Mar-26
Face Value	10
Lot Size	11

Issue Composition

	In shares
Total Issue for Sale	80,43,300
QIB	40,21,650
NIB	12,06,495
Retail	28,15,155

About the company

Incorporated in 2007 and headquartered in Pune, SEDEMAC Mechatronics Ltd is a technology-driven company engaged in the design and manufacture of control-intensive electronic control units (ECUs) and motor control solutions for mobility and industrial applications. The company supplies its products directly to leading OEMs across India, the United States, and Europe. Emerging from research at the Indian Institute of Technology Bombay under the guidance of its promoter Shashikanth Suryanarayanan, SEDEMAC focuses on in-house innovation and proprietary sensorless motor control technologies aimed at enhancing performance, efficiency, and reliability. It was the first company in India to develop sensorless commutation-based integrated starter generator (ISG) ECUs for two- and three-wheelers, establishing a strong presence in the domestic ISG ECU market and leadership in genset controllers. Its portfolio includes ISG, EFI, and ISG+EFI ECUs, motor control units for electric vehicles and electric machines, and generator controllers serving the automotive, electric mobility, and power generation sectors. Backed by strong engineering capabilities and long-standing OEM partnerships, the company continues to advance scalable control technologies aligned with evolving industry requirements such as electrification, emissions compliance, and energy efficiency.

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	26.49%	26.24%
QIB	73.51%	64.66%
NIB	0.00%	2.73%
Retail	0.00%	6.37%
Total	100.00%	100.00%

*calculated on the upper price band

Strengths

First-to-Market Advantage Driving Market Leadership: SEDEMAC Mechatronics Ltd has built a strong leadership position by leveraging its first-to-market advantage in developing differentiated, control-intensive technologies. Innovations such as sensorless commutation-based integrated starter generator (ISG) systems, SmartIgn technology, and integrated electronic governing (eGov) in genset controllers have enabled deep OEM integration and created high customer switching costs. Early market entry allows continuous product refinement through real-world feedback, helping set industry benchmarks and sustain technological leadership. This has supported large-scale technology deployment, expanded domestic and global presence across critical segments, and created a self-reinforcing cycle of innovation, customer stickiness, and long-term competitive advantage.

Agility at Scale Through Integrated Design and Manufacturing: The company achieves operational agility by retaining end-to-end control over product design, engineering, and manufacturing. This integrated model accelerates innovation, shortens development cycles, and enables rapid adaptation to customer needs, regulatory changes, and supply chain disruptions without reliance on third parties. Supported by strong in-house engineering expertise, the company can swiftly identify technical challenges, redesign solutions, and introduce new technologies to market. Its

Objects of the Issue

The objects of the Offer are to (i) carry out the Offer for Sale of up to 8,043,300 Equity Shares of face value of ₹ 10 each by the Selling Shareholders aggregating ; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Book Running Lead Manager

- ICICI Securities Limited
- Avendus Capital Private Limited
- Axis Capital Limited

Name of the registrar

- MUFG Intime India Private Limited

responsiveness during the global semiconductor shortage—through alternate design development to ensure uninterrupted customer supply—demonstrates its technical depth, operational resilience, and ability to respond effectively to market disruptions.

Cross-Market Synergies and Procurement Advantages: Ownership and continuous advancement of core technologies enable SEDEMAC to deploy validated solutions across multiple industries, improving reliability and performance. Technology transfer across mobility, EVs, gensets, and emerging segments such as power tools allows faster adoption and enhances competitiveness. This approach delivers economies of scale, consolidated procurement of critical components like semiconductors, cost efficiencies, and stronger supplier relationships, while fostering long-term OEM partnerships through consistent delivery of high-value, control-intensive solutions.

Ability to Innovate, Scale, and Commercialize Differentiated Technologies: The company's strong engineering capabilities and leadership enable continuous innovation and commercialization of differentiated technologies across markets. Its ability to translate concepts into market-ready products supports rapid adaptation to evolving customer needs and expansion into mobility and industrial applications. This innovation-led culture strengthens customer integration, creates entry barriers for competitors, and supports sustained profitability and long-term competitive positioning.

Focus on Quality, Traceability, and Reliable Delivery: SEDEMAC prioritizes quality assurance and traceability through rigorous validation processes and continuous monitoring of failure metrics. Its advanced manufacturing systems enable complete traceability from raw materials to finished products, ensuring consistent quality and transparency. The company's ability to redesign products and manage supply chains during global disruptions highlights its operational reliability, enabling uninterrupted customer production and reinforcing its reputation as a trusted OEM partner.

