

# **Mangal Electrical Industries Ltd**

## **IPO Note**



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## Innovating Transformers for a Brighter Future

Mangal Electrical Industries Limited, founded in 1989 and headquartered in Jaipur, Rajasthan, is a leading player in the transformer component and power transformer manufacturing industry. The company designs, manufactures, and supplies high-quality transformer components such as CRGO slit coils, amorphous cores, wound cores, and oil-immersed circuit breakers. Mangal Electrical is known for its robust transformer production capabilities, producing units ranging from single-phase 5 KVA to three-phase 10 MVA, which are integral to the power and transmission sector.

The company operates five manufacturing units in Rajasthan, with a combined annual capacity of 16,200 MT for CRGO steel processing, 1,022,500 KVA for transformer production, 75,000 units for circuit breakers, and 2,400 MT for amorphous units. Mangal Electrical's significant clientele includes prominent players in the power industry such as NTPC, PGCIL, and Adani, giving it a strong market position.

In terms of financials, it has demonstrated steady growth, with a diversified revenue stream derived from both domestic and international markets. However, approximately 71% of its revenue is concentrated in three states, which could pose regional market risks. The company's heavy reliance on CRGO steel, sourced from a limited number of suppliers, also exposes it to supply chain disruptions and price volatility.

While Mangal Electrical's manufacturing units face underutilized capacity in some areas, the company is focused on increasing production efficiency, improving capacity utilization, and expanding its geographical footprint to reduce its regional dependency. Additionally, its strategic focus on quality, technological investments, and strong customer relationships provides a solid foundation for continued growth, particularly with the increasing demand in the power infrastructure and renewable energy sectors.

### Industry Chemicals

#### Scrip Details

Listing	BSE &NSE
Open Date	Aug 20, 2025
Close Date	Aug 22, 2025
Price Band	INR 533 – 561
Face Value	INR 10.0
Market Lot	26 Shares
Minimum Lot	1

#### Issue Structure

Issue Size (INR cr)	400.00
Issue Size (Shares)	71,30,124
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	2.05
Post Issue sh. (cr)	2.76
Post Issue Market Cap (cr)	1,550.05

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.0	74.2
Public	0.0	25.8
<b>TOTAL</b>	<b>100</b>	<b>100</b>

### Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	Adj BVPS (₹)	RoE (%)	RoIC (%)	EV/EBITDA (X)	P/BV (X)	P/E (X)
FY23	354.3	44.4	24.7	12.5	7.0	9.0	34.0	26.3	21.4	37.1	16.5	62.7
FY24	449.5	42.6	20.9	9.5	4.7	7.6	41.6	18.2	19.3	38.4	13.5	74.0
FY25	549.4	81.8	47.3	14.9	8.6	17.1	58.7	0.3	24.7	20.8	9.6	32.8

Source: Company RHP

## Issue Structure and Offer Details

Mangal Electrical IPO is a book build issue of ₹400.00 crores. The issue is entirely a fresh issue of 0.71 crore shares of ₹400.00 crore.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

*Number of shares based on a higher price band of INR 561*

*Source: Company Reports*

## Objects of the Issue

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

- Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the Company. (INR 101.27 cr)
- Capital expenditure including civil works of the Company for expanding the facility at Unit IV situated at Reengus Sikar District, Rajasthan. ( INR 87.86 cr)
- Funding working capital requirements of the Company. (INR 122 cr)
- General Corporate Purposes.

