



IPO Note

**SEDEMAC
MECHATRONICS
LIMITED**

Mar 04th, 2026

SEDEMAC



Mar 04th, 2026**Details of the Issue**

Price Band	₹ 1287 - ₹ 1352
Issue Size	₹ 1,087 Cr
Face Value	₹ 10
Bid Lot	11
Listing on	BSE,NSE
Post Issue Mcap	₹ 5,970.63 Cr
Investment Range	₹ 14,157 - ₹ 14,872

Important Indicative Dates (2025)

Opening	04 - Mar
Closing	06 - Mar
Basis of Allotment	09 - Mar
Refund Initiation	10 - Mar
Credit to Demat	10 - Mar
Listing Date	11 - Mar

Lead Manager

Aventus Capital Pvt Ltd

ICICI Securities Ltd

Axis capital Ltd

Offer Details

Offer Size	₹ 1,087 Cr
Fresh Issue	₹ 1,087 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	544	4.02	4.22	50
NII	163	1.21	1.27	15
Retail	380	2.81	2.96	35
Em- ploy.	-	-	-	-
Total	1087	8.04	8.45	100

Invest Now**Company Profile**

SEDEMAC Mechatronics Ltd, incorporated in 2007 and headquartered in Pune, is a technology-focused company engaged in the design and manufacture of advanced control electronics for automotive and industrial applications. The company develops power-train controllers, motor control products, and integrated starter-generator (ISG) solutions, supported by its patented sensor-less motor control technology that enables precise performance without the need for external sensors. It is the first company in India to develop and manufacture sensorless commutation (SLC)-based ISG ECUs for two- and three-wheeler internal combustion engine vehicles. Its key offerings include ISG ECUs, EFI ECUs, combined ISG+EFI ECUs, motor control units for electric vehicles, and electric machines such as magnetos and motors for engine-powered and electric two- and three-wheelers, as well as generator controllers. The company serves segments including engine-powered two- and three-wheelers, e-bikes, small electric vehicles such as e-scooters, e-rickshaws and e-LCVs, commercial vehicles, and generators, and had a workforce of 496 employees as of December 31, 2025.

GEPL's Insights & Investment Thesis:

- SEDEMAC Mechatronics Ltd specializes in design and manufacturing of advanced control electronics for automotive and industrial applications.
- The company delivered an eightfold surge in profitability in FY2025 on the back of a 25% revenue growth, a sharp margin expansion that warrants close monitoring for sustainability.
- Based on the FY26 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 63x. We believe that the issue is overly valued compared to its peers and sustainability of profitability. Therefore, we recommend a "Avoid" rating for the issue.

Business Highlights & Services

The company presents a strong investment case driven by its sustained first-mover advantage in control-intensive technologies, which has created high entry barriers and deep OEM integration. It is the first globally to develop sensorless ISG systems for small 2W/3W ICE vehicles, with over 9.2 million installations and ranking among top global ISG players, while also commanding ~75-77% domestic market share in genset controllers and ~14% global share in FY25 (as per CRISIL). Its differentiated products such as SmartIgn (43.6+ million cumulative shipments) and integrated eGov-enabled genset controllers (1+ million units shipped) demonstrate large-scale commercialization and customer stickiness. High switching costs due to extensive OEM validation, combined with continuous product evolution from early market feedback, create a virtuous cycle of innovation and market leadership. Additionally, full ownership of design, engineering, and manufacturing ensures agility, faster time-to-market, and resilience during disruptions (e.g., semiconductor shortages), while a strong engineering base led by a promoter-CTO and supported by a highly qualified talent pool strengthens execution capability, making its competitive positioning difficult to replicate and supporting long-term scalable growth.

The company has full ownership of core technologies and its ability to leverage cross-market synergies to accelerate scalable growth. By adapting proven architectures such as migrating ISG motor control platforms into EVs and power tools, and repurposing EFI ECUs across geographies it reduces development risk, shortens time-to-market, and



enhances product reliability through prior validation. This cross-pollination not only enables faster OEM adoption (e.g., integrated ISG+EFI ECUs eliminating duplication and improving value proposition) but also drives procurement efficiencies, semiconductor sourcing advantages, and lower cost of goods through scale benefits. Deep supplier relationships and value-engineered offerings strengthen long-term OEM partnerships and create high switching barriers. Continuous innovation, supported by strong promoter-led technical leadership and a highly skilled engineering base, ensures recurring product upgrades and successful adjacencies across mobility and industrial segments, reinforcing customer stickiness, improving competitive positioning in tenders, and supporting sustained profitability and margin expansion over the long term.

