

Retail Research	IPO Note
Sector: Power Equipment	Price Band (Rs): 718 – 754
18th September 2025	Recommendation: SUBSCRIBE for Long Term

Atlanta Electricals Ltd

Company Overview:

Atlanta Electricals Ltd. (AEL) is one of the leading manufacturers of power, auto and inverter duty transformers in India, in terms of production volume and has over 30 years of experience in the transformer manufacturing industry. The company offers a broad and diversified product portfolio, which is designed to meet the diverse requirements of its customers and broadly comprises of 6 products, such as power transformers, inverter duty transformers, furnace transformers, generator transformers and special duty transformers.

Key Highlights:

1. Leadership & Strong positioning: Atlanta Electricals Ltd. (AEL) ranks amongst India's leading manufacturers of power, auto and inverter duty transformers in terms of production. The company supplies a wide range of power transformers starting from 5 MVA/11 kV up to 200 MVA/220 kV, as well as auto transformers, inverter duty transformers, furnace transformers, generator transformers and special duty transformers. Post the acquisition of BTW-Atlanta Transformers Pvt Ltd, the company has enhanced its manufacturing capabilities and are now able to produce transformers with a rated capacity of up to 500 MVA and with 765 kV.

2. Strong manufacturing capabilities: AEL houses 4 fully operational manufacturing facilities- 2 located at Anand, Gujarat; 1 at Bengaluru, Karnataka and 1 at Vadod, Gujarat which has commenced commercial production in Jul'25. These 4 fully operational facilities (including the Vadod Unit) aggregate to an installed capacity of 47,280 MVA (vs 16,740 MVA in FY25). Further, with the inclusion of BTW-Atlanta Transformers Pvt Ltd as a wholly owned subsidiary of the company, AEL has added a facility at Ankhi, Gujarat with an installed capacity of 15,780 MVA and the same is awaiting commissioning. Post-commissioning of the Ankhi unit, the company's combined installed capacity will increase to 63,060 MVA.

3. Strong Order Book coupled with well diversified customer base: As of Mar'25, the company had a diversified customer base of 208 customers which includes the likes of Gujarat Energy Transmission Corp., Adani Green Energy, Tata Power and SMS India. Additionally, the company supplies to 19 state utilities and 3 union territories utilities; with approvals in place from PGCIL and Ministry of Railways. Owing to the government's flagship National Solar Mission program and state-level initiatives, the share of renewable energy sector in the company's overall revenue has increased from 6.1% in FY23 to 21.3% in FY25.

Valuation: AEL has recently expanded its manufacturing capacity by 2.8x over FY25 and will further increase by 33% soon. This will help it to cater to the continuing robust demand for transformers. The overall demand-supply balance in the transformer industry continues to remain skewed in favour of demand due to the robust infrastructure expansion currently underway in the power transmission and distribution sector. The company however has high exposure to State utilities (82% of order book) compared to peers which can lead to higher working capital requirement. Lack of backward integration currently is also likely to keep a lid on the margins. At the upper end of the IPO price band, AEL is valued at 48.9x FY25 P/E on post issue capital which is at a slight premium to the average of the peer set. We recommend investors to Subscribe to the issue from long term perspective considering the benefits of expanded capacity to flow during next 2-3 years.

Issue Details	
Date of Opening	22 nd September 2025
Date of Closing	24 th September 2025
Price Band (Rs)	718 – 754
Offer for sale (no. of shares)	38,10,895
Fresh Issue (Rs cr)	400.0
Issue Size (Rs cr)	687.3 @ upper price band
No. of shares	91,15,934 @upper price band
Face Value (Rs)	2.0
Post Issue Market Cap (Rs cr)	5,540 – 5,797
BRLMs	Motilal Oswal Investment Advisors Ltd, Axis Capital Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	19 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from gross proceeds (Rs cr)
Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company	79.1
Funding working capital requirements of the company	210.0
General corporate purpose*	110.9
Gross proceeds from the issue	400.0

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	6,75,47,050	94.4
Public & Others	40,37,750	5.6
Total	7,15,84,800	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	6,71,11,150	87.3
Public & Others	97,78,690	12.7
Total	7,68,89,840	100.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	873.9	867.6	1,244.2
EBITDA	140.3	118.7	193.6
PAT	87.5	63.5	118.6
EBITDA Margin (%)	16.1	13.7	15.6
PAT Margin (%)	10.0	7.3	9.5
RoE (%)	53.0	27.8	33.9
RoCE (%)	58.0	42.3	39.4
P/E (x)*	61.7	85.0	45.5

