



MV ELECTROSYSTEMS LIMITED

IPO NOTE

July 2026



ISSUE HIGHLIGHTS

- ❑ **MV Electrosystems Limited** is 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.
- ❑ Operating from a modern integrated facility, the company manages the complete product lifecycle including design, prototyping, precision manufacturing, testing, and commissioning. Its portfolio covers **IGBT converters, auxiliary converters, vehicle control units, driver display units, and cable protection products**, delivering application-specific solutions for both domestic and international railway projects.
- ❑ As of June 2026, MV Electrosystems' **total executable order book aggregated to ₹921.64 crore** (excluding taxes). This includes the supply of 564 3-Phase Propulsion Equipment and AMC on 555 propulsion sets valued at ₹79.9 crore for a period of three years after completion of the warranty.
- ❑ The company received a developmental order from Chittaranjan Locomotive Works (CLW), Indian Railways for one IGBT-based 3-Phase Drive Propulsion Equipment with Composite Converter for WAP-7 locomotives. The order value is ₹2.51 crore, along with a three-year comprehensive AMC worth ₹0.15 crore.
- ❑ The company also secured an order from Modern Coach Factory (MCF), Indian Railways for six Microprocessor-controlled IGBT 3-Phase Propulsion Equipment for MEMU 12-car rakes. The equipment is valued at ₹86.55 crore, with a three-year AMC of ₹4.69 crore, aggregating to a total order value of ₹91.23 crore, excluding taxes.
- ❑ Additionally, the company received an order from Banaras Locomotive Works (BLW), Indian Railways for one 2x500 KVA Hotel Load Converter. The order value is ₹0.80 crore, with a three-year AMC worth ₹0.03 crore, bringing the total to ₹0.83 crore, excluding taxes.
- ❑ Through adherence to **RDSO specifications** and **IEC/EN standards**, coupled with strong capabilities in **system integration, engineering configuration, and quality assurance**, the company positions itself as a reliable partner in **railway propulsion and electrification projects**, consistently expanding its footprint across Indian Railways.

BRIEF FINANCIAL DETAILS*

(₹ IN Cr)

Particular	As at Mar' 31,		
	2026	2025	2024
Equity Share Capital	10.23	9.14	7.37
Reserves	52.34	8.77	9.15
Net Worth	62.57	17.91	16.53
Total Borrowings	49.89	27.50	27.59
Revenue from operations	49.43	62.64	49.96
Revenue Growth (%)	(21.09)	25.38	-
EBITDA	(9.94)	8.92	6.41
EBITDA Margin (%)	(19.97)%	13.80%	12.67%
Net Profit/Loss for the Year	(12.63)	1.40	0.56
Net Profit Margin (%)	(25.36)%	2.17%	1.10%
EPS – Basic & Diluted (₹)	(6.52)	0.76	0.44
RONW (%)	(20.29)%	7.73%	3.92%
NAV - (₹)	30.58	9.80	9.04
Cash flow from operating activities	(57.55)	5.04	(5.22)
Cash flow from investing activities	(17.87)	(1.49)	(3.56)
Cash flow from financing activities	75.52	(3.63)	6.57

Source: RHP, *Restated Statement

Issue Details

Fresh Issue of Equity Shares aggregating up to ₹ 290 Cr

Issue size: ₹ 290 Cr

Face value: ₹ 5/- per share

Price band: ₹ 400 – 425

Bid Lot: 34 Shares and in multiples

Post Issue Implied Market Cap:

₹ 1,108 – 1,160 Cr

BRLMs: Sundae Capital Advisors

Registrar: KFin Technologies Ltd

Issue opens on: Thursday, **30th July'2026**

Issue closes on: Monday, **3rd August'2026**

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	04-08-2026
Refunds/Unblocking ASBA Fund	05-08-2026
Credit of equity shares to DP A/c	05-08-2026
Trading commences	06-08-2026

Issue Break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@Upper		
QIB	54,37,518	51,17,680	217.50	75%
NIB	10,87,490	10,23,502	43.50	15%
-NIB2	7,25,016	6,82,346	29.00	-
-NIB1	3,62,474	3,41,156	14.50	-
RET	7,24,982	6,82,346	29.00	10%
Total	72,49,990	68,23,528	290.00	100%

NIB-2 = NII Bid Above ₹ 10 Lakhs

NIB-1 = NII Bid between ₹ 2 to 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	34 Shares	476 Shares	2,380 Shares
Minimum Bid Lot Amount (₹)	₹ 14,450 [^]	₹ 2,02,300 [^]	₹ 10,11,500 [^]
Appl for 1x	20,069 Applications	717 Applications	1,434 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post-issue~	Post-issue [^]
2,04,59,200	2,77,09,190	2,72,82,728

~@Lower price Band ^@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	67.99%	50.99%
Promoter Group	8.93%	6.69%
Public	23.08%	42.32%
Total	100.00%	100.00%



BACKGROUND

The company was incorporated as 'MV Electrosystems Private Limited' on July 03, 2009 at New Delhi. Mohit Vohra, Amit Dhawan, Sumit Dhawan, Rahul Dhawan, Sonali Dhawan and Ramendra Pratap Singh are the Promoters of the company.

