

IPO Note

14th October 2026

Zetwerk Manufacturing Business Limited



Retail Research	IPO Note
Sector: Capital Goods	Price Band (Rs): 143 – 151
14 th October 2026	Recommendation: SUBSCRIBE FOR LONG TERM

Zetwerk Manufacturing Business Ltd.

Company Overview:

Zetwerk Manufacturing Business Ltd. (ZMBL) is a technology-led manufacturing platform that combines a global supplier network with owned manufacturing facilities to provide end-to-end solutions across Energy Products, Precision Products and Capital Goods. Its offerings include solar and wind components, transformers and power equipment, electronics and PCB assemblies, aerospace and defence components, oil and gas equipment, storage tanks, pressure vessels and fabricated industrial structures. The company serves customers ranging from emerging start-ups to established companies across utilities, renewable energy, consumer electronics, artificial intelligence infrastructure, aerospace, space and defence, oil and gas, and industrial automation. Its customers include Siemens Gamesa, Acer India, NextPower, CG Power, NTPC Renewable Energy, DRDO, NALCO, IOCL, Indian Air Force, etc. ZMBL's third-party suppliers possess capabilities across sheet-metal stamping, metal fabrication, injection moulding, extrusion, assembly, die casting, forging, grinding and machining. The company uses its proprietary Zetwerk OS to manage supplier selection, production planning, quality control and logistics across its distributed manufacturing network.

Key Highlights:

1. Diversified Manufacturing Platform: Zetwerk operates an end-to-end manufacturing platform that connects 6,979 third-party suppliers across 26 countries with 26 owned manufacturing facilities across four countries. The hybrid model enables it to manufacture products across multiple industries, serve domestic and international customers and cater to both capex and opex-driven demand, providing resilience across economic cycles.

2. Capital-Efficient Scalability: The company combines a distributed third-party supplier network with selectively owned manufacturing facilities, allowing it to add capacity based on customer demand without incurring proportionate capital expenditure. Its owned facilities support specialised capabilities and recurring programs, while the supplier network provides flexibility to execute large and complex orders simultaneously across locations.

3. Technology-Led Execution: The proprietary Zetwerk OS acts as the digital backbone of the manufacturing platform, covering customer enquiries, design finalisation, pricing, supplier selection, production planning, quality control, inventory and logistics. Its modules use centralised supplier-performance and execution data to match orders with suitable suppliers, monitor complex manufacturing programmes and coordinate delivery across the distributed network.

View & Valuation: Zetwerk Manufacturing Business Limited operates a technology-led manufacturing platform with capabilities across Energy Products, Precision Products, Capital Goods and industrial raw-material procurement. The company delivered Revenue/EBITDA CAGR of 13.4%/292.7% respectively, during FY24-FY26 period. Its high operating leverage implies that incremental revenue can translate into faster profitability growth as capacity utilisation and scale improve. The proposed debt repayment should significantly reduce finance costs and support improvement in PAT in FY27. Its diversified end-market exposure, hybrid manufacturing model, global supplier network and proprietary Zetwerk OS further support long-term growth. However, the working-capital intensity and negative operating cash flows remain areas to monitor. At the upper price band, the issue is valued at FY26 EV/EBITDA, EV/Sales and Price/Sales multiples of 66.5x, 1.4x and 1.6x respectively. Considering its scalable platform, improving operating performance and potential earnings improvement following debt repayment, we recommend investors SUBSCRIBE to this issue with a long term investment horizon.

Issue Details	
Date of Opening	15 th October 2026
Date of Closing	19 th October 2026
Price Band (Rs)	143 – 151
Issue Size (Rs cr)	5,012 @ upper price band
Fresh Issue (Rs cr)	2,830
Offer for Sale (Rs cr)	2,182 @ upper price band
Issue Size (No. of shares)	33,19,42,255
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	25,582 @ upper price band
BRLMs	Kotak Mahindra Capital Co. Ltd., Morgan Stanley India Co. 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.
Bid Lot	99 shares and in multiple thereof
QIB	75%
Retail	10%
NII	15%
Employee Reservation (no of shares)	7,00,000
Employee Discount (Rs)	14.0

Objects of Issue	
Particulars	Estimated utilization (Rs cr)
Repayment or Pre-payment of certain outstanding borrowings availed by the company	1,300
Repayment or Pre-payment of certain outstanding borrowings availed by certain subsidiaries	860
Funding inorganic growth through unidentified acquisitions and general corporate purposes*	-
Net proceeds from the issue	-

*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes and inorganic growth shall not exceed 35% of the gross proceeds. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	31,76,24,999	21.1
Public & Others	1,18,91,47,660	78.9
Total	1,50,67,72,659	100.0

