MV Electrosystems Limited

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29th July, 2026

IPO Details

IPO Date	30th Jul to 3rd Aug, 2026
Face Value	₹5 per share
Price Band	₹400 to ₹425
Lot Size	34 Shares
Sale Type	Fresh capital only
Total Issue Size	68,23,528 shares (agg. up to ₹290 Cr)
Fresh Issue	68,23,528 shares (agg. up to ₹290 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	2,04,59,200 shares
Share Holding Post Issue	2,72,82,728 shares
QIB Shares Offered	Not less than 75% of the Net Issue
Retail Shares Offered	Not more than 10% of the Net Issue
NII (HNI) Shares Offered	Not more than 15% of the Net Offer
Retail (Min & Max) shares	34 Shares & 442 shares
Retail (Min & Max) application amount	₹14,450 & ₹1,87,850
S-HNI (Min shares & application amount)	476 shares & ₹2,02,300
S-HNI (Max shares & application amount)	2,346 shares & ₹9,97,050
B-HNI (Min shares & application amount)	2,380 shares & ₹10,11,500
Basis of Allotment	Tue, Aug 4, 2026
Initiation of Refunds	Wed, Aug 5, 2026
Credit of Shares to Demat	Wed, Aug 5, 2026
Listing Date	Thu, Aug 6, 2026
Cut-off time for UPI mandate confirmation	5 PM on Mon, Aug 3, 2026
Promoters	Mohit Vohra, Amit Dhawan, Sumit Dhawan, Rahul Dhawan, Sonali Dhawan, Ramendra Pratap Singh
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

MV Electrosystems Limited is a technology-driven company engaged in the design, development, assembly and manufacturing of electrical and power electronics equipment used in railway rolling stock, including IGBT based 3-Phase Drive Propulsion equipment for electric locomotives, switchgear panels for railway coaches and Mainline Electric Multiple Units (EMUs), cable protection and management products, and other electrical components, systems and sub-systems. On September 15, 2025, the company received approval from Chittaranjan Locomotive Works (CLW), Indian Railways for its in-house designed and developed 3-Phase Propulsion Equipment, comprising the traction converter-inverter system, auxiliary converter, vehicle control unit and driver display units, and commenced commercial supplies to Indian Railways in March 2026. Its assembling cum manufacturing facility is located at Village Baghola, Palwal, Haryana, supported by an in-house Research, Design and Development Centre at Faridabad, Haryana, which has been accorded recognition by the DSIR, Ministry of Science and Technology. As at June 30, 2026, the company had an executable outstanding order book of ₹921.64 crore for supply of 564 3-Phase Propulsion Equipment units to Chittaranjan Locomotive Works, Banaras Locomotive Works and Patiala Locomotive Works, along with an annual maintenance contract value of ₹67.68 crore.

Objects of the Issue

- ❑ Funding long-term working capital requirements of the Company– ₹180.00 crores
- ❑ Investment in research, design and development activities for new power electronic equipment– ₹21.00 crores
- ❑ General Corporate Purposes – ₹89.00 crores

Financial Details

Particulars (Amount in Crores)	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from Operations	49.4	62.6	50.0
Other income	0.4	2.0	0.6
Total Income	**49.8**	**64.6**	**50.6**
Expenses			
- Cost of raw material consumed	38.4	38.5	24.7
- Changes in inventories (Finished goods, WIP)	(3.5)	(1.2)	1.4
- Employee benefit expenses	13.8	9.6	9.2
- Other expenses	11.1	8.9	8.8
Total expenses	**59.7**	**55.7**	**44.2**
EBITDA	**(10.3)**	**6.9**	**5.8**
EBITDA Margin (%)	**(20.84%)**	**11.05%**	**11.61%**
- Finance cost	3.5	3.0	2.5
- Depreciation and amortization	3.4	3.5	2.8
- Exceptional Items	-	1.6	(0.8)
Profit/(Loss) before tax	**(16.8)**	**2.6**	**1.0**
Tax expense/(credit)	(4.2)	1.2	0.5
Profit/(Loss) After Tax	**(12.6)**	**1.4**	**0.6**
PAT Margin (%)	**(25.36%)**	**2.17%**	**1.10%**
Basic EPS (in Rs.)	**(6.5)**	**0.8**	**0.4**

Key Metrics	31-Mar-26	31-Mar-25	31-Mar-24
Order Book (in INR Cr)	845	893	534
Return on Equity (ROE) (%)	(31.55%)	8.04%	4.44%
Debt to Equity Ratio (x)	0.80	1.54	1.67
Interest Coverage Ratio (x)	(3.81)	1.79	1.44
Return on Capital Employed (%)	(17.69%)	22.13%	14.11%

Competitive Strengths

- **Engineering-Focused Railway Technology Company with Strong R&D :** The company is an engineering-focused railway technology player with strong in-house R&D capabilities across mechanical, electrical and software engineering. It has developed an IGBT-based 3-Phase Drive Propulsion System that meets the stringent performance, safety and regulatory standards of Indian Railways. As of May 31, 2026, its R&D centre comprised 45 permanent employees (around 21.8% of its workforce), including highly qualified engineers and researchers, supporting continuous product development and innovation.