Currently, the Promoters hold 1,39,11,152 Equity Shares constituting 67.99% of the pre-Issue paid-up Equity Share capital of the company. In addition, other Promoter Group shareholders together hold 18,26,048 Equity Shares, representing 8.93% of the issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors and Senior Management Personnel

Sanjeev Mehta is the Chairman of the Board of the Company and has been associated since September 27, 2025 as an Independent Director.

Pankaj Rastogi is the Managing Director of the Company and has been associated since May 1, 2021. He continues to spearhead the Company's research and development activities.

Vipin Sharma is an Independent Director of the Company and has been associated since September 27, 2025.

Kanika Bhutani is an Independent Director of the Company and has been associated since September 27, 2025.

Mohit Vohra is a Director of the Company and has been associated since July 3, 2009. He also serves as Managing Director of Quadrant Future Tek Limited and oversees the Company's strategic direction.

Amit Dhawan is a Non-Executive Director of the Company and has been associated since September 28, 2023. He oversees the sales and marketing functions of the Company.

Sumit Dhawan is a Director of the Company and has been associated since October 22, 2018. He handles strategic sourcing and supplier management operations.

Rahul Dhawan is a Whole Time Director of the Company and has been associated since September 30, 2019. He is responsible for plant infrastructure development and overseeing plant operations.

Sanjay Kumar Singh is a Non-Executive Director of the Company and has been associated since September 28, 2023.

Ajay Kumar is the Chief Financial Officer of the Company and has been associated since July 18, 2024, transferred from MV Mobility Limited, a Promoter Group Company.

Sourabh Bansal is the Company Secretary of the Company and has been associated since July 18, 2024, transferred from MV Mobility Limited, a Promoter Group Company.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Funding long-term working capital requirements of the Company	180.00
• Investment in research design and development activities for new power electronic equipment	21.00
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue of Equity Shares [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	1,39,11,152	67.99%		1,39,11,152	50.99%
Promoter Group	18,26,048	8.93%		18,26,048	6.69%
Total for Promoters and Promoter Group	1,57,37,200	76.92%		1,57,37,200	57.68%
Public	47,22,000	23.08%	68,23,528	1,15,45,528	42.32%
Total for Public Shareholders	47,22,000	23.08%	68,23,528	1,15,45,528	42.32%
Total Equity Share Capital	2,04,59,200	100.00%	68,23,528	2,72,82,728	100.00%

Source: RHP; [^]Shares at upper price band



BUSINESS OVERVIEW

MV Electro Systems is a **technology-driven company** engaged in the design, development, assembly, and manufacturing of electrical and power electronics equipment for railway rolling stock. Their portfolio includes **IGBT-based 3-Phase Drive Propulsion equipment** for electric locomotives, switchgear panels for railway coaches and EMUs, cable protection and management products, and electrical components, systems, and sub-systems. On **September 15, 2025**, they received approval from **CLW, Indian Railways** for in-house designed and developed **3-Phase Propulsion Equipment**. This system includes traction converter-inverter, auxiliary converter, vehicle control units/train control management system, and driver display units - all indigenously developed to meet international safety and performance standards. Commercial supplies to Indian Railways commenced in **March 2026**.

Their **Vehicle Control Unit** is built on high-performance microprocessor-based modular systems, providing complete traction and propulsion control of locomotive-hauled trains with continuous monitoring and advanced fault diagnostics. On **June 12, 2026**, the **R&D Centre** received recognition from the **Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India**.