The company's investment appeal lies in its strategy of targeting multiple large, high-volume global mobility and industrial markets rather than niche segments, enabling scale-driven growth and revenue diversification. With a broad portfolio spanning ISG ECUs, EFI ECUs, genset controllers, and expanding applications in commercial vehicles, power tools, and outdoor equipment, it leverages core control-intensive technologies across adjacencies to tap sizable end markets. Its focus on differentiated, regulation-enabling and performance-enhancing solutions such as sensorless motor control, integrated electronic governing, SmartIgn TCIs, rare-earth-free motors, and after-treatment controllers—positions it as a technology partner rather than a commoditized supplier. By consciously avoiding low-margin, widely available products and emphasizing innovation-led complexity, the company strengthens pricing power, industry credibility, and long-term OEM relationships, supporting sustainable profitability, global relevance, and continued reinvestment into high-growth technology platforms.

Major technology shifts in these sectors—such as the integration of critical vehicle systems and large-scale electrification—have historically been driven by Tier-I suppliers (Source: CRISIL Report). We have demonstrated that a strong, in-house engineering capability can play this role by delivering breakthrough technologies and emerging as a key supplier of advanced products, including ISG, EFI, ISG+EFI and feature-rich GCs. As of December 31, 2025, our engineering function represents over 600 man-years of cumulative experience, comprising engineers from premier Indian institutions such as IITs, NITs and BITS, all of whom undergo a rigorous technical screening prior to joining. This capability is anchored by a distinct technical nucleus—led by our Promoters and senior engineers with strong academic and industry credentials—accounting for more than 200 man-years of experience. This nucleus remains deeply focused on engineering fundamentals and continuously reinforces our long-term technical leadership across successive technology cycles and diverse end markets.

The strength of this nucleus is reflected in sustained product evolution, feature enhancements and growing customer adoption. Our ISG ECUs, for instance, have progressed from Gen1 to the current Gen3, while our GCs have advanced from SP0 to SP3. This core expertise has also enabled us to attract and retain high-quality engineering talent, strengthening our ability to scale new technology propositions while maintaining stringent standards of quality, reliability and delivery. As a result, we are not only able to introduce innovations but also defend and extend our competitive position throughout the lifecycle of evolving industry technologies. Our innovation capability is further supported by a disciplined, customer-centric engagement model. We supply leading OEMs (Source: CRISIL Report) across regulatory-driven segments such as gensets, ICE-based 2W/3W applications and electric 2W/3W platforms. Engagements typically follow a rigorous, multi-stage process encompassing concept evaluation, prototyping, extensive field validation, limited-volume trials and eventual mass production. For critical components, OEM relationships tend to be long-term, with supplier and technology changes undertaken cautiously.

We generally initiate engagement through differentiated technical proposals and demonstrable solutions that deliver measurable improvements in performance, efficiency, cost or reliability. Successful pilots lead to collaborative validation of system integration, manufacturability and durability, followed by iterative technical and commercial refinement before series production.

Segment wise revenue breakup

Particular	Dec'25		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Mobility Segment	652	84.68%	564	85.71%	454	85.66%	340	80.37%
Industrial Segment	118	15.32%	94	14.29%	76	14.34%	83	19.63%
Total Revenue	770	100%	658	100%	530	100%	423	100%