**Note: Pre-issue P/E based on upper price band*

Source: RHP, SSL Research

Risk Factors

- **Related Party Transactions:** The company, in the past, has entered into various transactions with related parties, such as for purchases, sales and payment of remuneration. Such transactions also include the sale of land from Promoters to the company. For FY25, the percentage of related party transactions to the company's revenue from operations stood at 22.6%.
- **High dependency on utilities:** The company derives a significant portion of its revenue from the supply of transformers to utilities, including state electricity companies which accounted for ~66% of the company's FY25 revenue from operations. Additionally, AEL's business is largely dependent upon the demand for power generation, transmission and distribution which is closely linked to Government policies.
- **Customer & Supplier concentration risk:** The company does not enter into definitive agreements with its customers or suppliers and operates on a purchase order basis. These customer/suppliers may terminate their relationships with the company at a short notice due to various reasons. Therefore, the company may face delays and added costs. As of FY25, the company's top 5 customers/suppliers contributed ~61%/47% to the total revenue/total supplies respectively. Additionally, the company's top customer/supplier accounted for ~29%/13% of the total revenue/supplies respectively.
- **Raw Material Price Volatility:** Fluctuations in prices of the company's key raw materials such as copper, lamination, MS tank, radiator, oil, bushing, insulation and MS frames could have an adverse effect on the company's business. Price volatility coupled with lack of long-term supply agreements, poises a significant risk on AEL's cost structure and profitability.

Growth Strategies

- Undertake capex to achieve capacity expansion and focus on backward integration.
- Continue to expand customer base beyond India and increase wallet share.
- Increase market share with improved utilization levels.

Installed Capacities – Manufacturing Unit wise

Facility	FY23		FY24		FY25		As on date of RHP
	Installed capacity (MVA)	Utilization (%)	Installed capacity (MVA)	Utilization (%)	Installed capacity (MVA)	Utilization (%)	Installed capacity (MVA)
Anand Unit – I	7,440	54.7%	7,440	78.4%	9,360	116.7%	9,360
Anand Unit – II	6,660	81.4%	6,660	69.3%	6,660	81.8%	6,660
Bangalore Unit	720	140.0%	720	16.7%	720	11.1%	720
Vadod Unit*	-	-	-	-	-	-	30,540
Ankhi Unit**	-	-	-	-	-	-	15,780
Total	14,820	70.9%	14,820	71.3%	16,740	98.3%	63,060

*Commissioned in Jul'25

**Yet to be commissioned (part of wholly owned subsidiary BTW-Atlanta Transformers Pvt Ltd)

Source: RHP, SSL Research

Product Capabilities – Unit wise

Facility	Products
Anand Unit – I	Large rating Power Transformers & Auto Transformers
Anand Unit – II	Inverter duty transformers, Special Purpose Transformers
Bangalore Unit	Power transformers
Vadod Unit	Auto transformers, Power transformers, Inverter Duty transformers, Furnace transformers, Generator transformers, Special Duty transformers
Ankhi Unit*	Single phase transformers

*Yet to be commissioned

Source: RHP, SSL Research

Product Portfolio

Transformer Type	Maximum HV kV Rating	Maximum MVA Rating
Power Transformer	220 kV	160 MVA
Auto Transformer	220 kV	200 MVA
Inverter Duty Transformer	33 kV	18.5 MVA
Furnace Transformer	66 kV	50 MVA
Generator Transformer	220 kV	160 MVA
Special Duty Transformer	132 kV	50 MVA
Allied products	-	-

Source: RHP, SSL Research

Revenue Split – Transformer Types

Transformer Type	FY23		FY24		FY25	
	Rs cr	% of Revenue	Rs cr	% of Revenue	Rs cr	% of Revenue
Power Transformer	815.9	95.9%	771.9	92.1%	915.7	76.1%
Auto Transformer	27.1	3.2%	8.0	1.0%	133.8	11.1%
Inverter Duty Transformer	2.6	0.3%	49.2	5.9%	129.1	10.7%
Furnace Transformer*	-	-	-	-	-	-
Generator Transformer*	-	-	-	-	-	-
Special Duty Transformer*	-	-	-	-	-	-
Allied products	5.5	0.6%	8.6	1.0%	25.1	2.1%
Total revenue from sale of Transformers & Allied products	851.2	100.0%	837.8	100.0%	1,203.7	100.0%

*No production during FY23/FY24/FY25 as the Vadod unit was commissioned in Jul'25.