The company operates within India's rail infrastructure transition, driven by mandated broad-gauge electrification, Make-in-India procurement requirements, and network expansion including upcoming high-speed corridors. Their focus is on research, design, and development of electrical equipment and power electronics systems for the railway industry, positioning themselves as a domestic manufacturer with indigenous technology and in-house assembly and manufacturing facilities. The in-house design and development of **3-Phase Propulsion Equipment for 6000 HP Locomotive** is a key achievement, paving the way for future energy-efficient railway power conversion systems. These developments require expertise across multiple domains including electrical engineering, embedded design, software development, mechanical engineering, thermal design, and instrumentation. With CLW approval, they have become one among the **global players** possessing proprietary technology for rail propulsion equipment. As Indian Railways advances towards higher speed and efficiency, the demand for advanced power conversion systems, including propulsion equipment, will continue to grow. As **Indian Railways** moves towards higher speed and efficiency of trains and locomotives, the demand for advanced and new-generation **power conversion systems**, including propulsion equipment, will continue to grow.

The company's **Research, Design & Development Centre** at Faridabad, Haryana, comprises a multidisciplinary team with expertise in **power hardware, control hardware, traction power, software, and mechanical design**. Collectively, they are capable of designing complex systems and sub-systems without reliance on external design houses. This capability enables them 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. These solutions are designed for **MEMUs, EMUs, Vande Bharat trains, and metro trains**, aligning with future sustainability requirements and supporting technology upgrades for Indian Railways and other regions.

Recent Business Agreements:

They entered the **rail electrical infrastructure products** segment through a **Business Cooperation Agreement** dated **August 13, 2025** with **PNC Technologies Co. Ltd., South Korea**. The agreement, valid for three years, is for exclusive collaboration in manufacturing, supply, and distribution of **Automatic Fault Locator systems** for 25 KV rail overhead electrification lines across India.

On **March 11, 2026**, a **Letter of Intent** was signed, followed by a **Consortium Agreement** dated **July 2, 2026**, between the Company, **Hansung Heavy Industrial Co. Ltd** (Republic of Korea), and **Param Enterprises Pvt Ltd** (India). This consortium was formed to participate 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).

Under this arrangement: The company is responsible for design, development, supply, and installation of traction and auxiliary converter-inter systems, Train Control Management System, and coordination of installation and commissioning, along with comprehensive maintenance and after-sales service. **Hansung Heavy Industrial Co. Limited** is responsible for design, development, and supply of traction motors, along with technical support and training. **Param Enterprises Private Limited** is responsible for on-site installation of aggregates and equipment inside the coaches.

Following this participation, they received a **Letter of Acceptance** for six MEMU (On Board – 12 Car Rakes) projects, with an aggregate value of **~₹86.55 crore** and a five-year comprehensive annual maintenance contract valued at **~₹4.69 crore**, both excluding GST.

Power Electronics in Railway Industry: Propulsion Equipment

Railway propulsion equipment refers to the integrated mechanism responsible for conversion and consistent supply of filtered power to run trains. It comprises a complex arrangement of components that deliver uninterrupted power to rolling stock. In electric propulsion systems, **25 KV overhead power** is fed to the traction transformer, then converted to DC, filtered, and inverted back to AC to supply stable power to traction motors. Propulsion equipment ensures efficient, consistent, and environmentally sustainable movement of passenger and freight trains across extensive railway networks.

RESEARCH, DESIGN & DEVELOPMENT CENTRE

Existing R&D Centre

The company's in-house **Research, Design & Development Centre** at Plot No. 7, Site No. 2, 14/3, Mathura Road, Faridabad, Haryana, is the technological backbone of their operations. It is dedicated to innovation, engineering, and advancement of complex, high-performance power electronics and railway systems. The Centre enables in-house product development aligned with international standards and the evolving needs of Indian Railways and global customers.

The test setups at the Centre simulate locomotive working conditions to assess efficiency and accuracy of propulsion equipment, ensuring a robust product development environment. On **June 12, 2026**, the Centre was accorded recognition by the **Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India**.

Key Capabilities

- **End-to-end product engineering:** Concept design, 3D modeling, simulations, prototyping, validation, and support for commercial production.
- **Specialized railway systems:** Expertise in propulsion equipment, overhead traction power lines, vehicle control units/train control management systems, and electrical apparatus.
- **Compliance-driven development:** Products meet or exceed RDSO, IEC, and CEN standards.
- **Indigenous design capability:** Focus on "Make in India" to reduce import dependence and enhance self-reliance.
- **Test and validation infrastructure:** In-house facilities for thermal, vibration, electrical, and performance validation under real-world railway conditions, with 11 KV power connection and step-up transformer to simulate 19–37 KV environments.

Software Tools

Their Centre uses Matlab, SolidWorks (mechanical design), Cadence (ORCAD) (PCB design), and ANSYS (CFD and FEA analysis). These tools support design and development of hardware/software products, mechanical systems, and overall system engineering, while simulating test conditions and system performance.