Post Issue @ upper price band	No. of Shares	%
Promoter & Promoter Group	26,61,88,835	15.7
Public & Others	1,42,80,01,043	84.3
Total	1,69,41,89,878	100.0

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Revenue from operations	12,364	11,332	15,913	4,118
EBITDA	22	278	335	71
EBITDA Margin (%)	0.2	2.5	2.1	1.7
PAT	(854)	(210)	(991)	(69)
PAT Margin (%)	(6.9)	(1.9)	(6.2)	(1.7)
EPS	(5.7)	(1.4)	(6.6)	(0.5)
Adj. PAT	(482)	(127)	(155)	(69)
Adj. PAT Margin (%)	(3.9)	(1.1)	(1.0)	(1.7)
Adj. EPS	(3.2)	(0.8)	(1.0)	(0.5)
RoE (%)	(11.9)	(2.9)	(3.3)	-
RoCE (%)	(0.0)	4.5	4.9	-

**Note: Pre-issue P/E is based on upper price band*

Source: RHP, SBICAP Securities Research

Shareholders selling through OFS

Name	Category	Number of shares
Amrit Pratik Acharya	Promoter	1,42,30,672
Srinath Ramakkrushnan	Promoter	1,42,30,672
Creovate Innovation Pvt Ltd	Promoter Group	2,29,74,820
Peak XV Partners Investments V	Public	1,76,11,820
Lightspeed Venture Partners Select IV Mauritius	Public	1,35,29,722
Kae Capital Fund II	Public	1,25,70,262
Accel India V (Mauritius)	Public	1,20,16,622
Lightspeed India Partners II, LLC	Public	1,15,97,361
Peak XV Partners Growth Investments III	Public	57,97,579
Kalysta Capital Fund II (Mauritius)	Public	41,90,105
Lightspeed India Partners III, LLC	Public	31,45,603
Saifuddin Fakhruddin Qureishi	Public	28,57,565
Matthew Harris Arnold	Public	24,42,738
Subbiah Vellayan	Public	4,09,182
A. Venkatachalam	Public	4,08,469
Shivraj Singh Kandhari (Guardian, Bikramjit Singh Kandhari)	Public	100
Can Köseoğlu	Public	2,99,402
Andrew Richard Woglom	Public	2,56,630
Cem Garih Nahmiyas	Public	86,129
Nitin Mahajan	Public	83,167
Daniel Robert Bachelet	Public	71,286
Rahul Sharma	Public	17,14,539
Vishal Chaudhary	Public	17,14,539
Ankit Fatehpuria	Public	22,86,052
Total		14,45,25,036

Source: RHP, SBICAP Securities Research

Risk Factors

- **Third-Party Supplier Dependence:** The company relies extensively on third-party suppliers for manufacturing, raw materials and products sold through both its Manufacturing and Ecosystem businesses. Disruptions arising from supplier capacity constraints, equipment failures, labour issues, quality lapses or regulatory non-compliance could delay customer deliveries. While the distributed network provides flexibility, it also increases the complexity of monitoring production quality and execution across suppliers and geographies.
- **End-Market Dependence:** The company's performance depends on customer demand across sectors such as renewable energy, artificial intelligence infrastructure, consumer electronics, aerospace and defence, oil and gas, and industrial capital goods. These industries are exposed to demand cycles, government policies, technology shifts and capital-expenditure trends. A slowdown or project deferral in key end markets could reduce orders, capacity utilisation and revenue growth.
- **Limited Revenue Visibility:** The company does not have firm, long-term purchase commitments with many customers, and orders may be modified, delayed or cancelled. Consequently, historical customer relationships and previous order volumes may not translate into future revenue. Lower-than-expected orders could leave owned facilities or supplier capacity underutilised, while inaccurate demand estimates may result in excess inventory and working-capital requirements.
- **Working Capital Intensity:** The business requires significant working capital to procure raw materials, fund production, extend customer credit and manage inventory across multiple programmes. Growth in order volumes or delays in customer payments could increase funding requirements. Inability to obtain sufficient working-capital financing at acceptable terms could restrict the company's ability to execute orders and may increase finance costs.