Strategies

Expand Technologies Across Large Addressable Markets: The company aims to drive long-term growth by extending its technologies across mobility and industrial markets beyond niche applications. It is developing scalable platforms such as ISG and EFI ECUs for engine-powered vehicles and controllers for the genset industry, while entering high-growth segments like commercial vehicles, power tools, and outdoor equipment. This market diversification is expected to strengthen revenue streams, improve business resilience, and support sustainable growth across geographies.

Drive Technology and Product Differentiation: SEDEMAC focuses on advancing proprietary, control-intensive technologies that enhance OEM performance, user experience, and regulatory compliance. Its development of sensorless motor control systems, SmartIgn technology, integrated electronic governing solutions, and rare-earth-free motors reinforces its positioning as a provider of complex, high-value solutions. Avoiding commoditized products supports profitability and enables continued reinvestment in R&D and innovation.

Offer a Suite of Control-Intensive Products: Adopting a multi-product strategy, the company provides a broad portfolio of critical solutions across each market. Offerings such as ISG, EFI, ISG+EFI ECUs, motor control units, generator controllers, and EFI ECUs for gensets enhance customer value per unit and deepen engagement. This

integrated approach improves capital efficiency through multiple revenue streams within the same market and strengthens long-term competitiveness.

Build Long-Term Partnerships with Market Leaders: The company seeks to build enduring partnerships with leading OEMs by collaborating with technically capable customers who support early technology adoption and product validation. These relationships enable effective product integration, accelerate commercialization of advanced technologies, and reinforce its reputation as a dependable solutions provider across mobility and industrial sectors.

Leverage Synergies Across Markets and Supply Chains: SEDEMAC utilizes shared technology platforms and cross-functional collaboration to leverage synergies across markets and products. Unified core architectures enable improved durability, reduced costs, enhanced scalability, and faster time-to-market. This integrated strategy supports profitability, capital efficiency, wider technology adoption, and strengthens the company's overall competitive position.

Risk Factors:

- The company currently relies on two manufacturing facilities in Pune, Maharashtra for its entire production, exposing it to regional and operational risks that may adversely impact its business, financial condition, cash flows, and results of operations.
- The company is subject to evolving, stage-specific, and proposition-related risks that could materially affect its operations, financial condition, and future prospects.
- A portion of the company's income is derived from export incentives and government grants, which may not continue or remain available in the future.
- Inability to effectively implement its growth strategies may negatively affect the company's business performance, cash flows, and future prospects.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Bosch	19379.60	2756.70	783.83	46.48	7.67	4752.55	10	36429.05	107442.53
Schaeffler India	9685.85	1150.35	73.60	59.26	11.27	386.94	2	4361.35	68169.50
Sona BLW Precis.	4056.71	612.38	10.49	50.95	5.82	91.88	10	534.45	33227.88
ZF Commercial	3975.59	497.55	265.50	57.01	8.41	1799.27	5	15135.00	28695.96
SEDEMAC Mechatronics Ltd.	1541.33	143.00	32.38	41.75	12.39	109.14	10.00	1352.00	5970.63

*Peer companies financials are TTM based
SEDEMAC Mechatronics LIMITED financials are based on Estimated FY26

Valuation:

Considering the P/E valuation on the upper price band of Rs.1352, Estimated Annualised FY26 EPS and P/E are Rs.32.38 and 41.75 multiple respectively and at a lower price band of Rs.1287, P/E multiple is 39.75. Looking at the P/B ratio on the upper price band of Rs.1352, book value and P/B are Rs. 109.14 and 12.39 multiple respectively and at a lower price band of Rs. 1287 P/B multiple is 11.79. No change in pre and post issue EPS and Book Value as the company is not making fresh issue of capital

Industry Outlook:

The outlook for the mobility and industrial sectors remains positive, supported by steady production growth, rapid technology adoption, and favourable policy support.

In India, domestic vehicle production grew at a CAGR of 2.6% between Fiscal 2020 and 2025 to reach 23.9 million units, while total two-wheeler sales increased at a CAGR of 3% to 24.2 million units in Fiscal 2025, with domestic demand accounting for over 80% of total volumes. Electric two-wheelers have recorded robust growth at a CAGR of 112% over the past five years and are expected to expand further at 39–41% CAGR, reaching an estimated 6–8 million units by Fiscal 2030 with penetration levels of 20–25%. The global three-wheeler market grew at a CAGR of 8% from 2020 to 2025 to 4.8 million units, with EV share rising from 10.4% to 27.3%, of which India contributed 0.98 million units in Fiscal 2025. The commercial vehicle segment is projected to grow at a CAGR of 2–4% between Fiscal 2025 and 2031, supported by infrastructure development and logistics demand. Additionally, global e-bike and power tools markets have grown at CAGRs of 13.8% and 7.4%, respectively, reflecting increasing automation and sustainable mobility trends. Continued adoption of technologies such as Electronic Fuel Injection (EFI) and Integrated Starter Generator (ISG) systems, alongside tightening emission norms and government initiatives, is expected to drive sustained long-term growth across automotive and industrial applications.

