MANGAL ELECTRICAL INDUSTRIES LTD

August 18, 2025

SMC Ranking

★½☆☆☆ (1.5/5)

Issue Highlights

Industry	**Electrical**
Fresh Issue (Shares)	7,130,124
Net Offer to the Public	**7,130,124**
Issue Size (Rs. Cr.)	380-400
Price Band (Rs.)	533-561
Offer Date	20-Aug-25
Close Date	22-Aug-25
Face Value	10
Lot Size	26

Issue Composition

	In shares
Total Issue for Sale	7,130,124
QIB	3,565,062
NIB	1,069,519
Retail	2,495,543

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	74.19%
QIB	0.00%	12.90%
NIB	0.00%	3.87%
Retail	0.00%	9.03%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Mangal Electrical IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the Company
2. Capital expenditure including civil works of the Company for expanding the facility at Unit IV situated at Reengus Sikar District, Rajasthan
3. Funding working capital requirements of the Company
4. General corporate purposes

Book Running Lead Manager

- Systematix Corporate Services Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

Incorporated in 2008, Mangal Electrical Industries Limited manufactures transformers for electricity distribution and transmission in the power sector. The company produces key transformer components such as lamination, CRGO slit coils, amorphous cores, coil and core assemblies, wound cores, toroidal cores, and oil-immersed circuit breakers. Marketed under the brand name “Mangal Electrical”, its products enjoy strong brand recognition. The company also trades CRGO and CRNO coils, amorphous ribbons, and manufactures transformers ranging from 5 KVA to 10 MVA. Additionally, it provides EPC services for establishing electrical substations. Mangal Electrical operates five production facilities in Rajasthan with an annual capacity of 16,200 MT of CRGO, 10,22,500 KVA of transformers, 75,000 units of ICB, and 2,400 MT of amorphous units. Its portfolio includes high-efficiency CRGO wide coils, precision CRGO slit coils, and core assemblies designed to reduce energy loss and enhance performance. As of June 30, 2025, the company employed 761 people across offices and manufacturing units.

Strength

Strong leadership and experienced management: Mangal Electrical Industries Ltd. has witnessed consistent business growth under the vision and leadership of its promoters, who bring over 35 years of experience in the power infrastructure sector. Promoter Rahul Mangal, with a science degree from the University of Rajasthan, has led the company since inception, while Promoter Aniketa Mangal, associated since 2016, has strengthened business development and expanded operations from transformer manufacturing to component processing. Supported by a qualified and technically skilled workforce, the company benefits from strong managerial depth. Its senior management provides strategic guidance, industry insight, and operational expertise, enabling Mangal Electrical to navigate market shifts, strengthen customer relationships, and drive sustainable long-term growth.

Approvals and certifications supporting market leadership: Mangal Electrical Industries Ltd. has secured critical approvals and certifications that position it among select players in the power infrastructure sector. Its Unit IV facility holds NABL certification and PGCIL approval for processing transformers and reactors up to the 765 kV class, alongside ISO 9001:2015 and ISO 14001:2015 certifications. The company is also NTPC-approved for CRGO processing and, in Fiscal 2025, received PGCIL approval to manufacture transformers of 765 kV capacity. These certifications enhance its credibility and operational capabilities, enabling it to serve a global customer base with stringent quality requirements. Such approvals establish Mangal Electrical as a trusted and competitive player in high-voltage transformer manufacturing and component processing.

Diversified customer base ensuring resilience: Mangal Electrical Industries Ltd. derives its strength from a highly diversified customer base spanning India and global markets. The company caters to power utilities, industrial conglomerates, infrastructure developers, and public sector enterprises, ensuring access to multiple revenue streams and reduced dependence on any single sector. This customer diversity enhances market resilience and enables the company to capture growth opportunities across varied industries and geographies. By engaging with a wide spectrum of clients, Mangal Electrical adapts swiftly to evolving market conditions, ensuring business stability and visibility of

long-term growth. This strategic diversification strengthens its competitive position, sustains scalability, and drives consistent value creation for stakeholders.

Backward and forward integration driving efficiency: Mangal Electrical Industries Ltd. leverages strong backward and forward integration to enhance operational efficiency and maintain competitive advantage. Through in-house capabilities for procuring and processing key raw materials such as CRGO, amorphous, and ICB, the company ensures consistent quality, cost control, and reduced reliance on external suppliers. Forward integration is achieved by deploying its transformer manufacturing expertise and components within its EPC vertical, enabling seamless delivery from production to installation and lifecycle support. This integration optimizes timelines, reduces costs, and improves customer satisfaction, while strengthening margins and supply chain control. By managing key stages of the value chain, Mangal Electrical ensures operational agility, sustainable growth, and industry leadership.

