

IPO Note:

Zetwerk Manufacturing Business Ltd.

Industry: Manufacturing

Date: October 14, 2026

Issue Snapshot	
Company Name	Zetwerk Manufacturing Business Ltd.
Issue Opens	October 15, 2026 to October 19, 2026
Price Band	Rs. 143 – Rs. 151
Bid Lot	99 Equity Shares and in multiples thereof.
The Offer	Public issue of 33,19,42,255 Equity shares of face value Rs. 1 each, (Comprising of fresh issue of 18,74,17,219 Equity Shares* (Rs. 2,830.0 cr.) and Offer for Sale of 14,45,25,036 Equity Shares* (Rs. 2,182.3 cr.) by Selling Shareholder).
Issue Size	Rs. 4,896.7 – 5,012.3 Crores
IPO Process	100% Book Building
Face Value	Rs. 1.00
Exchanges	NSE & BSE
BRLM	Kotak Mahindra Capital Company Ltd., Morgan Stanley India Company Pvt. Ltd., Goldman Sachs (India) Securities Pvt. Ltd., Avendus Capital Pvt. Ltd., JM Financial Ltd., HSBC Securities and Capital Markets (India) Pvt. Ltd., Pantomath Capital Advisors Pvt. Ltd.
Registrar	KFin Technologies Ltd.

Issue Break up		
QIB ex Anchor	30%	9,93,72,676
Anchor Investor	45%	14,90,59,015
HNI<Rs. 10 Lakhs	5%	1,65,62,113
HNI>Rs. 10 Lakhs	10%	3,31,24,225
RII	10%	3,31,24,225
Total Public	100%	33,12,42,255
Employee Reservation		7,00,000
Total		33,19,42,255

Equity Share Pre Issue (Nos. Cr.)	150.7
Fresh Share (Nos. Cr.)	18.7
OFS Share (Nos. Cr.)	14.5
Equity Share Post Issue (Nos. Cr.)	169.4
Market Cap (Rs. Cr.)	25,582.3
Equity Dilution	11.1%
Stake Sale by OFS	8.5%

Objects Of The Offer

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. (14,230,672 equity shares by Amrit Pratik Acharya, 14,230,672 equity shares by Srinath Ramakrushnan, 22,974,820 equity shares by Creovate Innovation Pvt. Ltd., 17,611,820 equity shares by Peak XV Partners Investments V, 12,016,622 equity shares by ACCEL India V (Mauritius) Ltd., 13,529,722 equity shares by Lightspeed Venture Partners Select IV Mauritius, 11,597,361 equity shares by Lightspeed India Partners II, LLC, 12,570,262 equity shares by KAE Capital Fund II, 2,857,565 equity shares by Saifuddin Fakhruddin Qureishi, 5,797,579 equity shares by Peak XV Partners Growth Investments III, 2,442,738 equity shares by Matthew Harris Arnold, 3,145,603 equity shares by Lightspeed India Partners III, LLC, 4,190,105 equity shares by Kalysta Capital Fund II (Mauritius), 1,714,539 equity shares by Vishal Chaudhary, 1,714,539 equity shares by Rahul Sharma, 2,286,052 equity shares by Ankit Fatehpuria, 16,14,365 equity shares by Other Selling Shareholders)

Fresh Issue

- Repayment/prepayment, in part or full, of certain of or all of borrowings availed by: (a) the Company (Rs. 1300 crore) and (b) certain of the Subsidiaries through investments in such Subsidiaries (Rs. 860 crore);
- Funding inorganic growth through unidentified acquisitions and other strategic acquisitions, and general corporate purposes.

