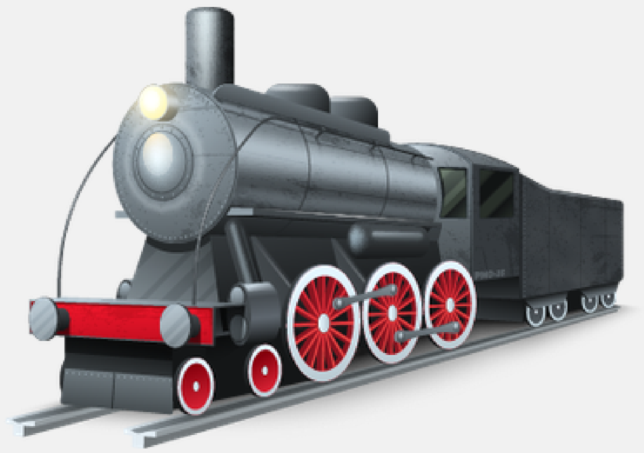
MARWADI
FINANCIAL SERVICES

IPO DETAILS

MV ELECTROSYSTEMS LIMITED

#IPOlogy



ISSUE OPEN
30/06/2026

ISSUE CLOSE
03/08/2026

Min. Lot Size
34 Shares

Issue Price Band
₹400 - ₹425

Issue Size

Fresh Issue:
0.68 Cr Eq shares
(₹290.00 Cr)

OFS:
NIL

Face Value
₹5

Industry
Railway Rolling stock

Listing at
NSE, BSE

Rating
Avoid

APPLY NOW

Marwadi Shares and Finance Limited
Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.
Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

For Facts & Figures

MV ELECTROSYSTEMS LIMITED

Rationale

Considering the FY26 Revenue of Rs 49 Cr on a post-issue basis, the company is set to list at an M-cap/Sales of ~24x with a market cap of Rs 1,160 Cr. Its peer, Hind Rectifiers, is trading at an M-cap/sales of 4.7x.

We assign "Avoid" rating to this IPO. The company heavily relies on Indian Railways for 76.72% of its FY26 revenue, leading to business volatility due to a lack of long-term contracts. With a long working cycle of 400 days and a significant EBITDA loss of ₹ 10 crores, financial health is a concern. Profitability declined sharply, with a net loss of ₹ 13 crores and a negative Return on Equity (ROE) of -20.29%.

Objectives of the issue

Funding long-term working capital requirements of the Company.

Investment in research, design and development activities for new power electronic equipment.

General corporate purposes.

Company Overview

MV Electrosystems Limited is an Indian railway technology company that designs and manufactures propulsion systems, power electronics, and cable interconnect solutions for Indian Railways and metro projects. It has developed a 6,000 HP IGBT-based three-phase propulsion system under the Make in India initiative.

The company has two segments: Propulsion Equipment and Cable Assemblies & Interconnect Products. Although cable assemblies have historically generated most of the revenue, the commercialisation of the indigenous propulsion platform is expected to enhance revenue and margins due to its greater value and complexity.

MV Electrosystems supplies traction converters, auxiliary converters, VCUs, DDUs, switchgear panels, cable harnesses, and electrical interconnect products mainly to Indian Railways and rolling stock manufacturers. The company is poised to benefit from India's railway electrification, locomotive modernisation, and metro rail expansion initiatives.

The company holds full intellectual property for its propulsion platform, decreasing reliance on foreign licensors. Its 6,000 HP system has passed a 50,000-km field trial and received approval from Chittaranjan Locomotive Works (CLW), allowing participation in Indian Railways tenders.

MV Electrosystems has two manufacturing facilities in Palwal, Haryana, with an annual capacity of 114 propulsion systems per shift. A second facility is under development to relocate cable assembly production, enabling the existing plant to focus solely on propulsion systems and support future capacity expansion.

The company utilises an integrated manufacturing model that includes product design, embedded software development, PCB assembly, fabrication, testing, and commissioning. It specialises in customised railway electronics and propulsion systems, adhering to strict Indian Railways quality standards.

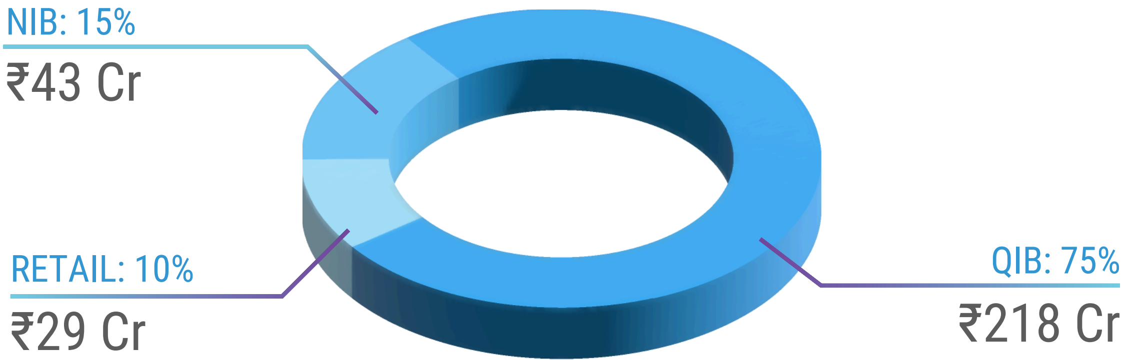
Technically Qualified Supplier

MV Electrosystems primarily serves Indian Railways, locomotive manufacturers, and rolling stock integrators, supplying critical electrical equipment for electric locomotives, EMUs, and metro systems. The company's high entry barriers stem from lengthy product qualification and strict technical approvals.