Consistent track record of growth: Mangal Electrical Industries Ltd. has established a consistent track record of growth, reflecting its strong market presence and operational excellence in the power infrastructure sector. The company has delivered steady revenue growth by capitalizing on domestic and international opportunities, even amid market volatility. Its ability to adapt to industry trends, expand its product portfolio, and cater to diverse sectors such as power, industrial, infrastructure, and renewable energy underscores its agility and foresight. Importantly, the company has remained profitable since inception, highlighting its strategic vision and financial discipline. This proven growth trajectory positions Mangal Electrical as a resilient, stable, and forward-looking enterprise with strong prospects for sustained performance.

Strategy

Expansion of manufacturing capacity: Mangal Electrical Industries Ltd. is committed to expanding its manufacturing capacity at existing facilities to meet the growing demand for transformer components across energy, industrial, and infrastructure sectors. The company plans targeted investments in advanced technology, plant reconfiguration, and new production lines to improve output and efficiency. With ample land at its Unit IV facility, it intends to install additional plants and machinery to scale operations. Workforce upskilling and phased implementation will ensure minimal disruption during expansion. This approach will enhance flexibility, improve operational efficiency, and position Mangal Electrical for sustainable growth while maintaining a competitive edge in transformer manufacturing.

Qualification for 765 kV class approval: Mangal Electrical Industries Ltd. is strategically enhancing its operational capacity by pursuing 765 kV class approval from PGCIL. This milestone will position the company at the forefront of the power infrastructure sector, enabling it to cater to the rising demand for high-capacity transmission solutions. Achieving this qualification will expand technical capabilities, strengthen market competitiveness, and allow the company to undertake larger, more complex projects. By aligning with stringent industry standards, Mangal Electrical reinforces its reputation for reliability and quality. The move also supports diversification of its service offerings and enhances its ability to serve power utilities and infrastructure developers effectively.

Collaboration with CRGO mill suppliers: Mangal Electrical Industries Ltd. aims to establish strategic collaborations with CRGO mill suppliers to secure a consistent supply of high-quality electrical steel essential for transformer manufacturing. Such partnerships will provide access to advanced materials that enhance product efficiency and performance while improving supply chain resilience. Although the company currently procures raw materials, including CRGO, through purchase orders without formal agreements, future collaborations will facilitate technological advancements and knowledge sharing. These initiatives will help optimize manufacturing processes, drive innovation, and strengthen market competitiveness. Through this strategy, Mangal Electrical seeks to ensure long-term growth, product reliability, and leadership in the power

infrastructure sector.

Expansion of product portfolio: Mangal Electrical Industries Ltd. is focused on diversifying its product portfolio by introducing innovative transformer solutions catering to renewable energy, infrastructure, and industrial applications. This expansion will position the company as a one-stop provider of high-efficiency transformers, enhancing energy performance, reducing operational costs, and extending product lifecycles. By integrating technological advancements and customer feedback, Mangal Electrical ensures its products exceed industry standards in quality and reliability. The broadened portfolio will enable entry into new markets, deepen client relationships, and attract new customers. This strategic initiative is designed to drive revenue growth, strengthen market leadership, and deliver long-term value to stakeholders.

Geographic diversification and customer base growth: Mangal Electrical Industries Ltd. is pursuing geographic diversification to expand its customer base and capture emerging opportunities in regions with rising demand for power infrastructure. The company has recently entered the U.S. market by supplying transformer components and plans to build a stronger international presence. At the same time, it remains committed to nurturing relationships with existing clients through regular engagement, feedback, and tailored support. Strategic partnerships with local firms and investments in regional teams will enhance adaptability and regulatory compliance. By aligning offerings with local market needs, Mangal Electrical aims to strengthen competitiveness, broaden its customer base, and ensure sustainable growth.

Risk Factor

- Mangal Electrical Industries Limited faces raw material price volatility, which may impact its business and financial performance.
- The company's dependence on CRGO products and transformer components exposes it to market risks.
- Any disruption in its manufacturing facilities or OEM suppliers could adversely affect operations.
- Reliance on contract labor may hinder project execution if labor is unavailable or costly.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Jay Bee Laminati	367.45	25.39	11.25	19.95	3.43	65.42	10	224.45	501.68
Vilas Transcore	353.05	34.17	14.04	37.67	4.76	111.19	10	528.95	1292.54
Mangal Electrical Ltd.	549.42	47.31	17.12	32.77	2.76	203.46	10	561.00	1550.05

***Peer companies financials are TTM based**
****Mangal Electrical Ltd. based on Actual Fy25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs561, the stock is priced at pre issue P/E of 24.31x on FY25 EPS of Rs 23.08. Post issue, the stock is priced at a P/E of 32.77x on its EPS of Rs. 17.12. Looking at the P/B ratio at Rs.561 pre issue, book value of Rs.79.10 of P/Bvx 7.09x. Post issue, book value of Rs.203.46 of P/Bvx 2.76x.

