



IPO Report

19th Aug '25

Snapshot

Company specialize in processing transformer components, including transformer laminations, CRGO slit coils, amorphous cores, coil and core assemblies, wound and toroidal cores, and oil-immersed circuit breakers. Company also trade CRGO and CRNO coils, as well as amorphous ribbons. Additionally, company manufacture transformers and customized products for the power infrastructure industry. Company's transformer range spans from single-phase 5 KVA to three-phase 10 MVA units. Company also offer EPC services for setting up electrical substations, serving the power sector. Company have five production facilities in Rajasthan with an aggregate production capacity for (i) 16,200 MT for CRGO, (ii) 10,22,500 KVA for transformers and (iii) 75,000 units for ICB and (iv) 2,400 MT for Amorphous units per annum.

VALUATION

Company is bringing the issue at price band of Rs 533-561 per share at p/e multiple of approx. 33x on post issue FY25 basis. Company's promoters exhibit strong leadership and are supported by experienced senior management. Company's exhibition of certain approvals available to selected market players with diversified base of customers & strong backward and forward integration which ensures operational efficiency. Also, company has proven track record of consistent growth. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	533-561
Opening date of the issue	20th Aug '2025
Closing Date of the issue	22nd Aug '2025
No of shares pre issue	2,05,00,000 Eq Shares
Issue Size	Rs 400.00 Cr
Fresh issue	Rs 400 Cr
Face Value (Rs/ share)	Rs 10/share
Bid Lot	26
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 36,65,061 Eq Shares)
Non-Institutional	15% of the offer (Approx 10,69,519 Eq Shares)
Retail	35% of the offer (Approx 24,95,544 Eq Shares)
Lead managers	Systematix Corporate Services
Registrar to the issue	Bigshare Services Pvt. Ltd

WHAT WE LIKE

Exhibition of certain approvals available to selected market players

Company's Unit IV facility has obtained NABL certification and have also procured PGCIL approval for processing of transformers/reactors up to 765 kV class. Additionally, company is also an ISO 9001:2015 and ISO 14001:2015 certified Company with a global customer base and are also NTPC approved for CRGO processing. During Fiscal 2025, Company has obtained PGCIL approval to manufacture transformers in the capacity of 765 kV class. This makes company one of the leading players in power infrastructure sector in processing of transformer components and manufacturing of transformers.

Diversified base of customers

The strength of company's business lies in its highly diversified customer base, which includes customers across India and globe. Company cater to variety of clients, including power utilities, industrial conglomerates, infrastructure developers, and public sector enterprises, allowing company to tap into varied revenue streams and mitigate sector-specific risks. The diversity of company's customer base not only enhances company's market resilience but also empowers company to leverage growth opportunities across different geographies and industries.

Strong backward and forward integration which ensures operational efficiency

On the backward integration front, company have developed in-house capabilities for procuring and processing critical raw materials like CRGO, Amorphous and ICB, ensuring consistent quality, cost control, and reduced dependency on external suppliers. This enables company to maintain a stable supply chain, mitigate price volatility risks, and achieve greater economies of scale in production.



COMPANY BACKGROUND

Company is both NABL and PGCIL lab approved underscoring its adherence to stringent quality standards. Company have also procured PGCIL approval for processing of transformers/ reactors from up to 132 kV to up to 400 kV class and are also an ISO 9001:2015 and ISO 14001:2015 certified with a global customer base. Company has also obtained NTPC approval for CRGO processing. Further, company also possess Brockhaus Messtechnik, a Germany based machinery, used for process and quality control checks which enables company to achieve high-efficiency level outputs. Company's customer mix primarily include governmental and municipal utilities such as Ajmer Vidyut Vitran Nigam Limited and Jaipur Vidyut Vitran Nigam Limited and private sector energy producers such as Voltamp Transformers Limited and Western Electrotrans Private Limited. Company have its presence across India. As for the last three Fiscals 2025, 2024 and 2023, company have exported its transformer components to Netherlands, United Arab Emirates, Oman, United States of America, Italy and Nepal.

As on June 30, 2025, order book for all company's business segments stood at ₹ 29,419.78 lakhs. Further, company's order book as of a particular date is calculated on the basis of the aggregate contract value of company's ongoing projects as of such date reduced by the value of work executed by company until such date, as certified by the relevant client. It is important to note that the order book value does not account for any potential escalation or changes in the scope of work for ongoing projects or any additional work arising from such changes up to the relevant date.