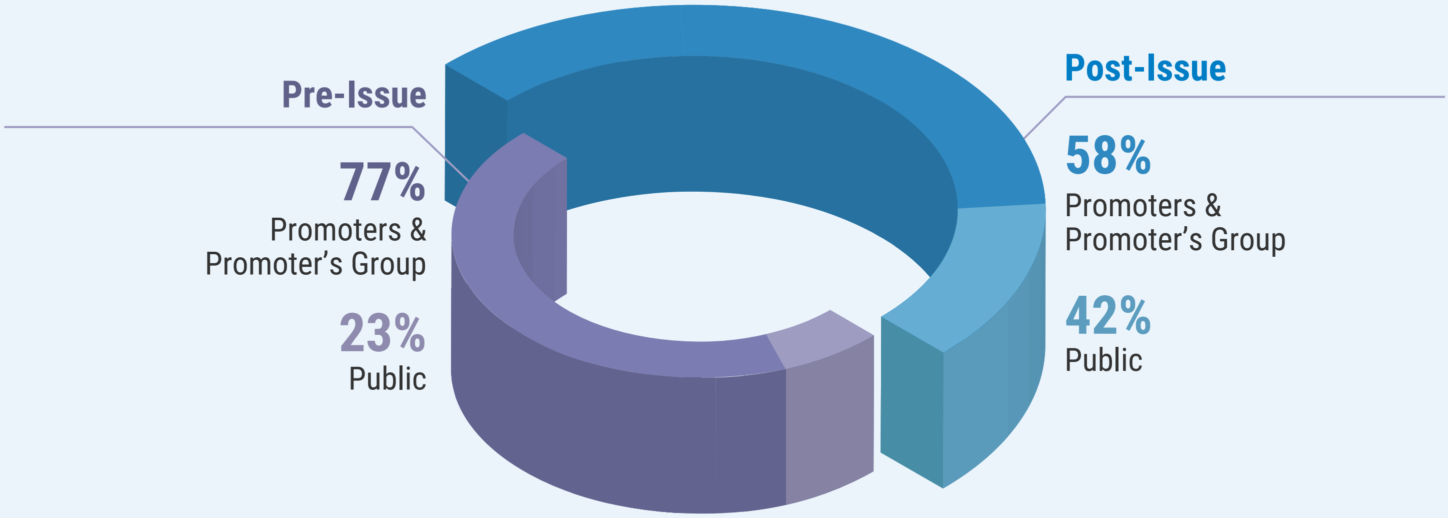
MV ELECTROSYSTEMS LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹ Cr.)

15 Cr
Authorised Equity Share Capital

10 Cr
Paid-Up Capital (Pre-Offer)

14 Cr
Paid-Up Capital (Post-Offer)

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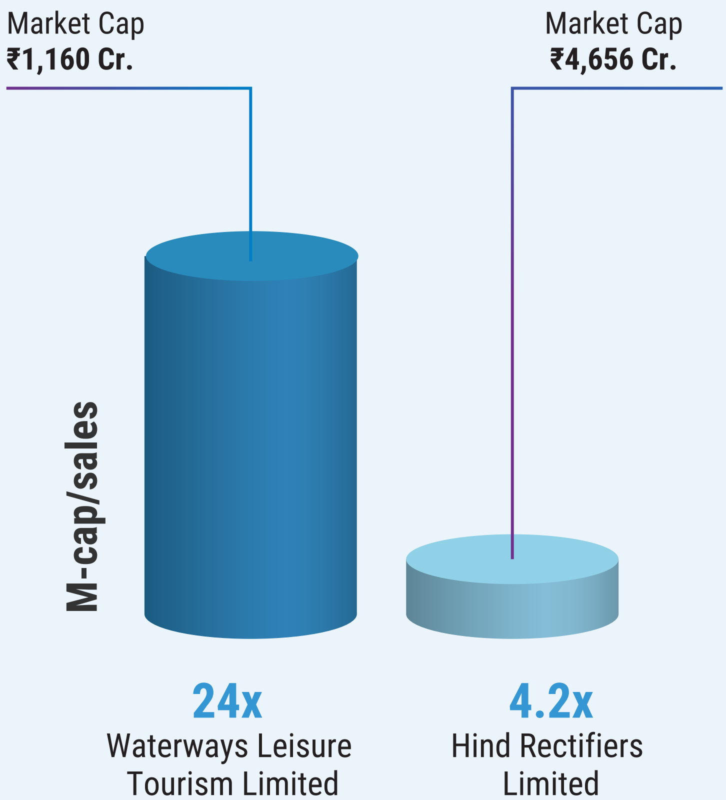
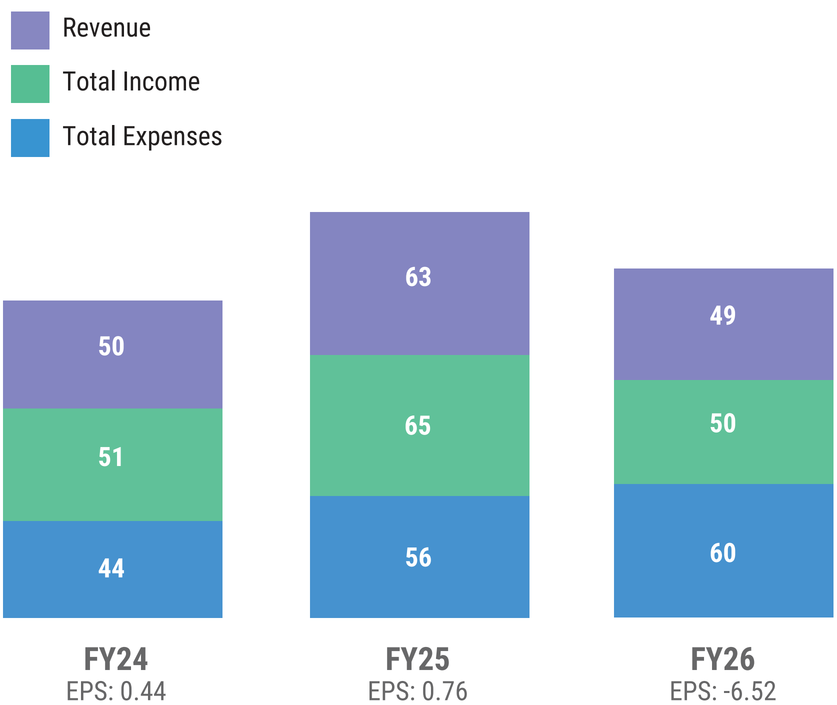
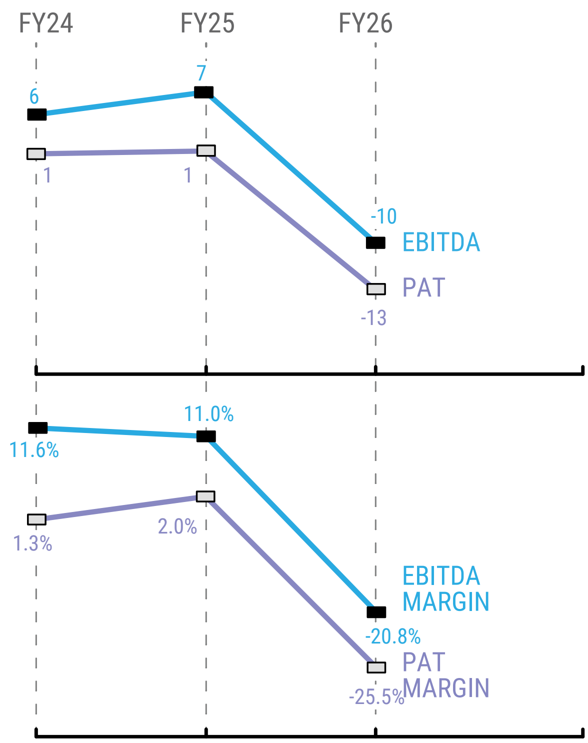
Valuations and Peer Comparison



Market Cap data of listed securities as on July 28, 2026

Financial Snapshot (in ₹ Cr.)





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Business Insights

Competitive Strengths

- Indigenous propulsion technology with complete intellectual property ownership.
- Diversified portfolio of mission-critical railway electrical products.
- High entry barriers supported by stringent railway qualification processes.
- Integrated manufacturing and engineering capabilities.
- Strong alignment with India's railway modernisation and localisation initiatives.

Business Strategy

- Scale the indigenous propulsion business to improve revenue mix and profitability.
- Expand manufacturing capacity to support future order execution.
- Increase localisation and strengthen import substitution capabilities.
- Diversify customer base across railway and metro projects.
- Invest continuously in research & development and next-generation railway technologies.

Risks

- A substantial portion of MV Electrosystems' revenue is derived from Indian Railways and entities operating within the railway ecosystem. Delays in tender issuance, order finalisation, project execution, budget allocations or changes in government procurement priorities could materially impact revenue growth, capacity utilisation and cash flows.
- Although the company's indigenous 6,000 HP IGBT-based propulsion system has received qualification approval following successful field trials, commercial supply remains in its early stages.
- The company's business is concentrated among Indian Railways, locomotive manufacturers and railway-related customers. The loss of a key customer, lower procurement volumes or changes in vendor approval status could adversely affect financial performance.

Promoters and Management Details

Pankaj Rastogi - Managing Director

Rahul Dhawan - Whole-time Director

Ajay Kumar - Chief Financial Officer