Considering the P/E valuation, on the lower end of the price band of Rs.533, the stock is priced at pre issue P/E of 23.10x on FY25 EPS of Rs. 23.08. Post issue, the stock is priced at a P/E of 31.13x on its EPS of Rs. 17.12. Looking at the P/B ratio at Rs. 533 pre issue, book value of Rs. 79.10 of P/Bvx 6.74x. Post issue, book value of Rs.203.46 of P/Bvx 2.62x.

Industry Outlook

The Indian transformer industry is experiencing robust growth, driven by factors such as rapid urbanization, industrialization, and increasing demand for electricity. The estimated market size for Financial Year 2025 is ₹ 353.9 billion, indicating a significant expansion in recent years. The increase in renewable contribution, particularly between Financial Year 2022 and Financial Year 2025, signifies the country's strategic push toward decarbonization and its efforts to reduce reliance on fossil fuels while fostering sustainable development through solar, wind, and other green energy sources. To support the projected energy demand of 1,907 billion units (BU) in Financial Year 2027 and 2,472 BU in Financial Year 2032 and the expected increase in peak electricity demand from 250 gigawatts (GW) in Financial Year 2025 to 277 GW in Financial Year 2027 and 366 GW in Financial Year 2032, the power transmission and distribution network will need to be strengthened and expanded with significant augmentation of the distribution infrastructure. Government schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana, Integrated Power Development Scheme, Revamped Distribution Sector Scheme, National Grid: One Nation - One Grid, Green Energy Corridor also provides a positive outlook for Transformer industry.

Outlook

Mangal Electrical Industries Ltd., backed by strong leadership, diversified customers, and backward-forward integration, is well-positioned in the power infrastructure sector. Its strategy to expand capacity, secure 765 kV class approvals, diversify products, and enter new geographies supports long-term growth. However, dependence on CRGO supply, raw material volatility, and operational risks remain challenges. Overall, with growth potential and proven execution, investors may consider its IPO for steady sector-linked opportunities.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	20-August-25
BID/ISSUE CLOSES ON	22-August-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	25-August-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	26-August-25
Credit of Equity Shares to Demat Accounts of Allottees	26-August-25
Commencement of trading of the Equity Shares on the Stock Exchanges	28-August-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	549.42	449.48	354.31
Total expenditure	467.58	406.86	309.88
Operating Profit	**81.84**	**42.63**	**44.42**
OPM%	1.49	0.95	1.25
Other Income	1.97	2.65	3.50
Total Net Income	**83.81**	**45.27**	**47.93**
Interest	15.18	13.09	11.34
PBDT	**68.63**	**32.19**	**36.59**
Depreciation	4.92	4.08	3.72
PBT	**63.71**	**28.11**	**32.87**
Tax	16.40	7.16	8.13
PAT	**47.31**	**20.95**	**24.74**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	39.23	39.43	33.50
Intangible Assets	0.24	0.33	0.43
Intangible Asset Under Development	0.25	0.00	0.00
Capital work in progress	8.64	1.62	0.00
Financial Assets			
Other Financial Assets	13.53	9.65	7.93
Other Non Current Assets	3.35	0.06	0.30
Deferred Tax Asset (Net)	1.72	2.28	1.53
Total non-current assets	**66.97**	**53.38**	**43.68**
Current asset			
Inventories	148.27	82.91	81.88
Financial Assets			
Trade receivables	129.35	88.35	87.44
Cash and cash equivalents	0.44	6.79	0.08
Bank balances other than cash and cash equivalents	0.00	0.25	0.63
Other financial assets	0.30	0.24	0.02
Other current assets	21.14	14.63	7.54
Total current assets	**299.50**	**193.17**	**177.58**
Total Assets	**366.46**	**246.54**	**221.26**
Non-current liabilities			
Financial Liabilities			
Borrowings	11.53	18.56	44.00
Provisions	2.28	1.98	1.83
Total Non- Current liabilities	**13.81**	**20.54**	**45.83**
Current liabilities			
Financial Liabilities			
Borrowings	137.58	73.56	52.64
Trades Payable - total outstanding dues of micro enterprises and small enterprises	3.80	4.72	2.53
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	32.71	21.53	17.32
Other financial liabilities	2.55	1.96	1.42
Other current liabilities	12.33	5.84	3.77
Provisions	1.42	1.23	1.23
Current Tax Liability (Net)	**0.09**	**2.18**	**2.55**
Total Current liabilities	**190.49**	**111.02**	**81.46**
Total	**204.30**	**131.55**	**127.29**
Net worth represented by:			
Equity Share Capital	20.50	14.50	14.50
Other equity	141.66	94.49	73.47
Share Capital pending for allotment pursuant to merger	0.00	6.00	6.00
Net Worth	**162.16**	**114.99**	**93.97**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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