No. CARE/ARO/GEN/2026-27/1036

The Board of Directors
Mangal Electrical Industries Limited
C-61, C-61(A&B), Road No. 1-C,
V.K.I. Area,
Jaipur – 302013,
Rajasthan- India.

May 06, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the IPO of Mangal Electrical Industries Limited ("the Company")

We write in our capacity of Monitoring Agency for the Initial Public Offer (IPO) for the amount aggregating to ₹ 400 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 25, 2025.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Sajni Shah

Sajni Shah
Assistant Director
Sajni.shah@careedge.in

Report of the Monitoring Agency
Name of the issuer: Mangal Electrical Industries Limited
For quarter ended: March 31, 2026
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: Nil
(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Sajni Shah

Signature:
Name and designation of the Authorized Signatory: Sajni Shah
Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer	: Mangal Electrical Industries Limited
Name of the promoter	: Rahul Mangal, Ashish Mangal, Saroj Mangal and Aniketa Mangal
Industry/sector to which it belongs	: Power Infrastructure and Electrical Equipment

2) Issue Details

Issue Period	: August 20, 2025, to August 22, 2025
Type of issue (public/rights)	: Initial Public Offering (IPO)
Type of specified securities	: Equity shares
IPO Grading, if any	: Not Applicable
Issue size (in crore)	: ₹ 400 crore of fresh issue

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Chartered Accountant certificate*; Bank statement, Company declaration and Prospectus	As per the prospectus, an amount of ₹101.27 crore earmarked for repayment of loans and ₹49.93 crore pertaining to capex was required to be deployed by FY26. However, as of FY26, MEIL had used ₹97.20 crore towards repayment of loans and ₹0.54 crore towards capex, resulting in delay in deployment. Further, MEIL has utilized lower than earmarked amount for repayment of loans in FY26 as prepayment attracts foreclosure charges.	The delay in repayment of loans is due to foreclosure charges and delay pertaining to Capex is on account of finalization of quotations which are under approval with the committee appointed by the board of directors

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	There is no material deviation	Company declaration	No material deviations from expenditures disclosed in the offer document.	No Comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Company declaration	No change	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Previous Monitoring Agency reports, Company Declaration and CA Certificate	There was an over-utilisation of ₹1.39 crore towards the working capital objective during Q3 FY26 as IPO proceeds parked in Fixed deposits redeemed in cash credit account in Q3FY26. Subsequently, in Q4 FY26, an amount of ₹1.30 crore was utilised from the cash credit account for the object of repayment of loans and capital expenditure.	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Company declaration and Prospectus	Company has in place government and other approvals including tax related approvals, registrations related to labour laws and business specific approvals.	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Company declaration	No arrangement pertaining to technical assistance/collaboration is required with reference to the objects.	No Comments

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Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Are there any favourable/unfavourable events affecting the viability of these object(s)?	No	Company declaration	No such favourable/ unfavourable events.	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Company declaration	No material information	No Comments

*Chartered Accountant certificate from A Bafna & Co. dated April 18, 2026

#Where material deviation may be defined to mean:
a) Deviation in the objects or purposes for which the funds have been raised
b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in ₹ Crore	Revised Cost in ₹ Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment/ prepayment, in full or in part, of certain outstanding borrowings	Offer Document	101.27	Not applicable	Proceeds have been utilized as per the objects mentioned in the offer document except for funding working capital requirement objective; wherein there was over-utilisation of ₹1.39 crore in Q3FY26.	Utilization is as per the disclosures in the Offer Document. The over utilisation of Rs. 1.39 crs observed by MA in Q3 is essentially funds transferred from monitoring account pending utilisation of their stated objects (i.e. Capex/debt repayment) and temporarily parked in the CC account. This resulted in reduction of debit balance under the CC a/c to the extent of Rs. 1.39crs. The same has utilised in the quarter under review.		
2.	Capital expenditure including civil works for expanding the facility at Unit IV		87.86					
3.	Funding working capital requirements		122.00					
4.	General corporate purposes		64.84					
5.	Issue related expenses		24.03					
Total			**400.00**					

