IPO REVIEW

Victory Electric Vehicles International IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 2 January 2026

- The company is engaged in the manufacturing of 2 and 3 wheeler EVs for various industries.
- It is operating in a highly competitive and fragmented segment.
- The company posted inconsistency in its top lines for reported periods.
- Surge in bottom lines for FY24, FY25 appears to be the window dressing to pave the way for fancy pricing.
- Based on its recent financial data, the issue appears greedily priced.
- There is no harm in skipping this pricey and dicey bet.

About the Company

Victory Electric Vehicles International Ltd. (VEVIL) manufactures electric vehicles ranging from E-rickshaws, E-Cargo/Loader E -Rickshaws, Scooters etc. Its portfolio extends beyond conventional offerings to include customized E-Three Wheelers, catering to specific needs such as Food Three Wheelers and Ice Cream Three Wheelers etc. Its business focuses on capturing the opportunity arising out of electrification of mobility in India and it also seeks opportunities to export EVs in select international markets in the future.

The Company’s aim is to revolutionize the transportation industry by promoting Eco-friendly and efficient electric vehicles, empowering individuals and business to make a positive impact on the environment and society. Also, it aims to provide diverse range of E vehicles and services that cater to the unique requirements of customers from passenger to cargo, tourism and more. Its product portfolio consists of L3 EV, L5 EV and Electric Scooty. As of September 30, 2025, it had 110 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden IPO of 8430000 equity shares of Rs. 5 each at a fixed price of Rs. 41 per share to mobilize Rs. 34.56 cr. The minimum application to be made is for 6000 shares and in multiples of 3000 shares thereon, thereafter. The issue opens for subscription on January 07, 2026 and will close on January 09, 2026. The IPO constitute 34.99% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. The company is spending Rs. 4.78 cr. (13.84%) for this IPO process, and from the net proceeds of the IPO, it will utilize Rs. 18.00 cr. for working capital, Rs. 5.00 cr. for Capex, and Rs. 6.78 cr. for general corporate purposes. Higher IPO expenses indicates fully structured process for the IPO funding.

The IPO is solely lead managed by Corpwis Advisors Pvt. Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Alacrity Securities Ltd. is the market maker, as well as a syndicate member. The IPO is underwritten to the tune of 15.02% by Corpwis Advisors, and 84.98% by Alacrity Securities.

The company has issued entire initial equity capital at par value, and has issued bonus shares in the ratio of 3 for 1 in August 2024. The average cost of acquisition of shares by the promoters is Rs. 1.67 per share.

Post-IPO, company's current paid-up equity capital of Rs. 7.83 cr. will stand enhanced to Rs. 12.05 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 98.77 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total revenue / net profit, of Rs. 52.14 cr. / Rs. 0.79 cr. (FY23), Rs. 48.76 cr. / Rs. 4.89 cr. (FY24), Rs. 51.06 cr. / Rs. 5.17 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it posted a net profit of Rs. 1.62 cr. on a total revenue of Rs. 16.90 cr. According to the management, due to some litigation, their original plan of early IPO was disturbed and after solving all those issues, they are now going with the IPO with reduced size. H1-FY26 poor performance is attributed to NCLT order that resulted in three months closure of the company with no revenue. The company is pinning hope of speedy recovery and growth with its L5-EV marketing plans.

For the last three fiscals, the company has reported an average EPS of Rs. 2.86, and an average RoNW of 48.20%. The issue is priced at a P/BV of 3.89 based on its NAV of Rs. 10.54 per share as of September 30, 2025, and at a P/BV of 1.93 based on its post-IPO NAV of Rs. 21.20.

If we attribute FY26 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 30.37, and based on FY25 earnings, the P/E stands at 19.07. The issue appears aggressively priced.

For the reported periods, the company has posted PAT margins of 1.52% (FY23), 10.10% (FY24), 10.17% (FY25), 9.66% (H1-FY26), and RoCE margins of 14.13%, 44.78%, 31.27%, 10.23 %, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Wardwizard Innovations, Tunwal E-Motors, as its listed peers. They are currently trading at a P/E of 19.1, and 14.7 (as of January 01, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 8th mandate from Corpwis Advisors in the last two fiscals. Out of the last 7 listings, 2 opened at discount, 1 at par, and the rest with premium ranging from 1.32% to 10.53% on the listing date. Thus, the lead manager has an average track record.

Conclusion / Investment Strategy

VEVIL is engaged in the manufacturing of 2 and 3 wheeler EVs for various industries. It is operating in a highly competitive and fragmented segment. The company posted inconsistency in its top lines for reported periods. Surge in bottom lines for FY24, FY25 appears to be the window dressing to pave the way for fancy pricing. Based on its recent financial data, the issue appears greedily priced. There is no harm in skipping this pricey and dicey bet.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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