COMPANY HIGHLIGHTS

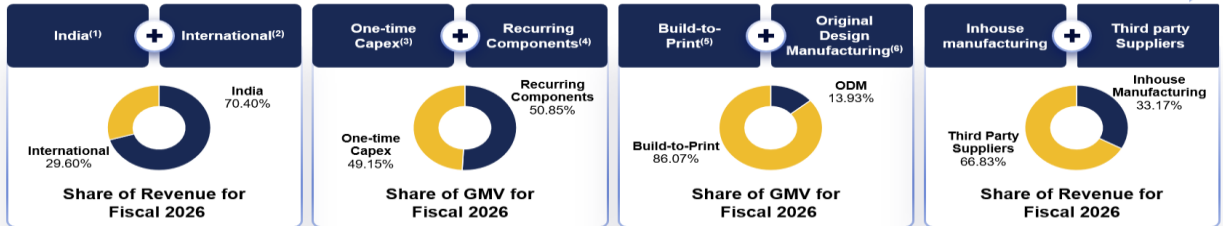
- Zetwerk operates a technology-led, asset-light manufacturing platform that aggregates capacity across third-party suppliers and its own manufacturing facilities into a unified network managed through its proprietary Zetwerk OS. The platform serves customers across utilities, renewable energy, consumer electronics, artificial intelligence infrastructure, aerospace, space and defence, oil and gas, and industrial automation. Its customer base includes Siemens Gamesa, Acer India, boAt, NextPower, CG Power, NTPC Renewable Energy, DRDO and Indian Oil Corporation. Since incorporation, Zetwerk has cumulatively delivered products and raw materials worth Rs. 74,374 crore in gross merchandise value (GMV).
- The business operates through two reportable segments: Manufacturing and Ecosystem. The Manufacturing Business enables customers to produce industrial and consumer goods through a combination of third-party suppliers and owned facilities, with product verticals spanning Energy Products, Precision Products and Capital Goods. The Ecosystem Business, branded Terra91, aggregates demand for industrial commodities and raw materials, enabling customers and suppliers to procure materials through the platform. The company has discontinued its Civil Infrastructure Works segment as part of its strategic realignment towards its core businesses.
- Zetwerk's manufacturing network spans multiple geographies and production capabilities. In FY26, the platform served 906 active Manufacturing Business customers through 6,979 third-party suppliers across 26 countries and 26 owned manufacturing facilities across 4 countries. Its supplier network supports processes such as metal fabrication, injection moulding, die casting, forging, machining and assembly. The company also offers original design manufacturing (ODM) capabilities for selected products, including components used in power transformers, AI data-centre infrastructure, process plant machinery and defence applications.
- The company has expanded beyond project-based capital goods into recurring components and international markets. Its manufacturing platform serves both one-time capital expenditure requirements and recurring operating expenditure-linked demand. Manufacturing Business revenue from international markets was Rs. 2775 crore in FY26, (29.6% of segment revenue). Its customer base includes domestic and international businesses, while its supplier network spans industrial manufacturing hubs including India, Vietnam, Mexico, USA and European and Asian markets.
- Zetwerk's proprietary technology platform coordinates manufacturing across suppliers and owned facilities. Zetwerk OS integrates supplier selection, design for manufacturing, production planning, quality management, inventory tracking, logistics and post-delivery documentation. The platform enables a single order to be distributed across multiple suppliers and facilities, supporting simultaneous manufacturing and coordinated execution. In FY26, the Manufacturing Business achieved a first-pass rate of approximately 99% across orders completed by third-party suppliers.
- In addition, as some of its customers have grown into large accounts, the company has selectively invested in own assembly and finishing facilities to serve them, evolving from a pure marketplace to a hybrid model that combines manufacturing and assembly both through third parties and own manufacturing facilities. The company has also added in-house engineering and design capabilities for certain components.

VIEW

- Zetwerk's asset-light, hybrid manufacturing model provides scalability without requiring proportional investment in manufacturing capacity. By aggregating 6,979 third-party suppliers across 26 countries alongside 26 owned facilities, the platform can allocate orders across multiple production locations while retaining greater control over complex manufacturing requirements. Selective ownership of facilities also enables the company to serve large customers and execute orders requiring tighter control over production, design and quality.
- Diversification across industries, geographies and demand cycles supports revenue resilience. Zetwerk serves both project-driven capital expenditure requirements and recurring component demand linked to customers' operating budgets. The Manufacturing Business share of GMV from recurring components increased from 49.9% in FY24 to 50.9% in FY26, after reaching 57.8% in FY25. Its presence across energy, precision products and capital goods also reduces dependence on any single end-market, while its international supplier network allows production to be routed according to tariffs, logistics costs and delivery requirements.
- The growing contribution of ODM offers an opportunity to improve customer engagement and value capture. Manufacturing Business GMV from ODM contracts increased from 8.1% in FY24 to 13.9% in FY26. Design-led manufacturing allows Zetwerk to participate earlier in customers' product-development processes, while re-engineering requirements can increase switching costs. The company intends to expand its engineering capabilities, develop reusable design libraries and selectively target categories where design complexity supports differentiation, while continuing to leverage third-party suppliers for production.
- Zetwerk OS provides a central operating layer for coordinating complex, multi-location manufacturing. Its integration of supplier matching, engineering, production planning, quality control and logistics enables simultaneous execution across facilities. In FY26, the company allocated an average order across seven suppliers, compared with six in FY25 and three in FY24.
- International expansion and entry into high-growth industrial categories provide additional growth avenues. Zetwerk plans to strengthen local execution capabilities in the US and Europe, expand its multi-country supplier network and enter adjacent industries such as AI and data-centre infrastructure, precision industrial components, space commercialisation and green hydrogen infrastructure. Its ability to combine India's cost advantages with overseas manufacturing and sourcing capabilities can also help mitigate tariff exposure and improve delivery flexibility.
- Terra91 provides an additional avenue to monetise the manufacturing ecosystem. By aggregating raw-material demand across customers and suppliers, the business can negotiate procurement terms and provide sourcing services alongside manufacturing. However, the segment's EBITDA margin was 1.24% in FY26, compared with 6.03% for the Manufacturing Business. Consequently, sustaining growth in the Ecosystem Business while improving its profitability will be important to overall earnings quality.
- In terms of the valuations, on the higher price band, Zetwerk demands EV/EBITDA multiple of 73.2x on FY26 EBITDA and Mcap/Sales multiple of 1.6x.