Growth Strategies

- Increase wallet share of existing customers
- Gain customers in rapidly expanding industries
- Continue to diversify into new industries ahead of demand inflections
- Expand geographically
- Increase design-led manufacturing and original design manufacturing
- Selectively expand captive facilities through greenfield setups and acquisition of bolt-on capabilities

Customer segments and processes



Source: RHP, SBICAP Securities Research

Revenue Mix – Segment

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Manufacturing Revenue	6,082	49.2	6,249	55.1	9,375	58.9	1,902	46.2
Ecosystem Revenue	6,283	50.8	5,083	44.9	6,539	41.1	2,216	53.8
Revenue from Operations	12,364	100.0	11,332	100.0	15,913	100.0	4,118	100.0

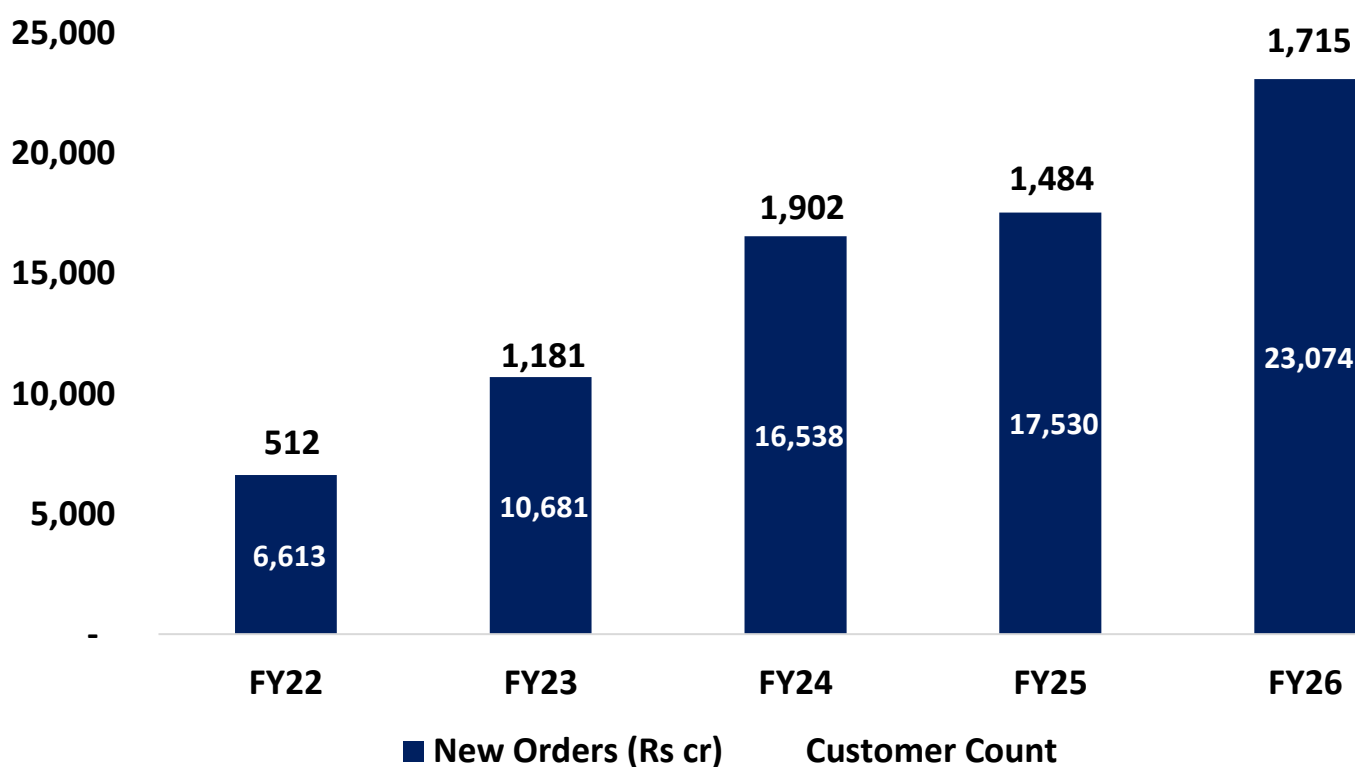
Source: RHP, SBICAP Securities Research

Revenue Mix - Countries

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
India	9,327	75.4	8,998	79.4	13,135	82.5	3,440	83.5
USA	2,663	21.5	2,163	19.1	2,280	14.3	526	12.8
Rest of the countries	375	3.0	171	1.5	499	3.1	152	3.7
Revenue from Operations	12,364	100.0	11,332	100.0	15,913	100.0	4,118	100.0

Source: RHP, SBICAP Securities Research

Order Book & Customer Count Trend



Source: RHP, SBICAP Securities Research

Product Categories

Energy Products	Solar	Modules / Cells	Trackers	Transformers	Frames / Racks	Wires and Cables
	Wind	Nacelle subassembly	FRP Components		Helihoist	
	Grid	Transformer components	Power & Distribution Transformers		Switchgear and Circuit Breakers	
Precision Products	Assemblies	Hearables/ Wearables	Smart watches	Laptops	Displays	
	Electronics Components	PCBs		Battery components		EV Chargers
	Mechanical Components	Machined parts	Castings	Sheet Metal Fabrications	Plastic Injection Mouldings	
Capital Goods	Capex Projects	Process Plant Equipment	Structural Steel Fabrications	Girders and Bridges	Oil and Gas Refinery parts	Boiler Turbine Generator parts

Note: FRP means fibre reinforced plastic.