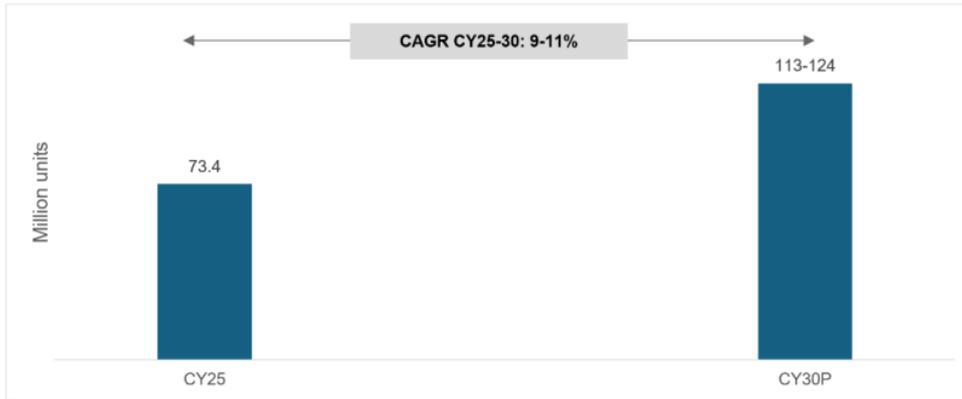


Product wise revenue breakup

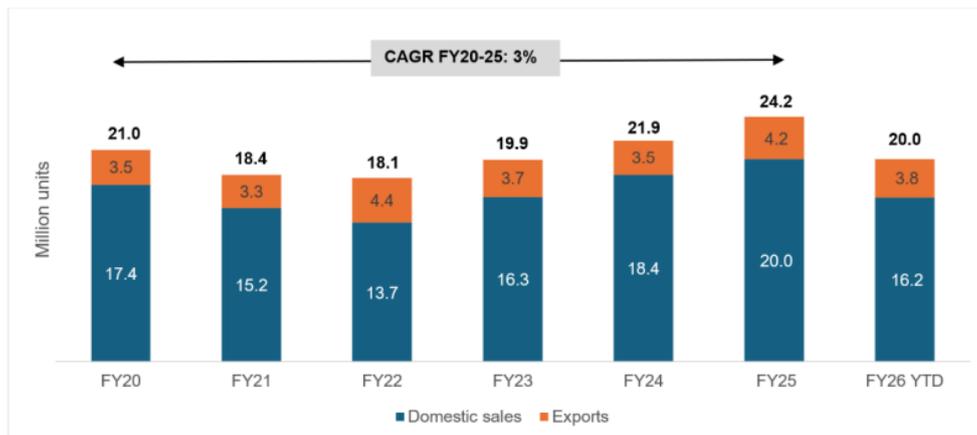
Particular	Dec'25		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Critical Control Intensive Product	667	86.53%	527	80.09%	409	77.14%	305	72.05%
Non-Critical Control Intensive Product	98	12.68%	117	17.78%	114	21.50%	110	25.99%
Sale of Services	4	0.47%	13	1.98%	6	1.13%	8	1.77%
Other Operative Revenue	3	0.33%	1	0.15%	1	0.23%	1	0.19%
Total Revenue	771	100%	658	100%	530	100%	423	100%

Industry Outlook

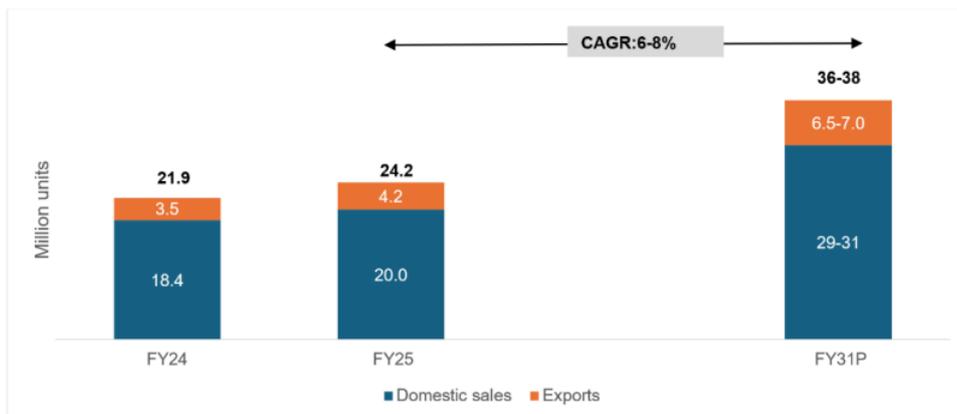
Global two-wheeler industry sales outlook



Domestic sales and exports of two-wheeler (Fiscal 2020-2026 YTD)



Domestic two-wheeler industry sales outlook until Fiscal 2031P





Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Sedemac Mechatronics Ltd	10	658	10.82	71.57	NA	15.48
Peers Group						
Bosch Ltd	10	18,087	683	4,682	51.54	14.59
ZF Commercial Vehicle System India Ltd	5	3,831	242	1,697	62.68	14.31
Sona BLW Precision Forgings Ltd	10	3,546	9.92	88.39	53.62	10.94
Schaeffler India Ltd	2	8,232	60	341	64.73	17.59

Company's Competitive Strength

- First-To-Market Advantage Driving Market Leadership, Creates High Entry Barriers, and Enables Sustained Competitive Advantage.
- Agility At Scale Through Integrated Design, Engineering, and Manufacturing Enables Rapid Innovation and Swift Market Response.
- Synergies Driving Cross Market Technology Use, Procurement Advantages, and Robust Partnerships.
- Continued Ability to Innovate, Scale, and Embed Differentiated Technologies.
- Quality, Traceability, and Reliable Delivery.

Key Strategies Implemented by Company

- Expand Technologies and Products Across Multiple Large Markets.
- Drive Technology and Product Differentiation.
- Build and Sustain Partnerships with Market Leaders.
- Leverage Synergies Across Markets, Products, and Supply Chains.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	44	0.03	0.01	0.01
Reserves and Surplus	367	303	124	115
Net Worth	410	303	124	115
Revenue	771	658	531	423
Growth (%)		24%	25%	
EBITDA	156	121	78	47
EBITDAM (%)	20%	18%	15%	11%
PAT	71	47	6	9
PATM (%)	9.3%	7.1%	1.1%	2.0%
ROE (%)	20.0%	22.0%	4.9%	7.8%
ROCE (%)	32.5%	33.8%	28.9%	17.5%



Notes

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