Evolution of Zetwerk Platform and Offerings

We Have Evolved into a Resilient Global Platform with Multiple Dual Growth Engines

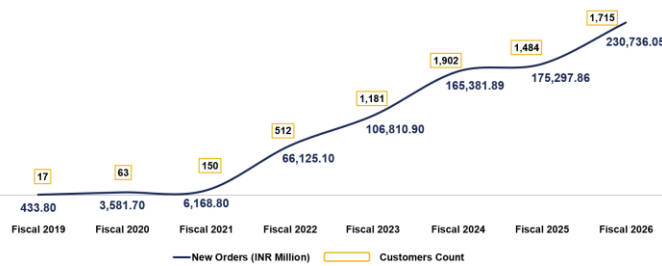


Supply Diversification by Adding International Suppliers

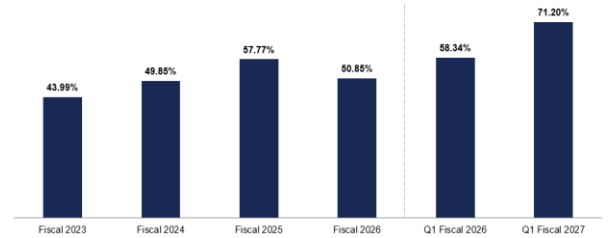
Wide End Markets Focus



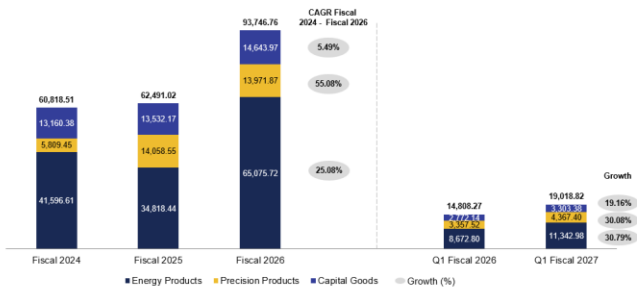
New Orders and Customer Count



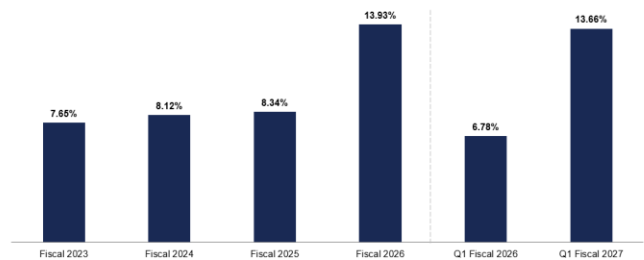
Manufacturing Business Share of GMV from Recurring Components (%)



Manufacturing Business Revenue by Product Vertical (INR Million)⁽¹⁾



Manufacturing Business Share of GMV from ODM Contracts (%)