Source: RHP, SBICAP Securities Research

Manufacturing Segment KPIs

Particulars	FY24	FY25	FY26	1QFY27
Manufacturing Order Book (Rs cr)	6,170	8,629	12,370	13,062
Manufacturing New Orders (Rs cr)	8,994	11,327	15,393	3,147
Manufacturing Revenue (Rs cr)	6,082	6,249	9,375	1,902
Manufacturing Business Contribution Margin (%)	10.8	13.4	12.4	16.0
Manufacturing EBITDA (Rs cr)	345	400	565	125
Manufacturing EBITDA Margin (%)	5.7	6.4	6.0	6.6
Manufacturing Business share of GMV from Recurring Components (%)	49.9	57.8	50.9	71.2
Total Suppliers	6,088	6,731	6,979	3,735

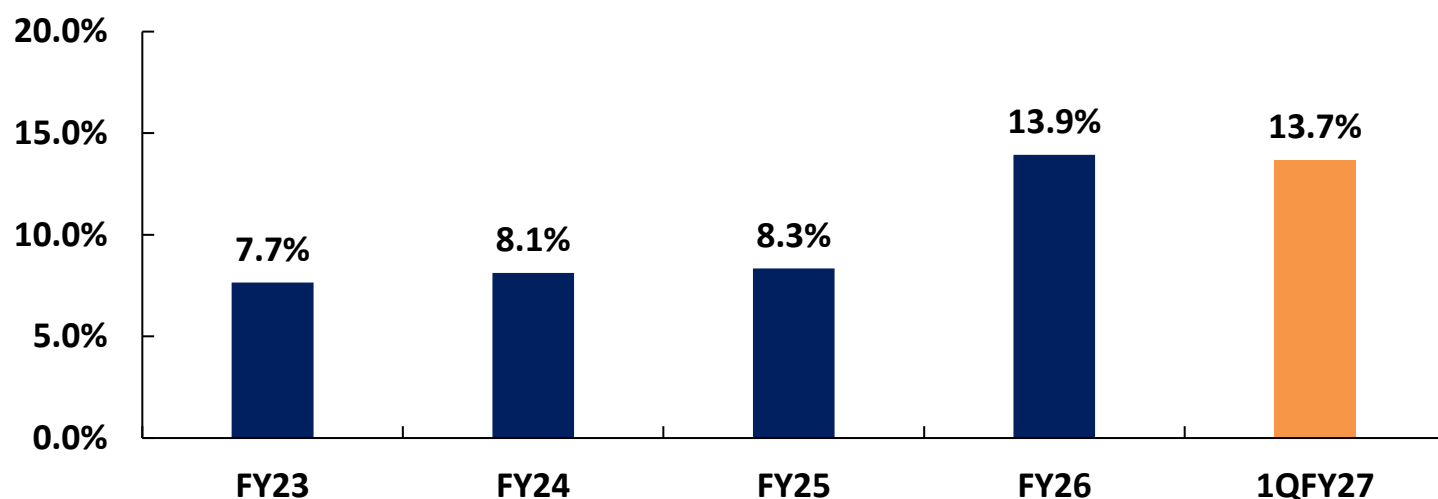
Source: RHP, SBICAP Securities Research

Manufacturing Revenue Mix

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Energy Products	4,160	68.4	3,482	55.7	6,508	69.4	1,134	59.6
Precision Products	581	9.6	1,406	22.5	1,397	14.9	437	23.0
Capital Goods	1,316	21.6	1,353	21.7	1,464	15.6	330	17.4
Other operating revenue	25	0.4	8	0.1	6	0.1	1	0.0
Revenue from Operations	6,082	100.0	6,249	100.0	9,375	100.0	1,902	100.0

