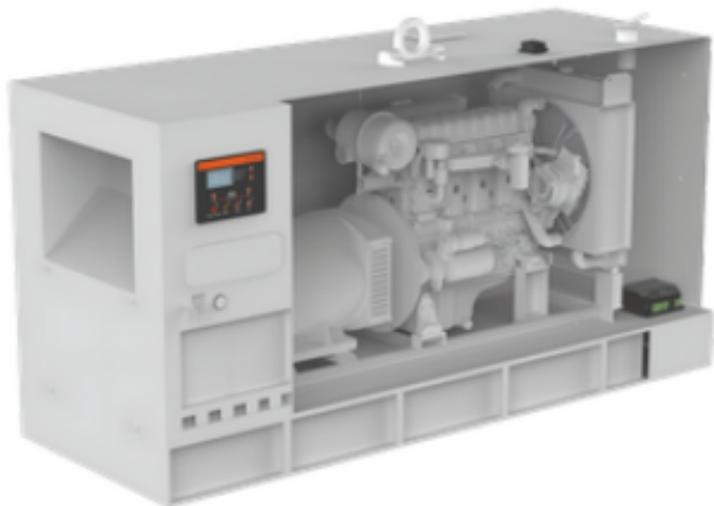




SEDEMAC



# SEDEMAC MECHATRONICS LTD

## Price Band

₹1287 to ₹1352

## Issue Opens

4 March to 6 March, 2026

### Face Value

₹10

### Issue Size

₹1,087 Cr

### Lot Size

11 Shares

### Listing At

NSE, BSE

## SEDEMAC Mechatronics Ltd

### Issue Size

80,43,300 shares / ₹1,087 Cr

### Fresh Issue

N/A

### Offer for Sale

80,43,300 shares at ₹10/ ₹1,087 Cr

### Retail Quota

Not less than 35% of the Net Issue

### Retail Min/Max

₹14,872/ ₹1,93,336

## SEDEMAC Mechatronics Ltd

### Tentative Allotment

Mon, Mar 9, 2026

### Initiation of Refunds

Tue, Mar 10, 2026

### Credit of Shares to Demat

Tue, Mar 10, 2026

### "SEDEMAC Mechatronics Ltd" Listing Day

Wed, Mar 11, 2026



## Objects of The Offer

The Offer comprises solely an Offer for Sale (OFS) of up to 8,043,300 Equity Shares of face value ₹10 each by the Selling Shareholders.

The primary objectives of the Offer are:

- **Carry out the Offer for Sale:** Enable the Selling Shareholders to divest a portion of their shareholding through the public issue. The Company will not receive any proceeds from this Offer.
- **Achieve the benefits of listing:** Listing the Equity Shares on the Stock Exchanges is expected to enhance the Company's visibility and brand image, improve corporate recognition, and provide liquidity by creating a public market for its Equity Shares in India.

## About The Company and Business Overview

**SEDEMAC Mechatronics Limited** is a technology-driven engineering company engaged in designing, developing, and manufacturing control-intensive electronic control units (ECUs) that are critical to the functioning of mobility and industrial equipment. These products are "mission-critical" components—meaning without them, the equipment cannot perform its primary function, such as an engine ECU required for vehicle operation.

The company primarily operates across two segments:

### **1. Mobility Segment (Major Revenue Contributor)**

This segment contributes the majority of the company's revenue. SEDEMAC supplies advanced ECUs for internal combustion engine (ICE) powered two-wheelers and three-wheelers. Its key offerings include Integrated Starter Generator (ISG) ECUs, Electronic Fuel Injection (EFI) ECUs, combined ISG+EFI systems, and Motor Control Units (MCUs) for electric vehicles.



The company has pioneered several proprietary technologies such as:

- **Sensorless Commutation (SLC):** A globally first sensorless ISG system for small 2W/3W vehicles.
- **SmartIgn:** A patented ignition control technology that removes the need for a throttle position sensor.
- **Electronic Governing (eGov):** Integrated control systems improving performance and efficiency.

SEDEMAC holds a strong position in India's ISG ECU market for 2Ws and 3Ws and is among the top players in this category.

## 2. Industrial Segment

In the industrial space, SEDEMAC supplies Genset Control Units (GCUs), supervisory AMF controllers, EFI ECUs, battery chargers, and digital voltage regulators. It is the largest supplier of genset controllers in India and has a meaningful presence in the global market as well.

### Technology & R&D Focus

A key differentiator is its end-to-end control over product development—covering hardware design, base software, application software, and mechanical integration. This allows customization, faster product cycles, and deeper integration with OEM requirements.

The company operates technical development centers and manufacturing facilities in Pune, Maharashtra, and is expanding capacity with additional facilities including a new unit in Hosur, Tamil Nadu.