Source: RHP, SSL Research

Order Book Trend

Particulars (Rs cr)	FY23	FY24	FY25
Opening Order Book	316	534	1,271
Incremental orders received	911	1,522	1,436
Revenue recognized	694	785	1,064
Closing Order Book	534	1,271	1,643
Completion of orders	56.5%	38.2%	39.3%
Outstanding orders	43.5%	61.8%	60.7%

Source: RHP, SSL Research

Order Book Break-up (FY23 vs FY25)



Source: RHP, SSL Research

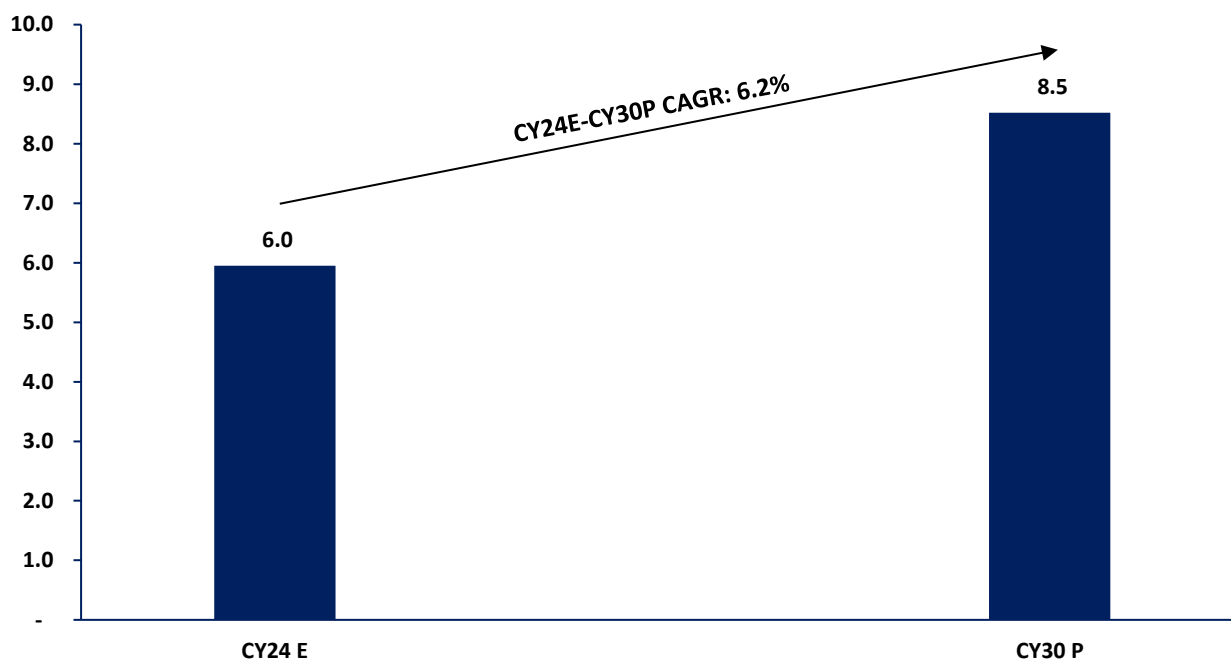
Success Rate in Tender Applications

Particulars	FY23	FY24	FY25
Tenders floated by state electricity companies	65	73	58
Tenders participated	59	62	50
Tenders awarded	15	18	9
Success rate	25.4%	29.0%	18.0%

