IPO NOTE

Issue Details
Price Band: ₹ 1,287 to ₹ 1,352
Employee Discount: ₹ 128/Share
Issue Opens on: March 4, 2026
Issue Closes on: March 6, 2026
Lot Size: 11 Shares & in Multiples thereafter

Issue Highlights	
Issue Size:	**₹ 1,087.35 Cr.**
Face Value:	**₹ 10**

Offer Structure	
Issuance	**₹ in Cr.**
Fresh Issue	-
Offer for Sale	1,087.35
Total	**1,087.35**

Issue Breakup		
Reservation for	**% of Issue**	**₹ in Cr. (at upper band)**
QIB	50	543.18
HNI	15	162.95
RETAIL	35	380.22
Employee	-	1.00
TOTAL	**100**	**1,087.35**

Listing
BSE & NSE

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

Registrar
MUFG Intime India Pvt. Ltd

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COMPANY OVERVIEW

Sedemac Mechatronics is a supplier of control-intensive, critical-to-the-application electronic control units ("**ECUs**") to leading original equipment manufacturers ("OEMs") in the mobility and industrial markets in India, the United States, and Europe. It is the first company in India to develop, design and manufacture sensorless commutation ("SLC") based integrated starter generators ("ISG") ECUs for two-wheeler / 3-wheelers ("2/3Ws") internal combustion engine ("ICE") powered vehicles.

They held ~35% market share in the domestic ISG ECU market (for 2W and 3W combined) in terms of volume and are amongst the top 4 players for the nine months ended December 31, 2025. Their flagship products include ISG ECUs, EFI ECUs, combined ISG+EFI ECUs, MCUs for electric vehicles, electric machines (magnetos/motors) for both engin1e-powered and electric bicycles, and 2/3W and GCs.

As of December 31, 2025, their sensor-less ISG units are installed in more than 9.2 million vehicles in India and abroad, and they rank among the top global players in ISG sales for these sectors. They are also recognised as the first player to offer electronic governance as an integrated feature in genset controllers in India since 2014, with over 250,000 generator sets featuring eGov as of December 31, 2025.

HIGHLIGHTS

1. First-to-market advantage driving market leadership, creates high entry barriers, and enables sustained competitive dominance
2. Agility at scale through integrated design, engineering, and manufacturing enables rapid innovation and swift market response
3. Synergies driving cross market technology use, procurement advantages, and robust partnerships
4. Continued ability to innovate, scale, and embed differentiated technologies
5. Quality, traceability, and reliable delivery

OBJECTS OF THE ISSUE

Offer for sale up to 8,043,300 Equity Shares. The company will not receive any proceeds from the Offer for sale.

OUR VIEW

Incorporated in 2007, Sedemac Mechatronics is the first company in India to develop, design and manufacture sensorless commutation ("SLC") based integrated starter generators ("ISG") ECUs for two-wheeler / 3-wheelers ("2/3Ws") internal combustion engine ("ICE") powered vehicles. They held approximately 35% market share of domestic ISG ECU market (for 2W and 3W combined) in terms of volume and are amongst the top 4 players as of December 31, 2025

The company is among the key global players with a global market share of 14% in FY25 through genset controllers and EFI ECUs for this market. They are the largest supplier of genset controllers in India with a market share of approximately 75%-77% during the nine months ended December 31, 2025.

However, risks to consider are High revenue concentration risk, exposed to evolving, stage-specific, and proposition-specific risks, dependence on the mobility segment, Regulatory changes and environmental concerns, Technological transition, counterparty credit risk, dependence on top 10 suppliers for raw material, supply chain and geopolitical risks, Dependence on automotive cycle, Margin sustainability risk, indebtedness and an inability to comply with repayment and other covenants in financing agreements could adversely affect the financial condition.

On the financial front, the company has demonstrated Revenue/EBITDA/PAT CAGR growth of 25%/52%/134% between FY23-25. Its ROE and ROCE stand at 22.01% & 33.79% at FY25. Net Debt to Equity significantly improved from 1.16x in FY23 to 0.21x in FY25. EBITDA & PAT Margin stands at 20.9% & 9.28% respectively at 9MFY26. At upper price band of ₹ 227, the company post issue market capital comes to around ₹ 5,971 Cr.

The issue is priced at a P/BV of 14.38 based on its NAV of Rs. 94.02 as of Dec. 31, 2025. If we annualize FY26 earnings, P/E comes around 63x. average industry is around 58x. The issue appears aggressively priced.

SEDEMAC Mechatronics is a specialized, high-growth, technology-driven auto component supplier focusing on advanced control-intensive electronic control units (ECUs). While the opportunity exists, the risks are distinct and valuations being on the higher end, making investors to cautiously invest in the issue.

Brief Financials

PARTICULARS	As at Dec. 30, 2025			₹ in Million
		FY '25	FY '24	FY '23
Total Income	7,753.06	6,625.36	5,358.96	4,298.66
Total Expenditure	6,670.36	5,948.37	5,270.83	4,218.59
EBITDA	1,610.71	1,250.68	831.24	542.40
Profit/(Loss) before Tax	1,082.70	676.99	88.13	80.07
Profit/(Loss) after Tax	714.98	470.45	58.78	85.73
E.P.S. (Diluted)	16.35*	10.82	1.39	2.04
P/E (x) (Diluted)	-	127	-	-
RONW (%)	17.39*	15.48	4.72	7.44

* Not Annualised

PRICE CHART (@ ₹1,352) (Retail Category)

LOT SIZE	Amount
11	14,872
22	29,744
33	44,616
44	59,488
55	74,360
66	89,232
77	104,104
88	118,976
99	133,848
110	148,720
121	163,592
132	178,464
143	193,336

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	154	208,208
Big HNI	748	1,011,296

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	9/3/2026
Initiation of refunds/unblocking ASBA Fund	10/3/2026
Credit of Equity Shares to demat accounts of Allottees	10/3/2026
Commencement of trading of the Equity Shares on the Stock Exchanges	11/3/2026

For more details, Please refer RHP,
(https://nsearchives.nseindia.com/content/ipo/RHP_SEDEMAC.zip)

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