MV Electrosystems Limited

MV ELECTROSYSTEMS LTD

Price Band	Issue Opens
₹400 to ₹425	30 Jul to 3 Aug, 2026

Face Value	Issue Size	Lot Size	Listing At
₹5	₹290 Cr	34 Shares	NSE, BSE

MV Electrosystems Ltd Info

Issue Size	68,23,528 shares / ₹290 Cr
Fresh Issue	68,23,528 shares / ₹290 Cr
Offer for Sale	N/A
Retail Quota	Not more than 10% of the Net Issue
Retail Min/Max	₹14,450 / ₹1,87,850

MV Electrosystems ltd Timeline

Tentative Allotment	Tue, Aug 4, 2026
Initiation of Refunds	Wed, Aug 5, 2026
Credit of Shares to Demat	Wed, Aug 5, 2026
"MV Electrosystems ltd" Listing Day	Thu, Aug 6, 2026

Objects of The Offer

The Company proposes to utilize the Net Proceeds from the Fresh Issue for the following purposes:

- **Repayment / Prepayment of Outstanding Borrowings:** A significant portion of the Net Proceeds will be utilized towards the prepayment or repayment, in full or in part, of certain outstanding borrowings availed by the Company. The objective is to reduce its debt obligations, lower finance costs, strengthen the balance sheet, and improve financial flexibility for future growth initiatives.

- **General Corporate Purposes:** he remaining balance of the Net Proceeds will be used for general corporate purposes, including meeting business requirements, operational needs, strategic initiatives, and other corporate expenditures in accordance with applicable regulations. The amount allocated for this purpose will not exceed the limits prescribed under the SEBI ICDR Regulations.

About The Company and Business Overview

MV Electrosystems Limited is a technology-driven railway equipment manufacturer engaged in the design, development, assembly, and manufacturing of electrical and power electronic equipment used in railway rolling stock. Incorporated in July 2009 as a private limited company and converted into a public limited company in November 2021, the company is headquartered in Faridabad, Haryana. It develops indigenous, application-specific solutions that support the modernization and electrification of India's railway network.

The Company's product portfolio is broadly divided into two business segments. The Propulsion Equipment segment comprises advanced IGBT-based 3-Phase Drive Propulsion Systems for electric locomotives, including traction converter-inverter systems, auxiliary converters, vehicle control units (VCUs), train control and management systems (TCMS), driver display units, battery chargers and other critical power electronic systems. The Cable Assemblies and Panels segment includes switchgear panels for railway coaches and EMUs, cable protection and management products, electrical components, wiring harnesses and other integrated electrical systems designed for railway applications.

The Company operates an integrated manufacturing facility approved by the Research Designs and Standards Organisation (RDSO) for manufacturing railway propulsion equipment. It is also expanding its manufacturing capacity by shifting cable protection operations to a dedicated facility while focusing its primary manufacturing unit on power electronics and propulsion systems. Supporting its manufacturing operations is a DSIR-recognized Research, Design & Development Centre in Faridabad, which drives product innovation and indigenous technology development for next-generation railway applications.

MV Electrosystems primarily serves Indian Railways, which remains its largest customer, along with railway OEMs and system integrators. The Company secures business through competitive tenders from major railway production units such as Chittaranjan Locomotive Works (CLW), Banaras Locomotive Works (BLW), Patiala Locomotive Works (PLW) and other railway organizations. As of June 30, 2026, the Company had an executable order book of 564 propulsion equipment sets valued at approximately ₹9,216.40 million (excluding GST and AMC), providing strong revenue visibility.

A key differentiator for the Company is its proprietary IGBT-based propulsion technology. It has developed a 6,000 HP in-house propulsion system, owns the associated intellectual property rights, and has received prototype approval from Indian Railways, enabling participation in propulsion equipment tenders without reliance on third-party technology. The Company also continues to expand its product portfolio through new orders, including propulsion systems for MEMU trains and hotel load converters, while benefiting from India's increasing focus on railway electrification and the 'Make in India' initiative.

