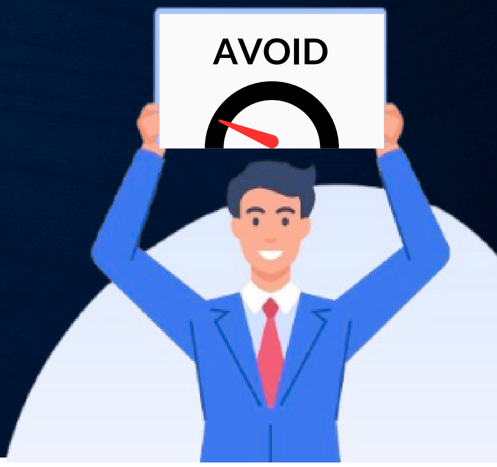
// सर्वे भवन्तु धनिनः //

swastika



IPO NOTE

MV ELECTROSYSTEMS LIMITED

Rating:

AVOID

ISSUE OFFER	
Issue Opens on	JULY 30, 2026
Issue Close on	AUG 03, 2026
Total IPO size (cr)	₹290
Fresh issue (cr)	₹290
Offer For Sale (cr)	-
Price Band (INR)	₹400-425
Market Lot	34 SHARES
Face Value (INR)	₹5
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹1,159.52 CR.

ISSUE BREAK-UP (%)

QIB Portion	75%
NII Portion	15%
Retail Portion	10%

INDICATIVE TIMETABLE	
Basis of Allotment	04-08-2026
Refunds/Unblocking ASBA Fund	05-08-2026
Credit of Share to Demat A/c	05-08-2026
Listing Date	06-08-2026

MV Electrosystems Ltd. designs, develops, and manufactures electrical and power electronics equipment for the railway sector, including propulsion systems, switchgear panels, cable management products, and other electrical components.

OBJECTS OF THE ISSUE

- Long-term working capital
- R&D for power electronics
- General corporate purposes

FINANCIALS (RESTATED CONSOLIDATED)

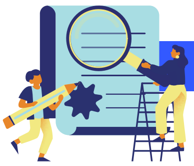
PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	10.23	9.14	7.37
Net Worth	62.57	17.91	16.53
Revenue from operations	**49.43**	**62.64**	**49.96**
EBITDA Margin%	(19.97)%	13.80%	12.67%
Net Profit/Loss of the year	**(12.63)**	**1.40**	**0.56**

FINANCIAL RATIOS OF FY26

ROCE	ROE	P/E (Pre IPO)
-17.69%	-31.55%	-

OUTLOOK & VALUATION

- FY26 performance weakened, with revenue declining ~21% YoY and the company reporting a ₹12.6 crore net loss.
- Related-party exposure through promoter loans and transactions warrants investor attention.
- Traditional valuation metrics such as P/E offer limited relevance given the company's loss-making status.
- The investment case is execution-driven, requiring sustained revenue growth and margin improvement.
- Risk-averse investors may prefer to await operational consistency over the next few quarters before taking exposure.



COMPANY PROFILE

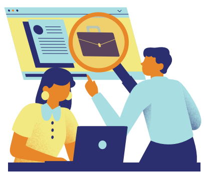
- Founded in 2009, MV Electrosystems designs, develops, assembles, and manufactures electrical & power electronics equipment for the railway sector.
- Its product portfolio includes IGBT-based 3-phase propulsion systems, switchgear panels, cable management products, and electrical sub-systems for locomotives and railway coaches.
- The company benefits from India's railway electrification, network expansion, and Make in India initiatives.
- It follows an integrated design, manufacturing, and quality-testing process to ensure product reliability.
- The company focuses on innovation, precision engineering, and customized solutions for its customers.
- MV Electrosystems aims to deliver high-performance and long-lasting electrical solutions across railway and industrial applications.

COMPETITIVE STRATEGIES

- Expand product portfolio into renewable energy, EV charging, energy storage, and power conversion systems.
- Develop new railway products aligned with Indian Railways' future requirements.
- Increase manufacturing capacity while improving efficiency and reducing costs.
- Focus on Make in India and build in-house intellectual property (IP).
- Scale the business with high-value products and explore opportunities in rolling stock manufacturing.

KEY CONCERNS

- High dependence on Indian Railways for revenue.
- Manufacturing and R&D limited to Haryana.
- Reliance on imported raw materials and electronic components.
- Dependent on tender-based orders, with limited long-term contracts.
- Negative operating cash flows in recent years.



KEY STRENGTHS

- Strong in-house R&D in railway power electronics and propulsion systems.
- High entry barriers due to strict railway safety and approval standards.
- Long-standing supplier to Indian Railways.
- Integrated design, manufacturing, and quality testing capabilities.
- Experienced management with deep railway industry expertise.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
MV Electrosystems Ltd	**(6.52)**	**-**	**30.58**	**49.43**	**(20.29)**
Peer Group					
Hind Rectifiers Ltd	13.10	88.83	60.69	999.13	21.37

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Research Analyst Reg. No. :INH000024073
CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.