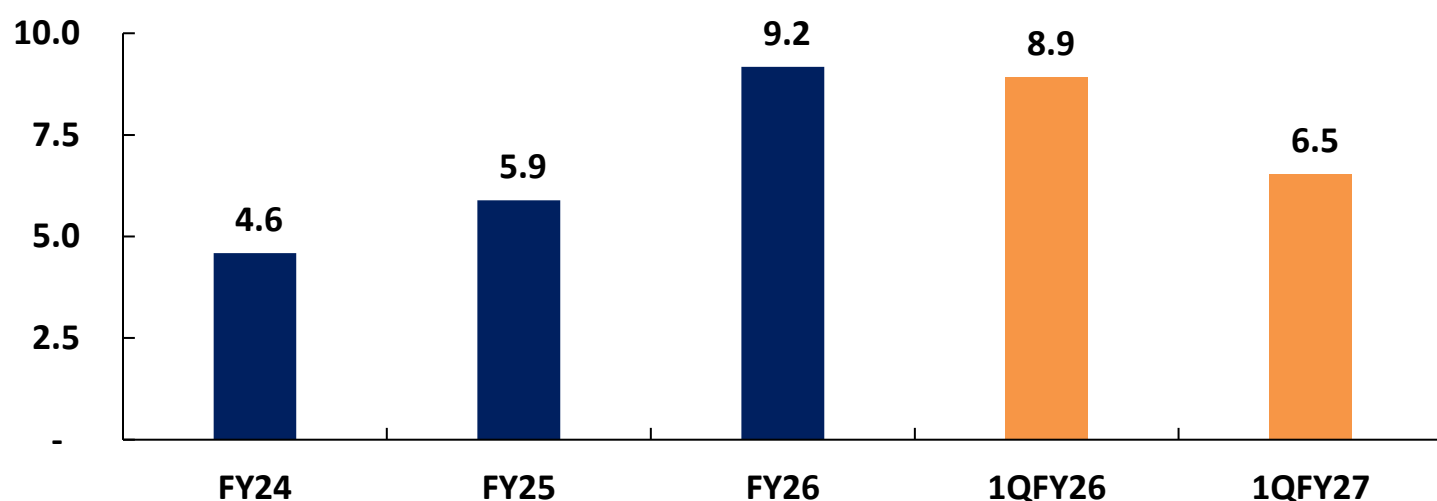
Source: RHP, SBICAP Securities Research

Manufacturing Business Share of GMV from ODM Contracts (%)



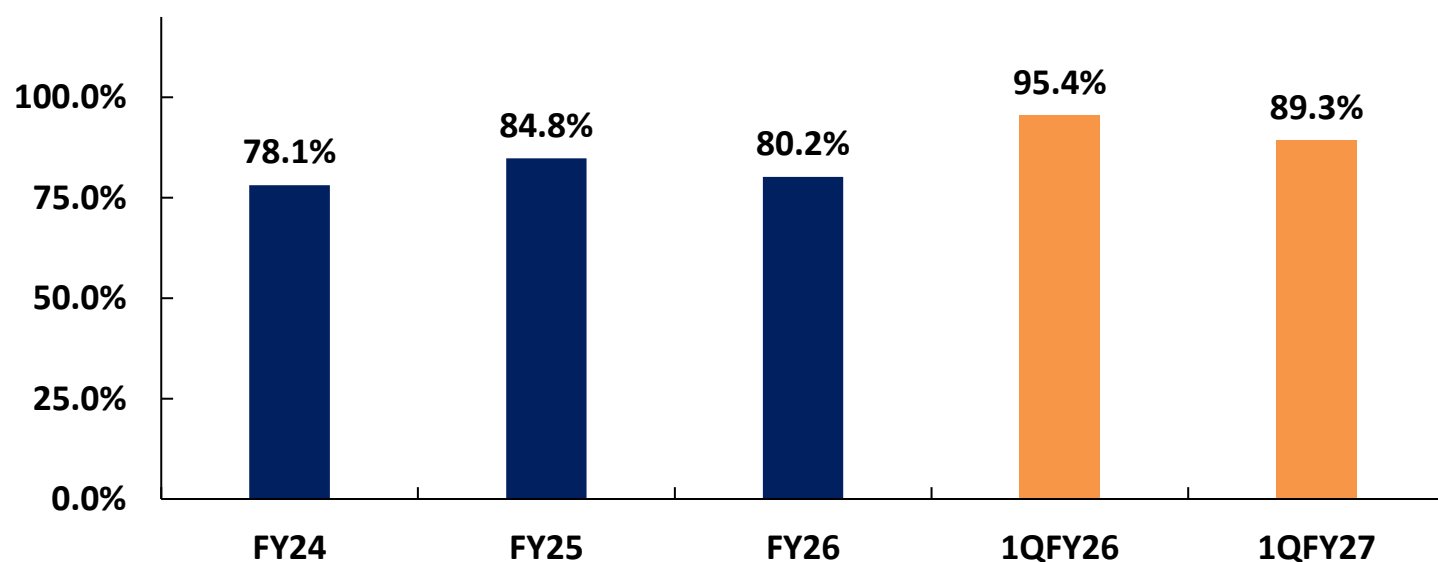
Source: RHP, SBICAP Securities Research

Manufacturing Business Average Order Value - AOV (Rs cr)