The projects in company's order book are subject to changes in the scope of undertakings as well as adjustments to the costs relating to the contracts. Additionally, company's EPC projects are limited to government and public sector undertakings. Company have successfully completed four major projects on turnkey basis and handed over to the respective utilities. These projects demonstrate company's track record and expertise to power infrastructure solutions in India.

During Fiscal 2024, Company secured substantial orders for power transformers, particularly in the 10 MVA class, each with a capacity of 10,000 kVA. The manufacturing cycle for a 10 MVA transformer typically spans 10 to 15 days, significantly longer than the 3 to 5 days required for a 10 KVA unit. This transition in product mix toward higher-capacity transformers led to an increase in the overall production value, even though the number of production cycles remained relatively consistent. As a result, the rise in revenue during Fiscal 2024, when compared to prior and subsequent years is primarily driven by the execution and delivery of these larger-capacity transformers



INVESTMENT RATIONALE

<i>Proven track record of consistent growth</i>	Company has a proven track record of consistent growth, reflecting company's strong market presence, operational excellence, in the power infrastructure industry. Over the years, company have achieved sustained revenue growth, even in the face of market volatility, by strategically capitalizing on both domestic and global opportunities. This growth is a testament to company's adaptability, allowing it to continuously evolve in line with industry trends and technological advancements while expanding company's product portfolio to meet the diverse needs of sectors such as power, industrial, infrastructure, and renewable energy. Additionally, Company has been profitable since its inception which is a testament to company's strategic vision and operational excellence in the power infrastructure sector.
<i>Promoters exhibit strong leadership and are supported by experienced senior management</i>	Company have seen business growth under the vision, leadership and guidance of company's Promoters, who have more than 35 years of experience in the power infrastructure industry. Company's Promoter, Rahul Mangal, an experienced professional in the power infrastructure industry in India, has been at the helm of the Company since its inception. He has obtained bachelor's degree in science from University Maharaja College, University of Rajasthan, Jaipur. Further, Aniketa Mangal, Promoter of company has been associated with company since 2016 in the capacity of Manager - Business Development. He has obtained his post graduate programme degree in family managed business from Bharatiya Vidya Bhavan's S.P. Jain Institute of Management & Research. He has played significant role in evolving company's business from manufacturing of transformers to processing of transformer components and in streamlining of business processes. Company also benefit significantly from the qualified and experienced employees and workforce who possess the technical capability to further expand company's business and operations.

OBJECTS OF OFFER

Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by company;
2. Capital expenditure including civil works of company for expanding the facility at Unit IV situated at Reengus Sikar District, Rajasthan to optimize space usage and increase storage capacity;
3. Funding working capital requirements of company; and
4. General corporate purposes

RISKS

The costs of the raw materials that company use in its manufacturing process are subject to volatility due to factors beyond company's control. Increases or fluctuations in raw material prices may have a material adverse effect on company's business, financial condition, results of operations and cash flows.

Source:RHP


Consolidated Financials

(Rs in lakhs)

Financials	FY23	FY24	FY25
Total Revenue (A)	35430.88	44948.45	54942.14
Total Expenditure (B)	30988.41	40685.94	46758.04
EBIDTA	4442.47	4262.51	8184.10
EBIDTA Margin	12.54	9.48	14.90
Other Income	350.32	264.78	196.90
Depreciation	372.17	407.91	492.33
EBIT	4420.62	4119.38	7888.67
Interest	1133.63	1308.53	1517.74
PBT	3286.99	2810.85	6370.93
Share of profit in Asso	0.00	0.00	0.00
PBIT	3286.99	2810.85	6370.93
Exceptional	0.00	0.00	0.00
PBT	3286.99	2810.85	6370.93
Tax	813.18	715.99	1640.23
PAT	2473.81	2094.86	4730.70
NPM	6.98	4.66	8.61
ROE%	30.32	20.05	34.14
EPS	12.07	10.22	23.08
Eq Cap	1,450.00	1,450.00	2,050.00
Net Worth	1,450.00	1,450.00	2,050.00

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Mangal Electrical Industries Limited</i>	<i>10.00</i>	<i>23.08</i>	<i>---</i>	<i>34.14</i>	<i>79.10</i>
Peers					
Vilash Transcore Limited	10.00	14.58	36.48	15.27	117.68
Jay Bee Lamination Limited	10.00	12.31	18.28	24.11	65.42



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