Outlook

SEDEMAC Mechatronics Ltd's outlook remains positive, supported by its first-to-market advantage, strong in-house engineering capabilities, and expanding portfolio of control-intensive technologies across mobility and industrial segments. Its strategy to diversify products, deepen OEM partnerships, and leverage cross-market synergies is expected to drive sustainable growth. However, operational concentration in Pune, evolving market risks, and dependence on incentives may moderate near-term performance if not effectively managed.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Mar 4, 2026
IPO Close Date	Fri, Mar 6, 2026
Tentative Allotment	Mon, Mar 9, 2026
Initiation of Refunds	Tues, Mar 10, 2026
Credit of Shares to Demat	Tues, Mar 10, 2026
Tentative Listing Date	Wed, Mar 11, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	770.67	658.36	530.65
Total expenditure	614.24	537.47	452.77
Operating Profit	156.43	120.90	77.88
OPM%	0.02	0.02	0.01
Other Income	4.64	4.17	5.24
Total Net Income	161.07	125.07	83.12
Interest	7.22	12.03	38.45
PBDT	153.85	113.04	44.68
Depreciation	45.58	45.34	35.86
PBT	108.27	67.70	8.81
Tax	36.77	20.65	2.94
Profit & Loss	71.50	47.05	5.88

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	163.54	114.82	82.60
Capital Work in-progress	0.76	3.92	3.17
Other Intangible assets	64.24	68.94	50.73
Intangible assets under development	67.53	49.32	58.66
Right-of-use assets	22.37	12.86	18.08
Financial assets	0.00	0.00	0.00
Other Financial Assest	5.15	6.05	4.22
Deferred Tax Assets Net	0.00	13.55	21.10
Other tax assets Net	3.16	1.26	0.14
Other non-current assets	13.26	5.95	3.31
Total non-current assets	340.00	276.65	242.02
Current asset			
Inventories	147.01	135.26	117.65
Financial Assets	0.00	0.00	0.00
Investments	4.02	19.39	0.00
Trade receivables	143.04	43.94	27.03
Cash and cash equivalents	9.13	2.54	3.51
Bank balances other than Cash and cash equivalents	2.77	5.72	3.84
Other Financial Assets	17.93	0.57	0.49
Other Current Assets	12.12	7.10	7.70
Total current assets	336.01	214.51	160.22
Total Assets	676.01	491.16	402.24
Non-current liabilities			
Financial liabilities			
Borrowings	24.18	25.69	42.35
Lease Liabilities	17.29	8.18	13.99
Provisions	4.43	3.61	4.62
Deferred tax liabilities (net)	5.39	0.00	0.00
Other non-current liabilities	4.91	1.94	2.09
Total Non- Current liabilities	56.21	39.41	63.06
Current liabilities			
Financial Liabilities			
Borrowings	22.71	23.93	108.27
Lease Liabilities	6.83	6.55	5.44
Trade Payables	0.00	0.00	0.00
"Total outstanding dues of micro enterprises and small enterprises; and "	8.35	2.92	2.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	134.33	82.86	73.85
Other financial Liabilities	24.68	22.63	15.44
Other Current Liabilities	2.87	4.43	7.62
Provisions	9.56	5.04	1.57
Total - Current Liabilities	209.32	148.37	215.06
Total Liabilities	265.53	187.78	278.12
Net worth represented by:			
Equity share capital	43.74	0.03	0.01
Other equity	0.00	0.00	0.00
Equity component of compulsorily convertible preference shares	0.00	0.00	0.09
Reserves and surplus	366.74	303.35	124.03
Total Equity	410.48	303.38	124.12

E-mail: researchfeedback@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401/402,
4th Floor, Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court, Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

Investments in securities market are subject to market risks, read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. The securities quoted are for illustration only and are not recommendatory. SMC is a SEBI registered Research Analyst having registration number INH100001849. CIN : L74899DL1994PLC063609.

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; 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(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.