Source: RHP, SBICAP Securities Research

Manufacturing Business Repeat Customer Revenue Share (%)



Source: RHP, SBICAP Securities Research

Manufacturing Business Revenue Mix

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Own Facilities	432	7.1	1,801	28.8	3,110	33.2	1,000	52.6
Third-party suppliers	5,650	92.9	4,448	71.2	6,265	66.8	902	47.4
Revenue from Operations	6,082	100.0	6,249	100.0	9,375	100.0	1,902	100.0

Source: RHP, SBICAP Securities Research

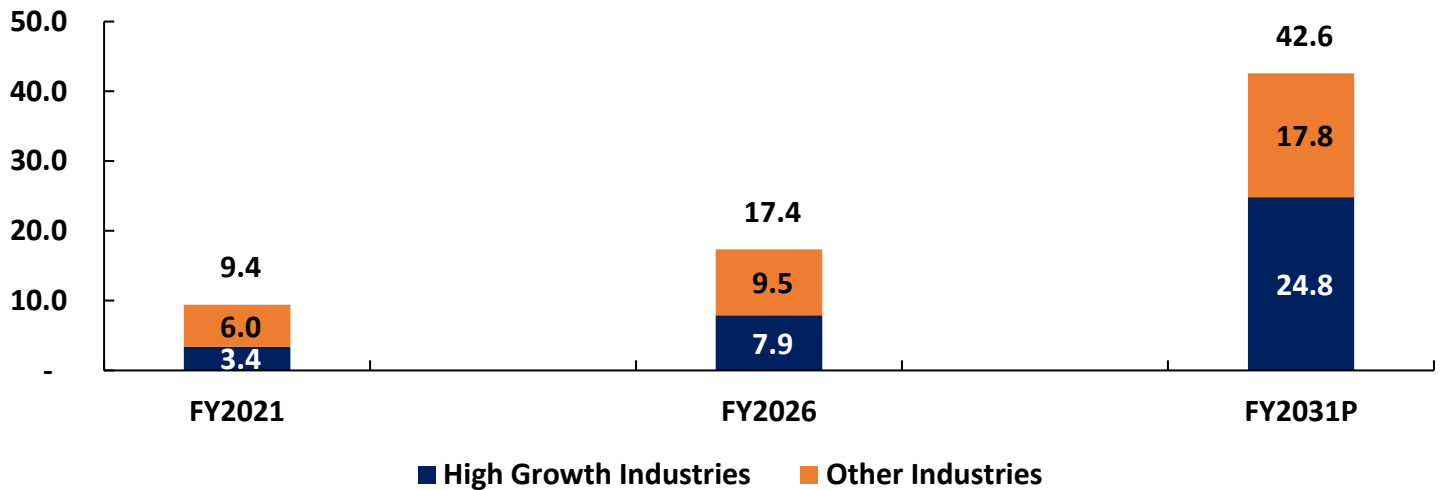
Manufacturing Workflow



Source: RHP, SBICAP Securities Research

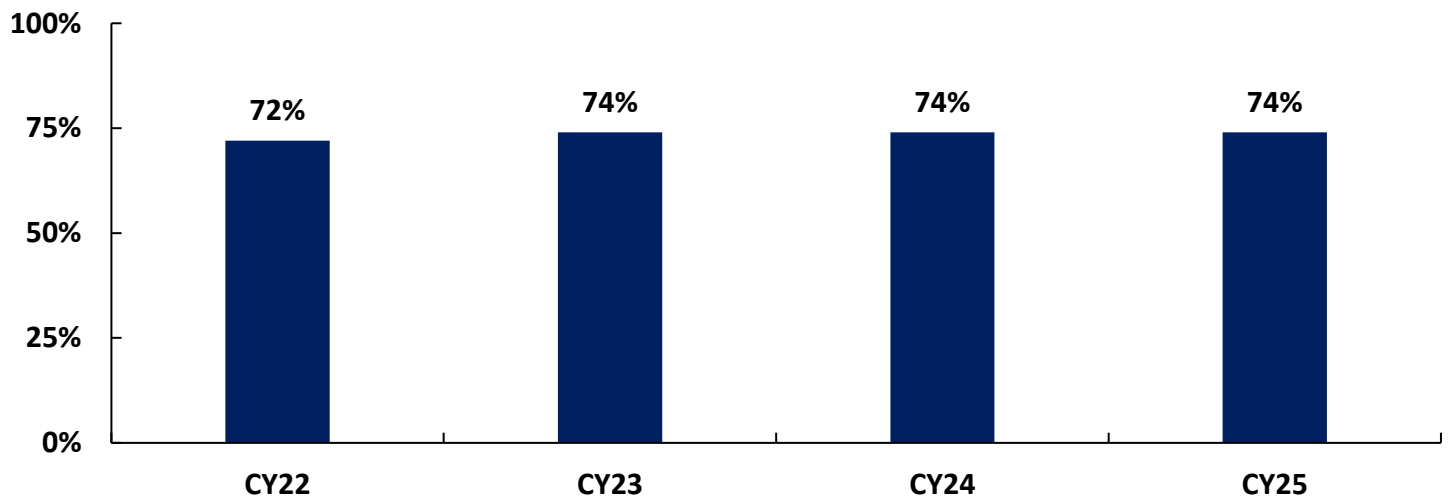
Industry Overview

Size of Manufacturing Procurement of Durable Goods: India (Rs Tn)



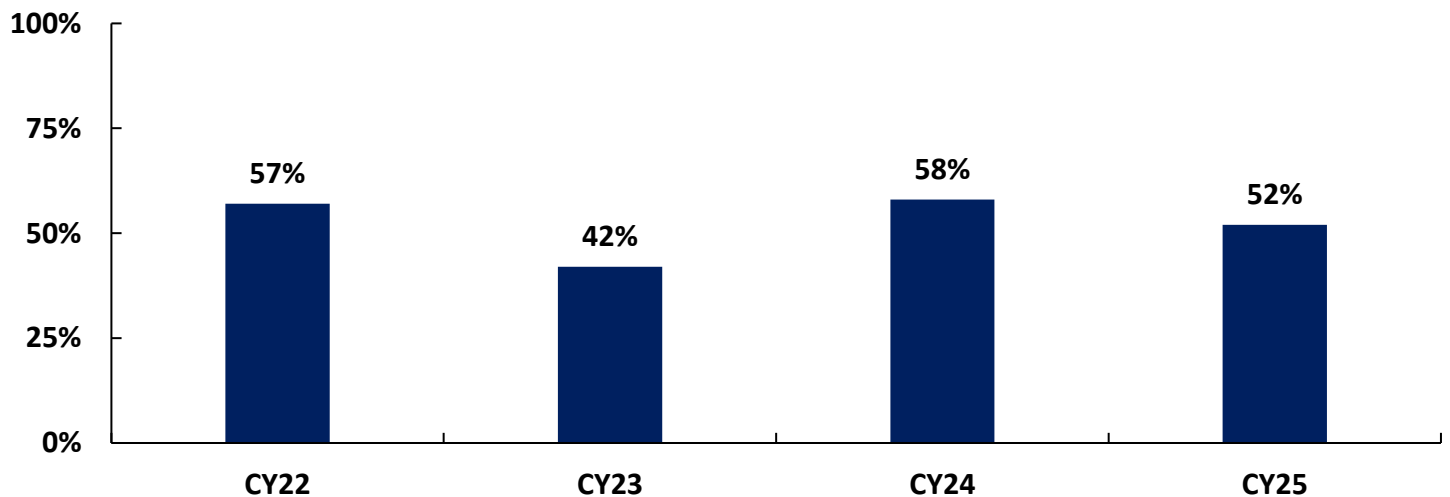
Source: RHP, SBICAP Securities Research

India: Manufacturing Capacity Utilization (%)



Source: RHP, SBICAP Securities Research

India: MSME Manufacturing Capacity Utilization (%)



Source: RHP, SBICAP Securities Research