Proposed New R&D Centre

To expand operations, they entered into a lease agreement dated April 9, 2026 for an additional facility at Faridabad, Haryana. The lease commenced on June 1, 2026 and is valid until April 30, 2027 (11 months), with an option to renew for three years. The proposed Centre will strengthen product development capabilities. The facility will enhance advanced product design, prototype development, testing, and validation, supporting future growth and technology initiatives.

New products under development

With the completion of design and development of 3-Phase Propulsion Equipment, the company's R&D team is now focusing on new opportunities in the railway industry.

- They have received a Letter of Acceptance dated June 27, 2026 from Modern Coach Factory, Raebareli, Indian Railways for 6 MEMU (On Board – 12 Car Rakes) valued at ₹86.55 crore, along with a five-year comprehensive annual maintenance contract of ₹4.69 crore, both excluding GST.
- They have also received a developmental order dated September 10, 2025 from CLW, Indian Railways for one IGBT - based 3-Phase Drive Propulsion Equipment with Composite Converter for WAP-7 locomotives, valued at ₹2.51 crore, with a three-year maintenance contract of ₹0.15 crore, excluding GST.
- Further, a developmental order dated December 1, 2025 was received for one set of 2x500 KVA IGBT-based Hotel Load Converter for WAP-7 locomotives, valued at ₹0.80 crore, with three-year maintenance charges of ₹0.03 crore, excluding GST.



- They have entered into a Business Cooperation Agreement dated August 13, 2025 with PNC Technologies Co. Ltd., South Korea for three years, to collaborate exclusively in marketing, manufacturing, supply, and distribution of Auto Fault Locator systems in India, ensuring minimum 51% Indian content under the “Make in India” policy.
- Additionally, the Ministry of Railways has approved procurement of integrated propulsion kits for 50 locomotives each by BLW and CLW, subject to design approval and prototype clearance. This creates an opportunity for the company to diversify into production of propulsion equipment, traction motors, traction transformers, bogies, suspension systems, transmission systems, and other components required in delivery of such integrated propulsion kits.

COMPANY PRODUCTS

Product	Product details
Propulsion Equipment	The Company’s IGBT-based 3-Phase Drive Propulsion Equipment is designed for WAP-7 locomotives of Indian Railways. Using IGBT switching technology (Insulated Gate Bipolar Transistor), these systems deliver higher reliability and efficiency compared to older GTO-based propulsion systems.
Traction Converters	The IGBT traction converter is a key part of locomotive propulsion, enabling efficient control of high power and voltage. By combining the features of bipolar transistors and MOSFETs, IGBTs deliver greater performance and efficiency than older systems.
Auxiliary Converters	The Company’s Auxiliary Converters support key onboard systems like lighting, HVAC, and passenger services. Built with IGBT technology, they ensure high efficiency and reliability. The features include SS-304 enclosures with IP54 protection and DSP-based electronics for precise monitoring. These converters are designed for 25kV AC, 6000 HP locomotives.
Vehicle Control unit (VCU)	The VCU is the locomotive’s central hub, housed in a steel cabinet, that manages operations through inputs from onboard equipment. It integrates a communication unit for data exchange, a CPU for control logic, digital and analog interfaces for signals, and a switch-mode power supply for regulated power. Together, these modules ensure reliable and efficient locomotive control.
Driver Display Unit (DDU) / Human Machine Interface (HMI)	The Driver Display Unit (DDU) is the interface between the driver and the locomotive’s control system. It displays operational status, errors, and faults, while being resistant to shock, vibration, dust, and water. Powered by ARM microcontrollers, it offers flexible design, wide display screens for subsystem monitoring, troubleshooting support.
Assembling cum Mfg process for IGBT-based 3-phase propulsion equipment	The Company presently undertakes assembling-cum-manufacturing of IGBT-based 3-phase propulsion equipment for electric locomotives. The process is primarily assembly-oriented, involving system integration, engineering configuration, testing, and quality assurance. All activities are carried out in line with RDSO specifications and applicable IEC/EN standards, ensuring compliance and reliability.
Switchgear & rail coach / EMU panels	The Company manufactures switchgear solutions tailored to railway specifications, ensuring safe power distribution and integration with electrical systems. Products include electrical and control panels, switchboard cabinets, and junction boxes, with panels installed inside coaches or beneath bogies as required. With complete in-house manufacturing and testing, the Company delivers durable, high-performance solutions built on quality, precision engineering, and compliance.
Cable protection & management products	The Company supplies wires and cables essential for railway control and power distribution. In locomotives and coaches, they are routed through flexible conduits with plastic-metal fittings. Their range includes conduits, protection tubing, end fittings, and expandable jackets, all made from specially compounded polymers that provide fire safety, low-smoke output and insulation.