FINANCIAL RATIOS:

Financial Ratios	ROCE	ROE	P/E	INDUSTRY P/E	EV / EBITDA
Hind Rectifiers Limited	18.80	25.20	101.00	88.83	56.70
MV Electrosystems Limited *	17.69	(31.55)	(65.18)	88.83	N/A

Source : RHP

Brief profile of the Directors

- **Sanjeev Mehta** is serving as the Chairman and Independent Director of the Company. He holds a B.Tech in Chemical Engineering from the National Institute of Technology (formerly Regional Engineering College), Warangal, a Post Graduate Certificate in Business Management from XLRI, Jamshedpur, a Diploma in Management from the All India Management Association. He has over 37 years of experience in marketing and technical services.
- **Pankaj Rastogi** is serving as the Managing Director of the Company. He holds a B.Tech in Electronics (Honours) from Malviyan Institute of Technology, Gorakhpur, an MBA from Punjab Technical University, and a Ph.D. in Product Design and Development from Commonwealth Vocational University, Kingdom of Tonga. He has over 32 years of experience in power electronics, product design, engineering and railway rolling stock systems.
- **Vipin Sharma** is serving as an Independent Director of the Company. He is a Chartered Accountant and holds a bachelor's degree in Commerce (Vocational – Computer Applications) from Maharishi Dayanand University, Rohtak. He has also completed the Information Systems Audit post-qualification course from ICAI. He has over 17 years of experience in taxation, audit, risk management and financial consultancy.
- **Kanika Bhutani** is serving as an Independent Director of the Company. She holds a master's degree in Commerce from Himachal Pradesh University and is a Fellow Member of the Institute of Company Secretaries of India (ICSI). She has around 13 years of experience in corporate law, secretarial practice and compliance management.
- **Mohit Vohra** is serving as a Director of the Company. He holds a degree in Mechanical Engineering from YMCA Institute of Engineering, Faridabad. He has over 29 years of experience in engineering, manufacturing and business management.
- **Amit Dhawan** is serving as a Non-Executive Director of the Company. He holds a Bachelor of Laws (Professional) degree from Seth Girdhari Lal Behani S.D. College, Sriganganagar. He has over 24 years of experience in customer relationship management and service delivery in the railway sector.
- **Sumit Dhawan** is serving as a Director of the Company. He holds a bachelor's degree in Computer Applications from Lovely Professional University. He has over 15 years of experience in procurement, strategic sourcing and supplier management.
- **Rahul Dhawan** is serving as the Whole-Time Director of the Company. He holds a Bachelor of Ayurvedic Medicine and Surgery (BAMS) degree from Baba Farid University of Health Sciences, Faridkot. He has over 15 years of experience in manufacturing operations, process improvement and plant management.
- **Sanjay Kumar Singh** is serving as a Non-Executive Director of the Company. He holds a master's degree in Social Work from Kashi Vidyapith, Varanasi. He has over 22 years of experience in human resources and office administration.

Source : RHP

Profit and loss Statement

Particulars	2026	2025	2024
Revenue from operations	494.28	626.37	499.57
Other income	3.63	19.99	6.08
Total Income	**497.91**	**646.37**	**505.65**
Cost of Raw Material Consumed	383.62	384.83	247.23
Changes in inventories of Finished goods, work-in-progress and stock-in-trade	(34.85)	(12.27)	14.35
Employee Benefit expense	137.60	95.66	92.01
Finance Cost	34.90	30.42	24.70
Depreciation and Amortisation expenses	33.65	34.73	28.39
Other Expenses	110.96	88.98	88.01
Total Expenses	**665.88**	**622.35**	**494.69**
Profit before exceptional items and tax	**(167.97)**	**24.02**	**10.96**
Exceptional items	-	1.63	(0.80)
Profit/(Loss) before tax	(167.97)	25.65	10.16
Current Tax	-	19.24	8.02
Deferred Tax	(41.69)	(7.63)	(3.43)
Total Tax Expense	**(41.69)**	**11.61**	**4.59**
Profit for the year	**(126.29)**	**14.03**	**5.57**
Item that will not be reclassified to profit or loss	(0.90)	(0.27)	1.26
Income tax relating to item that will not be reclassified to profit or loss	0.23	0.08	(0.35)
Total Comprehensive Income for the year	**(126.95)**	**13.84**	**6.48**
Basic EPS (₹)	**(6.52)**	**0.76**	**0.44**
Diluted EPS (₹)	**(6.52)**	**0.76**	**0.39**

Source : RHP

Strengths

- **Strong In-house Research & Development Capabilities:** MV Electrosystems has established strong in-house Research, Design & Development (R&D) capabilities for railway propulsion systems and power electronics. Its DSIR-recognized R&D Centre in Faridabad is equipped with advanced design, simulation, testing, and validation infrastructure. The Company has a team of experienced engineers specializing in power electronics, embedded software, control systems, and mechanical design, enabling it to develop indigenous technologies with minimal dependence on external technology providers.
- **High Entry Barriers Protect Market Position:** The railway propulsion equipment industry has significant entry barriers due to stringent technical standards, extensive product qualification processes, and high capital requirements. Suppliers must obtain approvals from Indian Railways, Research Designs and Standards Organisation (RDSO), and production units such as Chittaranjan Locomotive Works (CLW) before commercial deployment. These regulatory and technological barriers limit competition and strengthen the Company's market position.
- **Established Relationship with Indian Railways:** The Company has been supplying railway electrical and electronic equipment to Indian Railways since 2009, building long-standing customer relationships through consistent product quality and reliable execution. Following successful field trials of its indigenous propulsion system, MV Electrosystems has achieved Approved Vendor status, enabling it to participate in a significantly larger portion of regular railway procurement tenders.