### Customer Base & Business Model

SEDEMAC follows a B2B model and works closely with large OEMs such as TVS Motor, Bajaj Auto, Kirloskar Oil Engines, Cummins India, and Briggs & Stratton. The company operates through long-term anchor relationships, where customers collaborate in testing and adopting new technologies. However, revenue is highly concentrated, with a significant portion derived from a few key customers, particularly in India.

Overall, SEDEMAC positions itself as a high-technology control systems specialist serving mission-critical applications across mobility and industrial ecosystems, with strong proprietary capabilities and deep OEM integration.



## Brief profile of the Directors

- **Poyni Bhatt** is serving as the Chairperson and Independent Director of the Company. A bachelor's degree in Commerce from Gujarat University was obtained by her and she is a qualified Company Secretary. She has approximately 30 years of experience and has previously been associated with Society for Innovation & Entrepreneurship at IIT Bombay, ICICI Securities Limited and Ashima Dyecot Limited.
- **Prof. Shashikanth Suryanarayanan** is serving as the Managing Director of the Company. A bachelor's degree in Technology (Mechanical Engineering) from the Indian Institute of Technology, Madras and a Doctor of Philosophy degree from the University of California, Berkeley were obtained by him. He is one of the Promoters and has been associated with the Company since its incorporation. He has over 17 years of experience in the control sector.
- **Amit Arun Dixit** is serving as the Joint Managing Director of the Company. A bachelor's degree in Production Engineering from K.J. Somaiya College of Engineering, a master's degree in Technology (Mechanical Engineering) and a Doctor of Philosophy degree from the Indian Institute of Technology, Bombay were obtained by him. He is one of the Promoters and has over 17 years of experience in the control sector.
- **Manish Sharma** is serving as the Whole-Time Director and Chief Operating Officer of the Company. A bachelor's degree in Mechanical Engineering from Bharati Vidyapeeth's College of Engineering and a master's degree in Technology (Mechanical Engineering) from the Indian Institute of Technology, Bombay were obtained by him. He is one of the Promoters and has over 17 years of experience in the control sector.
- **Namakal S. Parthasarathy** is serving as an Independent Director of the Company. A master's degree in Science (Honours) in Mathematics from Birla Institute of Technology and Science, Pilani and a master's degree in Technology in Computer Science and Data Processing from the Indian Institute of Technology, Kharagpur were obtained by him. He has over 20 years of experience in the information technology sector.
- **Udo Edgar Wolz** is serving as a Non-Executive Director of the Company. A master's degree in Mechanical Engineering from Fridericiana Technical University of Karlsruhe and a Doctorate of Engineering from Karlsruhe Technical University were obtained by him. He has over 30 years of experience in the automotive industry.



## Strengths

- **First-to-Market Advantage in Core Technologies:** SEDEMAC pioneered sensorless ISG systems for small 2W/3W vehicles globally and integrated eGov in genset controllers in India. Early entry created strong technological barriers and deep OEM relationships.
- **Integrated Design-to-Manufacturing Capabilities:** The company owns the full stack—hardware, software, engineering, and manufacturing—allowing faster product development cycles and better customization without dependency on third parties.
- **Cross-Market Technology Leverage & Scale Benefits:** Core control architectures are reused across mobility, EVs, and emerging applications like battery-powered tools. This creates economies of scale, especially in semiconductor sourcing and R&D efficiency.
- **Strong Innovation Backbone:** Backed by a highly qualified technical team from premier institutions, SEDEMAC consistently develops proprietary technologies that are complex and difficult to replicate, strengthening competitive positioning.
- **High Quality, Reliability & Traceability Systems:** With rigorous validation protocols and full production traceability, the company ensures reliability in safety-critical applications where product failure is unacceptable.
- **Strong Market Position in Key Segments:** It holds ~35% domestic market share in ISG ECUs for 2W/3W and commands 75-77% market share in India's genset controller segment, reinforcing its leadership status.

## Key Risk Factors

- **Extreme Customer Concentration:** TVS Motor alone contributed over 75% of revenue, while the top three customers accounted for more than 91%. Loss of any key OEM relationship would materially impact revenue and cash flows.
- **High Product & Mobility Segment Dependence:** Over 84% of revenue comes from the mobility segment, with ISG and ISG+EFI ECUs forming nearly 64% of total revenue. A technology shift or slowdown in 2W/3W demand poses significant risk.
- **EV Transition Risk:** The company remains heavily dependent on ICE-based products, while EV-related revenue is still at an early stage (~7% of mobility revenue). Faster electrification could disrupt its core revenue base.
- **Supply Chain & Import Dependence:** A significant portion of semiconductors and PCBs are imported, with supplier concentration among the top 10 vendors. Geopolitical tensions, trade restrictions, or forex volatility may disrupt operations.
- **Manufacturing Concentration in Pune:** All current production is concentrated in two facilities in Maharashtra. Any regional disruption—natural disaster, labor unrest, or regulatory changes—could halt production.
- **Receivable & Credit Risk:** High exposure to a limited number of customers increases trade receivable risk. Delayed payments from major OEMs could strain working capital and liquidity.
- **Internal Control Concerns:** Auditor observations highlighted the absence of a fully functional audit trail in accounting systems for prior fiscals, raising governance and compliance-related risks.

# Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	FY 2025	FY 2024	FY 2023
<b>Revenue from operations</b>	6,583.63	5,306.53	4,230.28
Other income	41.73	52.43	68.38
<b>Total income</b>	<b>6,625.36</b>	<b>5,358.96</b>	<b>4,298.66</b>
<b>Expenses</b>			
Cost of materials consumed	4,146.09	3,667.74	3,039.60
Changes in inventories	(39.56)	(37.59)	(6.31)
Employee benefits expense	614.29	427.65	324.89
Finance costs	120.30	384.48	160.44
Depreciation & amortisation	453.39	358.63	301.89
Other expenses	653.86	469.92	398.08
<b>Total expenses</b>	<b>5,948.37</b>	<b>5,270.83</b>	<b>4,218.59</b>
<b>Profit before tax</b>	<b>676.99</b>	<b>88.13</b>	<b>80.07</b>
<b>Tax expense</b>			
Current tax	129.00	62.50	25.00
Deferred tax	77.54	(33.15)	(30.66)
<b>Total tax expense</b>	<b>206.54</b>	<b>29.35</b>	<b>(5.66)</b>
<b>Profit for the period/year</b>	<b>470.45</b>	<b>58.78</b>	<b>85.73</b>
<b>Other comprehensive income (net of tax)</b>	<b>(4.95)</b>	<b>(3.07)</b>	<b>(1.93)</b>
<b>Total comprehensive income</b>	<b>465.50</b>	<b>55.71</b>	<b>83.80</b>
<b>Earnings per equity share (₹ 10 FV)</b>			
Basic EPS	10.93	1.45	2.12
Diluted EPS	10.82	1.39	2.04

## FINANCIAL RATIOS:

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Bosch Limited	21.10	15.60	45.40	58.14	30.40
ZF Commercial Vehicle Control Systems India Limited	20.20	15.31	56.90	58.14	33.70
Sona BLW Precision Forgings Limited	17.80	14.10	50.00	58.14	28.10
Schaeffler India Limited	29.80	22.20	56.50	58.14	34.10
<b>SEDEMAC Mechatronics Limited</b>	<b>33.79</b>	<b>6.50</b>	<b>123.69</b>	<b>58.14</b>	<b>N/A</b>

# Valuation and Outlook



**SEDEMAC Mechatronics Limited** IPO is expected to be priced between ₹1287 to ₹1352 per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **123.69x**. **Industry (P/E) Price-To-Earning-Ratio** is **58.14x**

Name of Company	Face Value (₹)	Closing Price (₹)	Revenue FY25 (₹ million)	EPS Basic (₹)	EPS Diluted (₹)	NAV FY25 (₹)	P/E	RoTW FY25 (%)
SEDEMAC Mechatronics Limited	10.00	NA	6,583.63	30.93	30.82	73.57	NA	25.48
Bosch Limited	10.00	35,600.00	3,80,874.00	683.25	683.25	4,682.43	45.40	34.59
ZF Commercial Vehicle Control Systems India Limited	5.00	41,911.00	38,309.63	242.90	242.90	3,697.00	56.90	34.31
Sona BLW Precision Forgings Limited	10.00	525.00	35,460.21	9.92	9.92	88.39	50.00	30.94
Schaeffler India Limited	2.00	4,328.00	82,323.80	60.10	60.30	341.57	56.50	37.59

**SEDEMAC Mechatronics Limited's** outlook remains structurally strong, supported by its deep technology capabilities, first-mover advantage in control-intensive ECUs, and strong positioning within India's 2W/3W mobility ecosystem. Its leadership in ISG ECUs and genset controllers provides a stable revenue base, while its integrated R&D-to-manufacturing model enables faster innovation cycles and high customization for OEMs. Continued regulatory tightening around emissions and fuel efficiency in ICE vehicles may further support demand for advanced control systems in the near to medium term.

However, the long-term outlook is closely linked to two critical transitions – customer diversification and electrification. The company's heavy reliance on a single OEM and ICE-driven revenues creates concentration risk. Its ability to successfully scale EV motor control units, expand into adjacent industrial applications, and diversify its customer base will determine sustainability of growth over the next decade.

If SEDEMAC executes well on EV adoption, new market development, and capacity expansion while managing supply chain and customer concentration risks, it has the potential to evolve from a niche ECU specialist into a broader global control systems technology player.

\*Call us on **8448899576**\* to find out whether or not you should apply.

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