(ii) Progress in the objects –

<table>
<tr><th rowspan="2">Sr. No</th><th rowspan="2">Item Head</th><th rowspan="2">Source of information / certifications considered by Monitoring Agency for preparation of report</th><th rowspan="2">Amount as proposed in the Offer Document in ₹ Crore (A)</th><th colspan="3">Amount utilised in ₹ Crore</th><th rowspan="2">Unutilized Amount in ₹ Crore as on March 31, 2026 (C=A-B)</th><th rowspan="2">Comments of the Monitoring Agency</th><th colspan="2">Comments of the Board of Directors</th></tr>
<tr><th>As at beginning of the Quarter</th><th>During the Quarter</th><th>At the end of the Quarter (B)</th><th>Reasons for idle funds</th><th>Proposed course of action</th></tr>
<tr><td>1.</td><td>Repayment/ prepayment, in full or in part, of certain outstanding borrowings</td><td rowspan="5">Chartered Accountant certificate*; Bank statement, Company declaration</td><td>101.27</td><td>97.20</td><td>0.00</td><td>97.20</td><td>4.07</td><td rowspan="3">There was no utilisation of IPO proceeds for stated objectives during Q4FY26#.</td><td>To save prepayment penalty</td><td>Paying monthly</td></tr>
<tr><td>2.</td><td>Capital expenditure including civil works for expanding the facility at Unit IV</td><td>87.86</td><td>0.54</td><td>0.00</td><td>0.54</td><td>87.32</td><td>Under finalization of PO’s</td><td>In 2026-27</td></tr>
<tr><td>3.</td><td>Funding working capital requirements</td><td>122.00</td><td>123.39</td><td>0.00</td><td>123.39</td><td>-1.39</td><td colspan="2">No comments</td></tr>
<tr><td>4.</td><td>General corporate purposes</td><td>64.84</td><td>64.84</td><td>-</td><td>64.84</td><td>-</td><td>Utilization towards GCP was completed in Q3FY26.</td><td colspan="2">No comments</td></tr>
<tr><td>5.</td><td>Issue related expenses</td><td>24.03</td><td>22.45</td><td>0.92</td><td>23.37</td><td>0.66</td><td>₹0.92 crore spent towards issue related expenses during Q4FY26.</td><td colspan="2">No comments</td></tr>
<tr><td colspan="3">Total</td><td>400.00</td><td>308.42</td><td>0.92</td><td>309.34</td><td>90.66</td><td colspan="3"></td></tr>
</table>

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (₹ Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter (₹ Crore)
1	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
2	Fixed Deposit (HDFC Bank)	5.00	30-05-2026	0.18	6.00	5.18
3	Fixed Deposit (HDFC Bank)	5.00	30-05-2026	0.18	6.00	5.18
4	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
5	Fixed Deposit (HDFC Bank)	2.56	02-09-2026	0.01	5.50	2.57
6	Fixed Deposit (HDFC Bank)	5.00	30-05-2026	0.18	6.00	5.18
7	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
8	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
9	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
10	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
11	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
12	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
13	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
14	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
15	Fixed Deposit (HDFC Bank)	5.00	29-11-2026	0.18	6.15	5.18
16	Fixed Deposit (HDFC Bank)	2.56	02-09-2026	0.01	5.50	2.57
17	Fixed Deposit (HDFC Bank)	5.00	30-05-2026	0.18	6.00	5.18
18	Fixed Deposit (HDFC Bank)	5.00	30-08-2026	0.18	6.15	5.18
19	Fixed Deposit (HDFC Bank)	5.11	10-04-2026	0.04	5.25	5.15
	Less: Interest earned	(0.23)	-	-	-	-
20	Public Issue account (HDFC Bank)	0.66	-	-	-	-
	Total	**90.66**				

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(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer Document	Actual		Reason of delay	Proposed course of action
Repayment/ prepayment, in full or in part, of certain outstanding borrowings	FY26	Ongoing*	Delay (exact number of days/ months of delay) not ascertainable		
Capital expenditure including civil works for expanding the facility at Unit IV	FY26 and FY27	Ongoing#		As explained above	
Funding working capital requirements	FY26 and FY27	Completed in Q3FY26	Nil	No comments	
General corporate purposes	FY26	Completed in Q3FY26		No comments	

The company's offer document states: "We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business needs of our Company. However, the actual deployment of funds will depend on a number of factors, including the timing of completion of the Issue, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations and financial condition. Depending on such factors, we may have to reduce, revise or extend the deployment period for the stated Objects, at the discretion of our management and in accordance with applicable laws. In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal is not completely met, including due to the reasons stated above, then it shall be utilized in the next Fiscal or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be determined by our Company, in accordance with applicable laws. Any variation in the utilization of Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company."

*As per the prospectus, the amount of ₹101.27 crore earmarked for repayment of loans was required to be deployed by FY26. However, as of FY26, MEIL had deployed ₹97.20 crore towards repayment of loans, resulting in delay in deployment. Further, MEIL has utilized lower than earmarked amount for repayment of loans in FY26 as prepayment attracts foreclosure charges.

#As per the prospectus, an amount of ₹49.93 crore pertaining to capex was required to be deployed in FY26 and ₹37.93 crore in FY27. However, as of FY26, MEIL had deployed ₹0.54 crore towards capex, resulting in delay in deployment for FY26 period.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount in ₹ Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
-	-	-	-	Expenditure towards the GCP objective was completed by Q3FY26.	No Comments

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as **“Monitoring Agency/MA”**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.