REVENUE FROM OPERATIONS

Revenue from Operations	For year ended March 31,		
	FY 2026	FY 2025	FY 2024
Sale of Goods	49.40	62.64	49.88
Scrap Sales	0.03	0.00	0.08
Total Revenue from operations	49.43	62.64	49.96

Disaggregation of revenue into Operating Segments and Geographical areas

Sector-wise Sales Category	FY 2025-26		FY 2024-25		FY 2023-24	
	Amount (₹ Cr)	% of Total	Amount (₹ Cr)	% of Total	Amount (₹ Cr)	% of Total
Indian Railways	33.21	67.20%	45.70	72.96%	32.37	64.80%
Private Sector (other than Group)	7.88	15.94%	16.49	26.32%	15.04	30.11%



Sector-wise Sales Category	FY 2025-26		FY 2024-25		FY 2023-24	
	Amount (₹ Cr)	% of Total	Amount (₹ Cr)	% of Total	Amount (₹ Cr)	% of Total
Private Sector (Group Companies)	3.63	7.34%	0.45	0.72%	1.05	2.10%
Sub-total	44.72	100.00%	62.64	100.00%	48.46	97.00%
Rolling Stock Electrics & Propulsion – Indian Railways	4.71	-	-	-	1.50	3.00%
Sub-total	4.71	-	-	-	1.50	3.00%
Total Revenue from Operations	49.43	100.00%	62.64	100.00%	49.96	100.00%

The sales mix of revenue from operations of the Company, based on the direct supply to Indian Railways and the OEM suppliers to Indian Railways

Nature of Customers	FY2026	FY2025	FY2024
	Amount (₹ Cr)	Amount (₹ Cr)	Amount (₹ Cr)
Indian Railways (Zonal railways / divisions / production units)	37.92	45.70	33.87
OEM Suppliers & Private Sector	11.51	16.94	16.09
Revenue from Operations	49.43	62.64	49.96

The breakup of the Top-1, Top-3, Top-5 and Top-10 customers of the company:

Nature of Customers	For the Financial Year ended March 31,					
	2026		2025		2024	
	Amount (₹ Cr)	% of Revenue from operations	Amount (₹ Cr)	% of Revenue from operations	Amount (₹ Cr)	% of Revenue from operations
Top One Customer	37.92	76.72%	45.70	72.96%	33.87	67.80%
Top Three Customers	40.87	82.69%	50.29	80.29%	38.30	76.66%
Top Five Customers	42.84	86.67%	53.20	84.94%	40.27	80.60%
Top Ten Customers	45.99	93.04%	57.64	92.01%	43.33	86.73%

ORDER BOOK

Order book for 3-Phase Propulsion Equipments:

The summary of the executable orders in hand for 3-Phase Propulsion Equipment as on June 30, 2026

Customer	Date of PO	Units	Basic Rate (₹ Cr)	Order Value excl. GST (₹ Cr)	Order Value incl. GST (₹ Cr)	AMC / Unit (₹ Cr)	AMC Value excl. GST (₹ Cr)	AMC Value incl. GST (₹ Cr)	Total Value excl. GST (₹ Cr)	Total Value incl. GST (₹ Cr)
Banaras Locomotive Works	Jan 27, 2026	13	16.40	21.32	25.16	1.23	1.60	1.89	22.92	27.04
Patiala Locomotive Works	Jan 16, 2026	76	16.50	125.40	147.97	1.20	9.12	10.76	134.52	158.73
Banaras Locomotive Works	Jan 09, 2026	161	16.40	264.04	311.57	1.23	19.80	23.37	283.84	334.94
Chittaranjan Locomotive Works	Dec 24, 2025	200	16.40	328.00	387.04	1.23	24.60	29.03	352.60	416.07
Chittaranjan Locomotive Works	Jan 20, 2025	15	15.90	23.85	28.14	1.17	1.76	2.07	25.61	30.21
Patiala Locomotive Works	Aug 29, 2024	59	16.60	97.94	115.57	1.17	6.90	8.15	104.84	123.72
Chittaranjan Locomotive Works	Mar 25, 2021	9	15.10	13.59	16.04	—	—	—	13.59	16.04
Banaras Locomotive Works	Mar 12, 2021	20	15.28	30.56	36.06	1.19	2.38	2.81	32.94	38.87
Diesel Loco Modernisation Works	Feb 12, 2020	11	15.40	16.94	19.99	1.38	1.52	1.79	18.46	21.78
Total	—	564	—	921.64	1,087.54	—	67.68	79.86	989.32	1,167.40