Peer Comparision

The company has no comparable listed peers in India or Globally.

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Revenue from Operations	12,364	11,332	15,913	4,118
<i>YoY growth (%)</i>	-	-8.4%	40.4%	-
COGS (incl. Stock Adj.)	11,418	9,965	13,983	3,622
Gross Profit	947	1,367	1,931	496
Gross margin (%)	7.7%	12.1%	12.1%	12.0%
Employee Cost	424	477	644	204
Other Operating Expenses	501	612	952	221
EBITDA	22	278	335	71
EBITDA margin (%)	0.2%	2.5%	2.1%	1.7%
Other Income	159	160	187	78
Interest Exp.	323	337	366	126
Depreciation	182	161	197	66
PBT	(324)	(60)	(41)	(43)
Exceptional item	372	84	836	-
Tax	54	11	48	13
Share of profit of associates and JVs	(103)	(61)	(40)	(8)
Minority Interest	1	(5)	26	5
PAT	(854)	(210)	(991)	(69)
PAT margin (%)	-6.9%	-1.9%	-6.2%	-1.7%
EPS (Rs)	(5.7)	(1.4)	(6.6)	(0.5)
Adj. PAT	(482)	(127)	(155)	(69)
Adj. PAT margin (%)	-3.9%	-1.1%	-1.0%	-1.7%
Adj. EPS	(3.2)	(0.8)	(1.0)	(0.5)