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	354.3	449.5	549.4	Adjusted EPS (INR)	9.0	7.6	17.1
YoY Growth (%)	62.2	26.9	22.2	Adjusted Cash EPS (INR)	10.3	9.1	18.9
Raw Material Cost	268.0	363.2	414.6	Adjusted BVPS (INR)	34.0	41.6	58.7
RM Cost to Sales (%)	75.6	80.8	75.5	Adjusted CFO per share (INR)	9.9	13.2	(10.9)
Employee Cost	13.2	17.0	23.5	CFO Yield (%)	1.8	2.4	(1.9)
Employee Cost to Sales (%)	3.7	3.8	4.3	Adjusted FCF per share (INR)	11.8	12.6	(11.1)
Other Expenses	28.7	26.6	29.5	FCF Yield (%)	2.1	2.2	(2.0)
Other Exp to Sales (%)	8.1	5.9	5.4	<b>Solvency Ratio (X)</b>			
EBITDA	44.4	42.6	81.8	Total Debt to Equity	1.0	0.8	0.9
Margin (%)	12.5	9.5	14.9	Net Debt to Equity	1.0	0.7	0.9
YoY Growth (%)	103.1	(4.1)	92.0	Net Debt to EBITDA	2.2	2.0	1.8
Depreciation & Amortization	3.7	4.1	4.9	<b>Return Ratios (%)</b>			
EBIT	40.7	38.5	76.9	Return on Equity	26.3	18.2	0.3
Margin (%)	11.5	8.6	14.0	Return on Capital Employed	16.1	13.9	24.7
YoY Growth (%)	119.1	(5.3)	99.5	Return on Invested Capital	21.4	19.3	24.7
Other Income	3.5	2.6	2.0	<b>Working Capital Ratios</b>			
Interest	11.3	13.1	15.2	Payable Days (Nos)	20	21	28
Fin Charges Coverage (X)	3.6	2.9	5.1	Inventory Days (Nos)	84	83	102
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	90	72	72
PBT	32.9	28.1	63.7	Net Working Capital Days (Nos)	154	133	146
Margin (%)	9.3	6.3	11.6	Net Working Capital to Sales (%)	42.2	32.3	44.8
YoY Growth (%)	308.9	(14.5)	126.7	<b>Valuation (X)</b>			
Tax Expense	8.1	7.2	16.4	P/E	62.7	74.0	32.8
Tax Rate (%)	24.7	25.5	25.7	P/BV	16.5	13.5	9.6
PAT	24.7	20.9	47.3	EV/EBITDA	37.1	38.4	20.8
Margin (%)	7.0	4.7	8.6	EV/Sales	4.6	3.6	3.1
YoY Growth (%)	307.3	(15.3)	125.8	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	32.9	28.1	63.7
Net Profit	24.7	20.9	47.3	Adjustments	60.2	11.2	(174.1)
Margin (%)	7.0	4.7	8.6	Change in Working Capital	(57.6)	4.5	96.7
YoY Growth (%)	307.3	(15.3)	125.8	Less: Tax Paid	(8.1)	(7.2)	(16.4)
<b>Balance Sheet</b>				Cash Flow from Operations	27.4	36.6	(30.1)
Share Capital	14.5	14.5	20.5	Net Capital Expenditure	(3.3)	(11.5)	(11.9)
Total Reserves	79.5	100.5	141.7	Change in Investments	7.5	(1.1)	(3.2)
Shareholders Fund	94.0	115.0	162.2	Cash Flow from Investing	4.2	(12.6)	(18.3)
Long Term Borrowings	44.0	18.6	11.5	Change in Borrowings	(22.4)	(4.5)	64.0
Deferred Tax Assets / Liabilities	(1.5)	(2.3)	1.7	Less: Finance Cost	(11.3)	(13.1)	(15.2)
Other Long Term Liabilities	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Cash flow from Financing	(33.7)	(17.6)	41.8
Long Term Provisions	1.8	2.0	2.3	Net Cash Flow	(2.1)	6.3	(6.6)
Total Liabilities	138.3	133.2	177.7	Forex Effect	0.0	0.0	0.0
Net Block	33.9	39.8	39.5	Opening Balance of Cash	1.5	0.7	7.0
Capital Work in Progress	0.0	1.6	8.6	Closing Balance of Cash	(0.6)	7.0	0.4
Non Current Investments	0.0	0.0	0.0				
Other Financial Assets	7.9	9.7	13.5				
Net Current Assets	96.4	82.2	116.1				
Total Assets	138.3	133.2	177.7				

Source: Company RHP

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