MANUFACTURING FACILITIES

Assembling cum Manufacturing Facilities:

The company's **Unit 1 facility** is located at Village Baghola, Palwal, Haryana, supported by a dedicated **Research, Design & Development Centre** at Faridabad, Haryana. The team focuses on energy-efficient propulsion technologies, lightweight systems, and advanced digital control platforms. Unit 1 and the R&D Centre adhere to stringent quality control processes to meet inspections by **RDSO** and Indian Railways, ensuring conformity with customer requirements. The Company is certified under **IRIS Standards ISO/TS 22163:2017** and holds **ISO 45001:2018, ISO 14001:2015, and ISO 9001:2015** certifications, ensuring compliance with international safety and performance standards.

Expansion to Unit 2

With dedicated focus on production of **3-Phase Propulsion Equipment** at Unit 1, the Board of Directors, in its meeting held on **August 5, 2026**, approved shifting of manufacturing operations for cable protection and interconnected products to a proposed **Unit 2** at Nangla Bhiku, Tehsil Palwal, District Palwal, Haryana. The Board also approved installation of **three test setups** at Unit 2, funded through internal accruals or equipment financing. For Unit 2, they have received **Consent to Operate, Factory Registration Certificate, and Fire Safety Certificate**, enabling commencement of partial manufacturing operations.

The Company's assembling-cum-manufacturing unit was formally approved by the Centre for Design and Development, Chittaranjan Locomotive Works, effective October 15, 2020, for production of IGBT-based 3-phase drive propulsion equipment. This approval process involved a detailed review of the Company's technical expertise and manufacturing capability, ensuring compliance with customer specifications and validating readiness to deliver advanced propulsion systems.

The details of estimated annual installed capacities and Capacity Utilization at the manufacturing facility:

Final Product	Unit	As of, and for the year ended March 31,								
		2026			2025			2024		
		Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization
Switch Board Cabinet Panel	Nos.	1,650	1,650	100.00%	1,650	1,623	98.36%	1,650	1,650	100.00%
Cable Protection Conduit Tubing	Mtr.	19,50,000	9,00,700	46.19%	19,50,000	16,50,000	84.62%	19,50,000	15,00,000	76.92%
Conduits End Fittings	Nos.	2,25,000	1,14,632	50.95%	2,25,000	2,10,000	93.33%	2,25,000	1,85,000	82.22%
Expandable Cable Jackets	Mtr.	6,60,000	4,72,000	71.52%	6,60,000	5,70,000	86.36%	6,60,000	5,80,000	87.88%
Propulsion System	Nos.	114	3	2.63%	114	Nil	Nil	114	Nil	Nil

COMPETITIVE STRENGTHS

- 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**

MV Electrosystems is a systems design and engineering-focused railway technology company, with focus on the railway industry. Distinguished by strong in-house research, design and development capabilities, they have successfully developed IGBT-based 3-Phase Drive Propulsion System that meets stringent performance, safety, and regulatory requirements specified by Railways. With increasing demand for diverse rolling stocks in India and other regions, including high-speed trains, high-power locomotives for freight corridors, low-cost lightweight ropeways and trams for urban areas, EMUs and metro trains, and upgradations of existing platforms. Their integrated approach combining mechanical, electrical, and software engineering enables them to reduce dependency on external suppliers, accelerate induction of new products, and maintain greater control over quality and proprietary intellectual property.

- 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 has high entry barriers due to stringent approvals, complex technology, long qualification cycles, certifications, and capital-intensive product development. Their dedicated R&D Centre with specialized teams has built strong expertise in rolling stock power electronics, enabling them to adapt quickly to design changes and new requirements of Indian Railways. They are self-sufficient in technology, not dependent on domestic or international firms, which strengthens their competitive edge. This approach reinforces their commitment to innovation and positions them as a reliable supplier of advanced railway propulsion solutions, ensuring long-term sustainability and industry leadership.

- Long-standing and deep relationship with Indian Railways**

The company's continuing relationship with Indian Railways reflects their commitment to quality, research, design, and development, as well as their operational and managerial capabilities. Their domain expertise in engineering, complex software creation, and advanced manufacturing processes has been instrumental in obtaining approvals for their 3-Phase



Propulsion Equipment and securing repeat orders. The intricacies and inter-dependencies involved in propulsion equipment design ensure a lasting customer relationship. Their proven track record of execution, deep domain knowledge, and ability to meet stringent RDSO technical requirements have positioned them as a key supplier of propulsion systems for electric locomotives.