Key Risk Factors

- **High Dependence on Indian Railways:** MV Electrosystems derives a substantial portion of its revenue from Indian Railways, which accounted for 76.72% of revenue from operations in Fiscal 2026. Any reduction in railway capital expenditure, changes in procurement policies, delays in tendering, or preference for alternative suppliers could materially impact the Company's revenue and profitability.
- **Customer Concentration Risk:** The Company's revenue is highly concentrated among a limited number of customers. In Fiscal 2026, the top ten customers contributed 93.04% of total revenue from operations. Loss of any major customer or delays in execution of their orders could adversely affect business performance.
- **Negative Operating Cash Flows:**The Company reported negative cash flows from operating activities during Fiscal 2026 and Fiscal 2024, primarily due to higher working capital requirements, inventory build-up, supplier advances, and operating losses. Continued negative cash flows may affect liquidity, increase dependence on external borrowings, and constrain future growth.
- **Dependence on Imported Components:** The Company relies on imports for several critical raw materials and electronic components, including IGBTs, semiconductors, capacitors, and microprocessors, sourced primarily from countries such as China, the United States, and the United Kingdom. Any supply chain disruptions, geopolitical tensions, foreign exchange volatility, or increase in import costs could adversely impact production schedules and margins.
- **Tender-Based Business Model:** A significant portion of the Company's business is generated through competitive tenders issued by Indian Railways. Revenue visibility is therefore dependent on the timing and success of tender awards. The Company has historically experienced a relatively low tender conversion ratio, resulting in earnings volatility and uneven order inflows.

Source: RHP

Valuation and Outlook

MV Electrosystems Limited IPO is expected to be priced between **₹400 to ₹425** per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **(-65.8)x. Industry (P/E)** Price-To-Earning-Ratio is **88.83x**

Name of the Company	Face Value (₹)	Share Price (₹)	Revenue from operations (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E	Return on Net Worth (%)	Net worth (₹ in million)	Net Asset Value per Equity Share (₹)
MV Electrosystems Limited *	5.00	[●]	494.28	(6.52)	(6.52)	NA#	(20.29)	625.71	30.58
Hind Rectifiers Limited	2.00	1,316.00	9,991.25	13.10	13.05	101.00	21.37	2,085.72	60.69

MV Electrosystems Limited is well positioned to benefit from the long-term growth opportunities arising from Indian Railways' modernization, network electrification, expansion of metro rail systems, and the Government's continued emphasis on indigenous manufacturing under the 'Make in India' initiative. Increasing investments in railway infrastructure, higher adoption of electric locomotives, and demand for advanced propulsion systems are expected to support sustained growth for the Company. The favourable macroeconomic environment, with India expected to remain one of the world's fastest-growing major economies, further strengthens the long-term demand outlook for railway infrastructure and capital expenditure.

The Company's proprietary IGBT-based 3-Phase Drive Propulsion System, strong in-house R&D capabilities, approved vendor status with Indian Railways, and integrated manufacturing model provide a competitive advantage in a niche, high-entry-barrier industry. Its sizeable executable order book of approximately ₹9,216.40 million (excluding GST and AMC) as of June 30, 2026, offers healthy revenue visibility and supports future growth prospects. The ongoing expansion into new propulsion applications, including MEMU train sets, hotel load converters, and other railway electrification products, further diversifies its growth opportunities.

However, the Company's future performance remains dependent on its ability to successfully execute its order book, secure new railway tenders, maintain technological leadership, and efficiently manage working capital requirements. High dependence on Indian Railways, customer concentration, reliance on imported electronic components, and the tender-based nature of its business continue to remain key risks. In addition, fluctuations in raw material costs, supply chain disruptions, geopolitical developments, and delays in railway procurement could impact execution timelines and profitability.

Overall, MV Electrosystems Limited appears well positioned to capitalize on India's expanding railway electrification and rolling stock modernization programmes. Supported by proprietary technology, strong engineering capabilities, long-standing customer relationships, and a robust order pipeline, the Company has favourable long-term growth prospects. Continued innovation, successful execution of large orders, expansion of its product portfolio, and prudent financial management are expected to remain the key drivers of sustainable growth over the medium to long term.

"Call us on 8448899576" to find out whether or not you should apply.

Source : RHP

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