Zetwerk Manufacturing Business in Numbers



Key Financial and Operational Parameters

	FY24	FY25	FY26	Q1FY26	Q1FY27
Overall Business					
Revenue from Operations (Rs. crore)	12364.4	11331.9	15913.3	2649.4	4117.9
Period-on-Period/Y-o-Y Revenue Growth (%)	NA	-8.4%	40.4%	NA	55.4%
Gross Margin (%)	7.7%	12.1%	12.1%	11.8%	12.1%
Adjusted EBITDA (Rs. crore)	97.0	322.6	421.3	31.1	103.2
Revenue from Operations by Geography					
India (Rs. crore)	9326.5	8998.4	13134.6	2047.6	3439.5
USA (Rs. crore)	2662.8	2162.7	2279.7	541.5	526.1
Rest of the countries (Rs. crore)	375.0	170.8	499.0	60.3	152.3
Revenue from Operations by Geography (%)					
India (%)	75.4%	79.4%	82.5%	77.3%	83.5%
USA (%)	21.5%	19.1%	14.3%	20.4%	12.8%
Rest of the countries (%)	3.0%	1.5%	3.1%	2.3%	3.7%
Manufacturing Business					
Segment Revenue from Manufacturing Business (Rs. crore)	6081.9	6249.1	9374.7	1480.8	1901.9
Period-on-Period/Y-o-Y Growth in Segment Revenue from Manufacturing Business (%)	NA	2.8%	50.0%	NA	28.4%
Details of Manufacturing Business Revenue					
Energy Products (Rs. crore)	4159.7	3481.8	6507.6	867.3	1134.3
Precision Products (Rs. crore)	580.9	1405.9	1397.2	335.8	436.7
Capital Goods (Rs. crore)	1316.0	1353.2	1464.4	277.2	330.3
Other Operating Revenue (Rs. crore)	25.2	8.2	5.5	0.6	0.5
Manufacturing Business Revenue By Region					
India (%)	53.4%	62.7%	70.4%	59.4%	64.3%
International (%)	46.6%	37.3%	29.6%	40.6%	35.7%
Other Manufacturing Metrics					
Manufacturing Business EBITDA (Rs. crore)	345.3	400.2	565.1	71.6	124.7
Manufacturing Business EBITDA Margin (%)	5.7%	6.4%	6.0%	4.8%	6.6%
Ecosystem Business					
Segment Revenue from Ecosystem Business (Rs. crore)	6282.5	5082.8	6538.6	1168.6	2216.0
Manufacturing Business					
Manufacturing Order Book (Rs. crore)	6169.7	8629.0	12370.0	8534.7	13062.4
Manufacturing New Orders (Rs. crore)	8994.1	11327.1	15393.4	2044.7	3147.5
Manufacturing Business Share of GMV from ODM Contracts (%)	8.1%	8.3%	13.9%	6.8%	13.7%
Manufacturing Business Share of GMV from Recurring Components (%)	49.9%	57.8%	50.9%	58.3%	71.2%
Manufacturing Business Contribution Margin (%)	10.8%	13.4%	12.4%	12.3%	16.0%

Financial Statement

(In Rs. Cr)	FY24	FY25	FY26	QIFY26	QIFY27
Share Capital	10.7	11.3	11.4	11.3	11.4
Net Worth	4062.5	4453.8	4813.7	3905.1	4094.1
Long Term Borrowings	73.5	41.1	475.3	132.8	432.5
Other Long Term Liabilities	131.3	211.1	768.7	200.6	807.7
Short-term borrowings	1158.6	1705.5	1460.8	1574.4	1509.7
Other Current Liabilities	4905.0	3944.0	5866.0	3270.1	5172.1
Fixed Assets	932.9	1346.0	2830.8	1344.9	2876.7
Non Current Assets	1256.6	1169.3	713.3	885.7	667.8
Current Assets	8713.9	7840.1	9840.5	6852.5	8471.7
Total Assets	10330.9	10355.4	13384.6	9083.1	12016.1
Revenue from Operations	12364.4	11331.9	15913.3	2649.4	4117.9
Revenue Growth (%)		(8.4)	40.4		55.4
EBITDA	21.7	277.7	334.5	19.4	71.5
EBITDA Margin (%)	0.2	2.5	2.1	0.7	1.7
Net Profit	(852.5)	(215.1)	(964.4)	(880.7)	(64.1)
Net Profit Margin (%)	(6.9)	(1.9)	(6.1)	(33.2)	(1.6)
Earnings Per Share (Rs.)	(4.9)	(1.2)	(6.7)	(6.1)	(0.5)
Return on Networth (%)	(21.0)	(4.8)	(21.1)	(22.8)	(1.7)
Net Asset Value per Share (Rs.)	22.8	23.8	31.3	26.7	25.9

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY24	FY25	FY26	QIFY26	QIFY27
Cash flow from Operations Activities	(281.5)	(386.3)	(681.5)	(796.4)	(506.2)
Cash flow from Investing Activities	(621.9)	(147.9)	(394.1)	386.4	(135.3)
Cash flow from Financing Activities	763.2	150.6	1789.3	116.0	(263.2)
Net increase/(decrease) in cash and cash equivalents	(140.2)	(383.6)	713.6	(294.0)	(904.6)
Cash and cash equivalents at the beginning of the year	672.5	532.8	149.2	149.2	861.1
Cash and cash equivalents at the end of the year	532.8	149.2	861.1	(143.9)	(43.2)

Source: RHP

Comparison with Listed Industry Peers

There are no listed companies in India or globally which operate in a similar business model.

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**Krishna
Kumar
Agarwal** Digitally signed
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