- ***Experienced Promoter and management team with strong implementation skills and operational effectiveness***

The company's leadership team combines strong knowledge of Indian Railways' technical specifications with proven product development expertise. Supported by over 35 engineers, they focus on design, development, and indigenous manufacturing processes. They are led by Promoter Mohit Vohra, associated with the Company since 2009, with over 17 years of experience.

KEY BUSINESS STRATEGIES

- ***Leverage the domain experience and capabilities by continuing to diversify the product base and increase penetration across different global regions & synergetic potential applications like Renewable Energy Projects, Industrial & Commercial Power Conversion Systems, Energy Storage Systems, Electric Mobility & Charging Infrastructure.***

The company manufactures highly complex propulsion systems for locomotives, which enables them to also produce less complex items at scale, strengthening their relationship with Indian Railways and allowing them to compete globally. Leveraging their domain expertise in power electronics and system engineering, they plan to broaden their product base and deepen their presence in the Indian Railways supply chain by introducing new products aligned with evolving requirements of rolling stock and traction systems.

They continue to invest in indigenous design, simulation, prototyping, and validation capabilities to support new system development and ensure compliance with RDSO/CLW approval pathways. These capabilities enable them to introduce technologically advanced products with high performance, safety, and reliability, while retaining flexibility for future upgrades without external support.

- ***Development and / or acquisition of new products that are used in conjunction with propulsion equipment in line with the newer opportunities under Indian Railways***

The company intends to continue investing in research and development, advanced manufacturing technologies, and modern equipment to strengthen their ability to meet system-level requirements, adapt to changing technical specifications, and address evolving operational needs of Indian Railways. In addition, they plan to pursue the necessary design approvals and prototype clearances through prescribed RDSO and CLW pathways, ensuring qualification for participation in the enhanced procurement ecosystem.

- ***Increase the manufacturing capabilities, reduce operating costs and improve operating efficiencies***

To strengthen the in-house testing and quality assurance, the company has installed a dedicated test set-up at Unit 1 for propulsion equipment, enabling comprehensive checks on voltage, current, load endurance, thermal stability, and efficiency before dispatch. In March 2026, they also commissioned a Surface Mount Technology (SMT) line for in-house production of control electronics assemblies, power modules, and interfaces, improving quality control, reducing lead times, and lowering costs.

Following approval of their 3-Phase Propulsion Equipment, they are now eligible to participate as a bulk supplier in Indian Railways tenders, securing 27.12% of the net procurable quantity in FY 2025-26. To support higher production volumes and anticipated orders, they are setting up an additional assembling-cum-manufacturing facility at Nangla Bhiku, Palwal, Haryana (Unit 2), strategically located near Unit 1 to optimize infrastructure, manpower, and logistics while minimizing overhead costs.

- ***Make in India and focus on developing in-house intellectual property rights***

The 'Make in India' initiative, launched in 2014, aims to boost local manufacturing through innovation, infrastructure, and favorable policies, with **24 sub-sectors** identified by DPIIT including railways, automobiles, defence, and electronics. The company's strategy is aligned with **Make in India** and **Atmanirbhar Bharat**, driving indigenisation in railway propulsion and power electronics. With integrated in-house capabilities across **mechanical, electrical, electronics, software, and systems integration**, they maintain complete control over product design, development, testing, and validation.

- ***Scalable Business Model with Focus on High-Value Products and opportunity to enter into rolling stock manufacturing capabilities***

The company operates in a high entry-barrier industry with a scalable, capital-efficient model focused on technology-driven railway products. This enables sustainable margins, long-term growth, and stronger market positioning. Looking ahead, their engineering foundation and integrated value chain create a natural pathway into rolling stock manufacturing, aligning with infrastructure growth and positioning them to contribute meaningfully to India's transportation evolution.

COMPETITION

Competition in the railway propulsion equipment segment is intense, with established global and domestic players holding strong positions. Rivals may strengthen themselves further through alliances or business combinations, limiting their ability to access similar opportunities.

Their primary competitors in the railway propulsion equipment segment include established global manufacturers and Indian suppliers with either indigenous development or foreign technology tie-ups. Key players supplying locomotive propulsion systems to Indian Railways are **Medha Servo Drives, CG Power, Siemens, Alstom, and BHEL**.