BALANCE SHEET				
Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Assets				
Net Block	326	596	822	809
Capital WIP	50	15	255	327
Intangible Assets	55	50	86	78
Investment Properties	39	41	212	-
Intangible Assets under development	0	-	-	-
Goodwill	278	346	1,054	1,067
Right of use assets	158	235	373	360
Other Non-current Assets	711	1,233	742	904
Current Assets				
Current Investment	399	280	128	257
Inventories	1,172	931	1,250	1,417
Trade receivables	2,112	1,753	2,330	2,144
Cash and Bank Balances	1,150	1,908	2,444	1,675
Short-term loans and advances	21	0	12	12
Other Current Assets	3,860	2,967	2,289	2,156
Total Current Assets	8,714	7,840	8,453	7,662
Current Liabilities & Provisions				
Trade payables	3,004	1,955	2,199	1,914
Other current liabilities	709	877	1,094	1,002
Acceptances	1,115	1,015	1,014	771
Government Grants	0	0	1	1
Short-term provisions	21	29	31	31
Liabilities Associated with assets held for sale	0	0	1,416	1,347
Total Current Liabilities	4,849	3,876	5,756	5,067
Net Current Assets	3,865	3,964	2,697	2,595
Assets Classified as held for sale	-	-	1,388	810
Total Assets	5,482	6,480	7,629	6,949
Liabilities				
Share Capital	11	11	11	11
Reserves and Surplus	4,025	4,355	(16)	(771)
Instruments entirely equity in nature	30	45	4,658	4,688
Total Shareholder's Funds	4,065	4,412	4,654	3,928
Minority Interest	(3)	42	160	166
Total Debt	1,232	1,747	1,936	1,942
Long Term Provisions	9	8	12	13
Lease Liabilities	170	252	402	391
Other Long Term Liabilities	-	1	436	482
Net Deferred Tax Liability	9	19	29	27
Total Liabilities	5,482	6,480	7,629	6,949

Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Cash flow from Operating Activities	(282)	(386)	(682)	(506)
Cash flow from Investing Activities	(622)	(148)	(394)	(135)
Cash flow from Financing Activities	763	151	1,789	(263)
Capex	(497)	(338)	(932)	(65)
Free Cash Flow	(779)	(725)	(1,614)	(572)

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Capital Employed	-	4.5%	4.9%
Return on Equity	(11.9%)	(2.9%)	(3.3%)
Margin Analysis			
Gross Margin	7.7%	12.1%	12.1%
EBITDA Margin	0.2%	2.5%	2.1%
Net Profit Margin	(3.9%)	(1.1%)	(1.0%)
Short-Term Liquidity			
Current Ratio (x)	1.5	1.4	1.2
Quick Ratio (x)	1.3	1.2	1.0
Avg. Days Sales Outstanding	62	56	53
Avg. Days Inventory Outstanding	35	30	29
Avg. Days Payables	89	63	50
Fixed asset turnover (x)	22.9	12.9	12.4
Debt-service coverage (x)	(0.0)	0.1	0.1
Long-Term Solvency			
Total Debt / Equity (x)	0.3	0.4	0.4
Interest Coverage Ratio (x)	(0.0)	0.8	0.9
Valuation Ratios*			
EV/EBITDA (x)	1,052.8	81.3	66.5
P/E (x)	-	-	-
P/B (x)	5.6	5.2	4.9
EV/Sales (x)	1.8	2.0	1.4
Market Cap/Sales (x)	1.8	2.0	1.4

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

Research Analyst: INH000000602 | IRDA: CA0103 | PFRDA Registration No: POP 26092018

Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,
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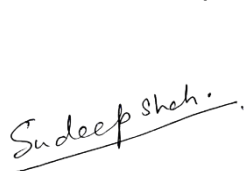
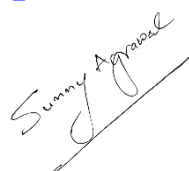
The Analysts engaged in preparation of this Report or his/her relative:-

- (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1 or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

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<u>Name</u>	<u>Qualification</u>	<u>Designation</u>
Fundamental Team		
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Avijit Sheet	MBA (Finance)	Research Associate - Equity Fundamentals
Siddhesh Nanal	MSc (Finance)	Research Associate - Equity Fundamentals
Aldrin Viegas	BFM	Research Associate - Equity Fundamentals
Technical & Derivatives Team		
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Aditya Bhamare	MBA (Finance)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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Sudeep Shah
VP – Technical & Derivative Research

Sunny Agrawal
DVP – Fundamental Research