- **High Entry Barriers in Railway Propulsion :** The railway propulsion industry has high entry barriers due to stringent safety standards, complex product development, technological expertise and lengthy qualification processes. The company has developed integrated capabilities across power electronics, embedded systems, mechanical engineering and software design. Its manufacturing facility received approval from Chittaranjan Locomotive Works (CLW) in 2020 and obtained final prototype clearance in September 2025, strengthening its position as a self-sufficient railway propulsion equipment manufacturer.

- **Long-Standing Relationship with Indian Railways** : Since its incorporation in 2009, the company has expanded its product portfolio from railway components to high-value propulsion equipment. Indian Railways remains its largest customer, contributing 76.72%, 72.96%, and 67.80% of revenue in FY26, FY25, and FY24, respectively, highlighting its strong execution track record and ability to meet stringent RDSO technical standards.

- **Experienced Management Team with Strong Engineering Expertise :** The company is led by its Promoter, Mohit Vohra, who has over 17 years of experience in the railway sector across engineering, manufacturing and product development. He is supported by an experienced senior management team and an operations team of over 35 qualified engineers, providing strong capabilities in design, development and execution.

Key Risk Factors

- **High Customer Concentration with Dependence on Indian Railways :** The company derives a substantial portion of its revenue from a limited number of customers, with Indian Railways, through its various units, constituting 76.72%, 72.96% and 67.80% of revenue from operations in Fiscals 2026, 2025 and 2024, respectively, and its top three customers together accounting for 82.69%, 80.29% and 76.66% over the same periods. Cancellation, delay or reduction in orders by Indian Railways or other significant customers could have a material adverse effect on the company's business, results of operations and financial condition.

- **Net Loss and Negative Operating Cash Flows in Fiscal 2026 :** The company reported a net loss of ₹12.63 crore in Fiscal 2026, compared to profits of ₹1.40 crore and ₹0.56 crore in Fiscals 2025 and 2024, respectively, along with negative net cash flow from operating activities of ₹57.55 crore in Fiscal 2026, primarily on account of losses from operations, an increase in inventories, and advances paid to suppliers following prototype approval. There can be no assurance that cash flows will be positive in the future, which could adversely affect the company's ability to meet working capital requirements and repay loans without raising external finance.

- **Indebtedness and Compliance with Restrictive Financing Covenants :** The company had total borrowings of ₹49.89 crore as of March 31, 2026, with finance costs accounting for 7.01% of total income in FY26. Its financing arrangements with banks and financial institutions include restrictive covenants requiring lender approval for certain corporate actions, while the company's assets and promoters' personal guarantees have been provided as collateral. Any breach of these covenants or failure to meet repayment obligations could adversely impact its business, financial condition and operations.

- **Intense competition and Technology Risk :** The company operates in a highly competitive market with both domestic and international players that have stronger brands, advanced technologies and established supply chains. Any inability to keep pace with technological advancements, secure critical components on time, or maintain quality and safety standards could adversely affect its competitiveness, operations and financial performance.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
MV Electrosystems Limited	NA	5	NA	(4.64)	(4.64)	(20.29%)	30.58
Peers:							
Hind Rectifiers Limited	1317	2	88.83	13.10	13.05	21.37%	60.69

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.

Summary

The global railway propulsion equipment industry grew from approximately ₹72,967 crore in FY20 to ₹1,04,252 crore in FY25, registering a CAGR of 7.4%, and is projected to reach ₹1,32,029 crore by FY30. The Indian railway propulsion equipment industry grew from approximately ₹4,882 crore in FY20 to ₹8,152 crore in FY25, registering a CAGR of 10.8%, and is projected to reach ₹10,869 crore by FY30, driven by large-scale railway electrification, expansion of metro and high-speed rail networks, and the Government of India's continued focus on *Make in India* and railway modernization.

Incorporated in 2009, MV Electrosystems Ltd. is engaged in engaged in the design, development, assembly and manufacturing of electrical & power electronics equipment used in railway rolling stock including IGBT based 3-Phase Drive Propulsion equipment for electric locomotives, switchgear panels for railway coaches & EMU’s, cable protection & management products and electrical components, systems & sub-systems. The company's revenue mix comprises Power Transformers (56.0%), Railway Electronics (17.8%), Railway Electro-mechanical products (15.1%), Spares & Services (5.1%), Industrial Products (3.8%), and Others (2.2%).

The company plans to utilize the IPO proceeds primarily to strengthen its working capital, enabling faster execution of its ₹1,000+ crore order book and expansion of manufacturing capacity. It also intends to diversify its product portfolio by expanding into Electric Multiple Unit (EMU) and Mainline Electric Multiple Unit (MEMU) propulsion systems, supported by its in-house R&D capabilities and the long-term growth opportunities arising from Indian Railways' electrification and modernization initiatives. However, the IPO is priced at a relatively high valuation despite the company currently being loss-making. Additionally, its business remains highly dependent on tender-based orders from Indian Railways, resulting in significant customer concentration and execution risk.

Therefore, we recommend an **“Avoid”** rating for the IPO, given its demanding valuation and execution risks associated with its tender-based business.

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