MV ELECTROSYSTEMS LIMITED

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IPO Report

30th July 26

Snapshot

Company is a technology-driven company 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. On September 15, 2025, company have received approval from CLW, Indian Railways for its in-house designed and developed IGBT Based 3-Phase Drive Propulsion equipment ("**3-Phase Propulsion Equipment**") which includes traction converter-inverter system, auxiliary converter, vehicle control units / train control management system and driver display units - all designed and developed by company indigenously to meet international safety and performance standards.

VALUATION

Company is bringing the issue at price band of Rs 402-425 per share at p/b multiple of 3x on post issue book value basis.
Company leverage its domain experience and capabilities by continuing to diversify its product base and increase penetration across different global regions & synergetic potential applications. Company is into development and / or acquisition of new products that are used in conjunction with propulsion equipment in line with the newer opportunities under Indian Railways Company has scalable business model with focus on high-value products and opportunity to enter into rolling stock manufacturing capabilities
Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**402-425**
Opening date of the issue	**30th July '2026**
Closing Date of the issue	**03rd Aug '2026**
No of shares pre issue	2,04,59,200 Eq Shares
Issue Size	Rs 290 Cr
Fresh Issue	Rs 290 Cr
Face Value (Rs/ share)	Rs 5/share
Bid Lot	34
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 51,17,680 eq Shares)
Non-Institutional	15% of the offer (Approx 10,23,502 eq Shares)
Retail	35% of the offer (Approx 6,82,346 eq Shares)
Lead managers	Sundae Capital Advisors
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Engineering and systems design focused railways company with strong in-house research, design & development capabilities for highly engineered and complex railway systems, combining precision and domain expertise

Company is a systems design and engineering-focused railway technology company, distinguished by its strong in-house research, design & development capabilities. Company was founded by Mohit Vohra, company's Founder Director with focus on railway industry. Over the period, with an integrated approach that combines mechanical, electrical, and software engineering, company have successfully developed IGBT based 3-Phase Drive Propulsion System that meets stringent performance, safety, and regulatory requirements specified by Railways.

Long-standing and deep relationship with Indian Railways

Company was incorporated in 2009 to supply components to Indian Railways and have gradually expanded the product category to panels & switch board cabinets, connectors and cable assemblies and cable protection products. In 2020, company advanced into higher-value engineering by initiating the indigenous design and development of propulsion equipment, a core system integral to locomotive performance.

Ability to create precision driven design & development capabilities and safety critical & complex railway electric equipment acts as high barriers to entry in this segment

The railway industry is characterized by substantial entry barriers, which serve as a key strength for company's business and ensure long-term sustainability. Such entry barriers arise from a combination of factors including stringent and long process of product development and safety approvals, technology complexity, deep domain expertise, long qualification cycles & vendor approvals, certifications and after sales support & lifecycle integration..

COMPANY BACKGROUND

Company's Vehicle Control Unit is developed on high performance microprocessor based modular systems that provide complete traction and propulsion control of the entire locomotive hauled train with continuous monitoring and extensive fault diagnostics. Company commenced the commercial supplies to Indian Railways for 3-Phase Propulsion Equipment in March 2026. Further, company's R&D Centre has been accorded recognition by Department of Scientific and Industrial Research ("DSIR"), Ministry of Science and Technology, Government of India on June 12, 2026.
Company operate within India's rail infrastructure transition driven by mandated broad-gauge electrification, Make-in-India procurement requirements and the expansion of the network, including upcoming high-speed corridors. Company is focussed towards research, design & development of electrical equipment & power electronics systems for usage in railways industry and to play a strategic role as a domestic manufacturer with technical capabilities, indigenous designed and developed propulsion equipment and in-house assembling cum manufacturing facilities. The ingenious in-house design & development of 3-Phase Propulsion Equipment for 6000 HP Locomotive is a key achievement of Company which will lead the way for company to create various other energy efficient railway power conversion systems. Such developments requires expertise in multiple domains including, Electrical Engineering, Embedded Design, Software Development, Mechanical Engineering, Thermal Design & Instrumentation. With this in-house development and approval from CLW, company have become one among the global players that possess their proprietary technology for rail propulsion equipment.
As Indian Railways moves towards increased speed and efficiency of the trains / locomotives, the need for the development of the advanced / new generation power conversion systems including propulsion equipment will continue to be there. Company's team at Research, Design & Development centre based at Faridabad, Haryana, comprises of members with experience in multiple disciplines including power hardware, control hardware, traction power software and mechanical design, that are collectively capable to design such complex systems / sub-systems without any dependency on external design houses. This will enable company to develop newer power electronics systems including IGBT based 3-Phase Drive Propulsion Equipment with composite converter, hotel load converter and distributed power conversion systems for MEMUs / EMUs, Vande Bharat trains and metro trains to meet future sustainability requirements and also to cater to the new technology requirements and upgradation of existing systems by Indian Railways & other regions as well.
Company have also entered into the following agreements:

- Business Cooperation Agreement dated August 13, 2025 with PNC Technologies Co. Ltd., South Korea for a period of three years, to collaborate exclusively for the manufacturing, supply and distribution of Automatic Fault Locator system for 25 KV Rail over-head electrification line across the country. This marks company's entry into the Rail electrical infrastructure products.
- Letter of Intent dated March 11, 2026 and subsequent Consortium Agreement dated July 2, 2026 signed between Company, Hansung Heavy Industrial Co Limited (Republic of Korea) and Param Enterprises Private Limited (India) for participating in the MEMU tender issued by Modern Coach Factory Raebareli, Indian Railways for Design, Development, Manufacture, Supply, Testing and Commissioning of Microprocessor Controlled IGBT based 3 Phase Propulsion Equipment for MEMU (On Board - 12 Car Rakes). Company will be responsible for design, development, supply and installation of traction and Auxiliary converter-inter system, Train Control Management System, design supply & co-ordinate the installation and commissioning of complete scheme and specifications of system & specific aggregates / components, and comprehensive maintenance of the system & after sales support to Indian Railways. Hansung Heavy Industrial Co Limited will be responsible for design, development and supply of Traction motors and extend complete technical support and training for this item. Param Enterprises Private Limited shall be responsible for on-site installation of the aggregates and equipment inside the coaches. Following this letter of intent and participation in the tender issued by Modern Coach Factory, Raebareli, company have been issued a letter of acceptance for Design, Development, Manufacture, Supply, Testing and Commissioning of Microprocessor Controlled IGBT based 3 Phase Propulsion Equipment for 6 (six) MEMU (On Board - 12 Car Rakes) for an aggregate value of ₹ 865.46 million and five years comprehensive annual maintenance contract for aggregate value of ₹ 46.86 million, both excluding GST.

OBJECTS OF OFFER

The Issue comprises of fresh Issue of Equity Shares by Company.
Objects of the Issue
Company proposes to utilise the Net Proceeds from the Issue towards the following objects: .

- Funding long-term working capital requirements of Company;
- Investment in research design and development activities for new power electronic equipment;
- General corporate purposes.

RISKS

Company is dependent on and derive a substantial portion of company's revenue from a limited number of customers. Further, Indian Railway, through is various units or workshops, has been the single largest customer of Company and constituted 76.72%, 72.96% and 67.80% of its revenue from operations during the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024 respectively. Cancellation of orders, if any, by customers or delay or reduction in their orders could have a material adverse effect on company's business, results of operations and financial condition.

Source:RHP

Consolidated Financials (Rs in mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	499.57	626.37	494.28
Total Expenditure (B)	441.60	557.2	597.33
EBIDTA	57.97	69.17	-103.05
EBIDTA Margin	11.60	11.04	-20.85
Other Income	6.08	19.99	3.63
Depreciation	28.39	34.73	33.65
EBIT	35.66	54.43	-133.07
Interest	24.70	30.42	34.90
PBT	10.96	24.01	-167.97
Share of profit in Asso	0.00	0.00	0.00
PBIT	10.96	24.01	-167.97
Exceptional	-0.80	1.63	0.00
PBT	10.16	25.64	-167.97
Tax	4.59	11.61	-41.69
PAT	5.57	14.03	-126.28
NPM	1.11	2.24	-25.55
ROE%	3.92	7.73	-20.29
EPS	0.44	0.76	-6.52
Eq Cap	73.72	91.40	102.30
Net Worth	165.26	179.10	625.71

(Source: RHP)

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