

Rating: Neutral

Issue Offer

Fresh Issue of 2,05,00,000 shares up to INR 4,000 Mn by Promoters

Issue Summary

Price Band (INR)	533-561
Face Value (INR)	10
Implied Market Cap (INR mn)	15,500.5
Market Lot	26
Issue Opens on	Aug 20, 2025
Issue Close on	Aug 22, 2025
No. of share pre-issue	2,05,00,000
No. of share post issue	2,76,30,125
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Systematix Corporate Services Ltd

Registrar

Bigshare Services Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	74.19%
Public & Others	0%	25.81%

Objects of the issue

Exp. Amt (INR Mn.)

Funding working capital requirements	1,220
Repayment/prepayment in full or in part, of certain outstanding borrowings	1,012.6
Capital expenditure including civil works of our Company for expanding the facility at Unit IV situated at Reengus Sikar District, Rajasthan	878.5
General Proceeds	-

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Mangal Electrical Industries Limited incorporated in 2008, is a power infrastructure solutions provider engaged in manufacturing transformers, processing transformer components, and delivering EPC services to a diversified base of customers across utilities, industrial conglomerates, infrastructure developers, and PSUs. Backed by over 35 years of promoter experience and supported by a professional management team, the company has built strong technical credentials, including ISO, NABL, NTPC, and PGCIL approvals. Its ability to cater to both domestic and global clients such as Siemens, BHEL, Crompton Greaves, Voltamp Oman, and Arab Trans Egypt underscores its credibility and market reach. With integrated operations, a scalable product portfolio, and entry into new geographies like the United States, the company is strategically positioned to benefit from rising investments in India's power transmission and renewable energy sectors, ensuring long-term sustainable growth.

Investment Rationale

Diversified Customer Base Across Sectors and Geographies

A key strength lies in its broad and diversified customer base, spanning power utilities, industrial groups, infrastructure developers, and public sector enterprises. The company caters to leading domestic and global clients including Siemens, Crompton Greaves, BHEL, NTPC, Arab Trans Egypt, Voltamp Oman, and MTM Malaysia. Such a wide base reduces concentration risk and ensures resilience across market cycles. Moreover, the diversity across sectors and geographies allows the company to leverage multiple growth opportunities while maintaining revenue stability.

Integrated Business Model Enhancing Efficiency

The company's backward integration in processing of critical raw materials like CRGO, Amorphous, and ICB ensures quality control, supply chain security, and cost efficiency. Forward integration into transformer manufacturing and EPC services allows it to capture higher value across the supply chain. This combination not only strengthens operational efficiency but also improves margins, enhances customer loyalty, and reduces dependency on external suppliers. The integrated structure provides a sustainable competitive edge in a sector where reliability and cost control are critical.

Expansion Through Manufacturing Capacity and 765 kV Class Capability

Planned capacity expansion at Unit IV, coupled with securing PGCIL 765 kV class approval, positions the company to capture rising demand for large-scale, high-capacity transmission projects. This not only expands technical capabilities but also creates visibility for sustained revenue growth in India's rapidly evolving power infrastructure sector.

Approvals and Certifications Creating High Entry Barriers

Possession of critical approvals such as PGCIL (765 kV class), NABL, ISO 9001/14001, NTPC and other PSU/global clearances sets the company apart from most peers. These technical approvals are difficult to obtain and form a significant barrier to entry, providing long-term competitive advantage.

Valuation & Outlook: The company has delivered consistent revenue growth with sustained profitability since inception, supported by strong financial discipline and operational efficiency. Its integrated business model combining backward integration in CRGO processing and forward integration into transformer manufacturing and EPC has contributed to stable margins and predictable cash flows. At the upper band of INR 561, the issue is valued at a P/E ratio of 32.77x, based on FY25 EPS of INR 17.1. We are recommending a "Neutral" rating for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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