KEY FACTORS AFFECTING COMPANY OPERATIONS

- **Ability to expand their product offerings, retain existing customers and attract new customers:** The company's ability to effectively execute their expansion strategy depends on successfully opening new stores. They have made significant investments in research, design and development for power electronics and will continue such efforts to improve their propulsion system.
- **Customer:** The company's strategy is focused on significantly expanding their product development and market presence in rolling stock manufacturing. This includes a strong emphasis on propulsion equipment required for various types of rolling stock. They also aim to broaden their focus on power conversion systems for other industries such as solar power, wind power, energy storage, industrial and commercial systems, and electric mobility.
- **Maintain operational efficiencies:** In order to grow their operations and become profitable with new products and orders, they have to maintain operational efficiencies which depends on various factors including R&D cost, cost of production and efficient supply chain for raw material.
- **Cost of procuring raw materials and manufacturing their products:** A majority of key components are imported or sourced through local offices of importers or their suppliers in India, making them dependent on foreign suppliers. The company do not have a history of long-term agreements with them covering price or quantum, which exposes them to risks relating to availability and pricing of electrical components. These risks include supply disruptions due to demand surplus or quality issues. Suppliers may also allocate components to other customers, limiting the quantity available for them.

COMPARISON WITH LISTED INDUSTRY PEERS (FOR FINANCIAL YEAR ENDED MARCH 31,2026)

Name of the Company	Consolidated /Standalone	Face Value (₹)	Share Price as on 30-06-2026 (₹)	Revenue from Operations (₹ Cr)	EPS		P/E	Return on Net Worth (%)	Net Worth (₹ Cr)	NAV (₹)
					Basic (₹)	Diluted (₹)				
MV Electrosystems Ltd	Restated	5	[-]	49.43	(6.52)	(6.52)	NA#	(20.29)	62.57	30.58
Hind Rectifiers Ltd	Consolidated	2	1,159.20	999.13	13.10	13.05	88.83	21.37	208.57	60.69

Source: RHP; # Since Basic and Diluted EPS for Fiscal 2026 is negative, PE cannot be ascertained

Comparison of Financial KPIs of the company with listed peers

Particulars	MV Electrosystems			Hind Rectifiers		
	FY2026	FY2025	FY2024	FY2026	FY2025	FY2024
Revenue from operations (₹ Cr)	49.43	62.64	49.96	999.13	655.37	517.55
Total income (₹ Cr)	49.79	64.64	50.57	1,000.77	656.85	518.16
EBITDA (₹ Cr)	(9.94)	8.92	6.41	85.72	71.79	44.85
EBITDA margin (%)	(19.97%)	13.80%	12.67%	8.58%	10.93%	8.66%
Operating EBITDA (₹ Cr)	(10.31)	6.92	5.80	84.08	70.31	44.24
Operating EBITDA margin (%)	(20.85%)	11.04%	11.60%	8.41%	10.73%	8.55%
PAT before OCI (₹ Cr)	(12.63)	1.40	0.56	38.60	37.11	12.51
PAT after OCI (₹ Cr)	(12.70)	1.38	0.65	38.23	37.11	12.55
PAT margin (%)	(25.36%)	2.17%	1.10%	3.83%	5.65%	2.41%
ROE (%)	(31.55%)	8.04%	4.44%	18.75%	26.10%	10.63%
Debt to Equity Ratio	0.80	1.54	1.67	1.13	0.99	1.04
Interest Coverage Ratio	(3.81)	1.79	1.44	4.50	4.80	2.94
ROCE (%)	(17.69%)	22.13%	14.11%	16.14%	31.89%	23.73%
Current Ratio	1.47	1.07	1.09	1.12	1.21	1.21
Net Capital Turnover Ratio	1.58	19.50	16.43	21.92	14.46	14.36



Restated Summary Statement of Cash Flows

(₹ Cr)

Particulars	Year ended March 31,		
	2026	2025	2024
Profit before tax	(16.89)	2.54	1.14
Adjustments Related to Non-Cash & Non-Operating Items	7.13	7.04	4.90
Operating Profits before Working Capital Changes	(9.76)	9.58	6.04
Adjustments for Changes in Working Capital	(45.88)	(3.75)	(10.78)
Net cash generated from operations before tax	(55.64)	5.83	(4.74)
Income tax (paid)/Refund, (net)	(1.91)	(0.79)	(0.48)
Net cash generated from operating activities	(57.55)	5.04	(5.22)
Net cash used in investing activities	(17.87)	(1.48)	(3.55)
Net cash used in financing activities	75.52	(3.63)	6.57
Net (decrease)/ increase in cash and cash equivalents during the period	0.10	(0.07)	(2.20)
Cash and Cash Equivalents at the beginning of the year	0.08	0.15	2.35
Cash and cash equivalents as at the end of the period	0.18	0.08	0.15

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