Source: RHP, SSL Research

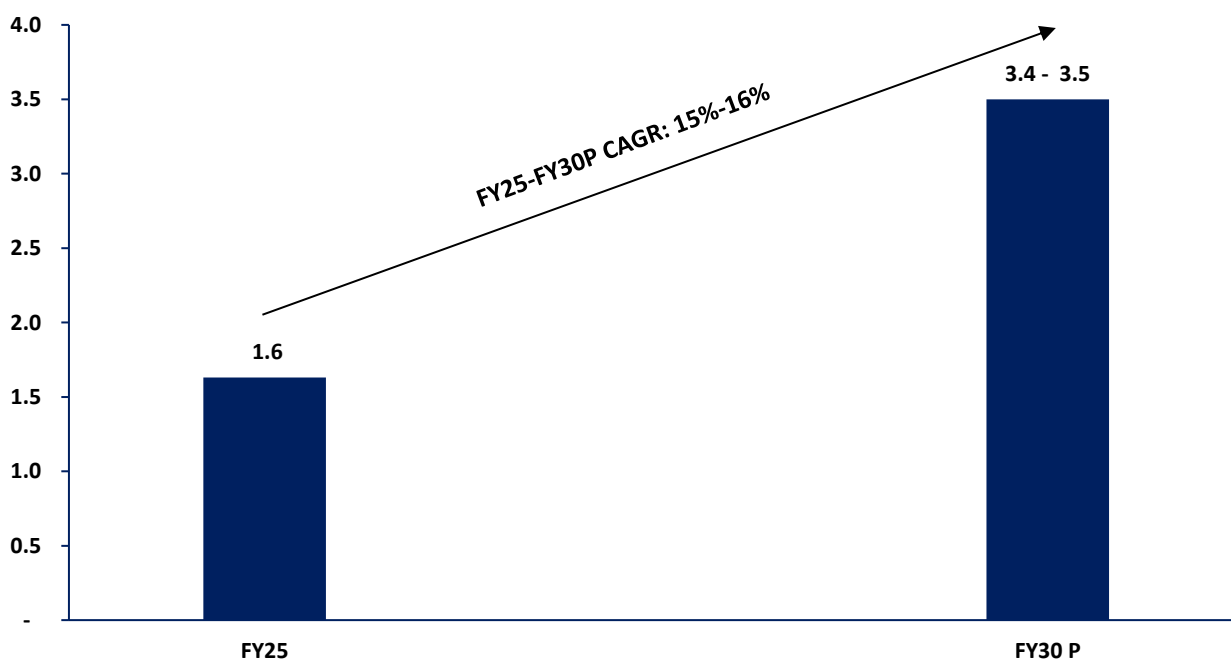
Industry Overview

India - Transformer Market (USD bn)



Source: RHP, SSL Research

India - Power Transformers Market (USD bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY23	FY24	FY25
Revenue from Operations	874	868	1,244
YoY growth (%)	-	-0.7%	43.4%
COGS (incl Stock Adj)	638	635	916
Gross Profit	235	232	328
Gross margins (%)	26.9%	26.8%	26.3%
Employee Cost	17	22	29
Other Operating Expenses	78	92	105
EBITDA	140	119	194
EBITDA margins (%)	16.1%	13.7%	15.6%
Other Income	3	4	6
Interest Exp.	28	30	34
Depreciation	5	6	6
PBT	110	87	159
Tax	23	24	41
Share of profit of associates and JVs	(0)	0	-
PAT	87	64	119
PAT margin (%)	10.0%	7.3%	9.5%
EPS (Rs)	12.2	8.9	16.6

BALANCE SHEET			
Particulars (Rs cr)	FY23	FY24	FY25
Assets			
Net Block	44	62	69
Capital WIP	3	12	113
Right of use assets	3	3	7
Intangible Assets	0	-	0
Other Non current Assets	19	14	21
Current Assets			
Inventories	187	239	215
Trade receivables	260	180	352
Cash and Bank Balances	35	31	66
Other Current Assets	9	19	23
Total Current Assets	492	468	656
Current Liabilities & Provisions			
Trade payables	279	238	310
Other current liabilities	37	36	52
Short-term provisions	2	4	6
Total Current Liabilities	319	279	367
Net Current Assets	173	189	289
Total Assets	242	280	499
Liabilities			
Share Capital	14	14	14
Reserves and Surplus	151	214	336
Total Shareholders Funds	165	228	350
Total Debt	73	49	141
Long Term Provisions	1	2	1
Lease Liabilities	1	0	5
Net Deferred Tax Liability	2	1	2
Total Liabilities	242	280	499

Cash Flow Statement (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	52	88	84
Cash flow from Investing Activities	(18)	(36)	(141)
Cash flow from Financing Activities	(31)	(56)	57
Free Cash Flow	45	56	(30)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	58.0%	42.3%	39.4%
Return on Equity	53.0%	27.8%	33.9%
Margin Analysis			
Gross Margin	26.9%	26.8%	26.3%
EBITDA Margin	16.1%	13.7%	15.6%
Net Profit Margin	10.0%	7.3%	9.5%
Short-Term Liquidity			
Current Ratio (x)	1.3	1.4	1.6
Quick Ratio (x)	0.8	0.7	1.1
Avg. Days Sales Outstanding	109	76	103
Avg. Days Inventory Outstanding	107	137	86
Avg. Days Payables	139	116	108
Fixed asset turnover (x)	19.8	13.9	18.0
Debt-service coverage (x)	1.4	1.5	1.1
Long-Term Solvency			
Total Debt / Equity (x)	0.4	0.2	0.4
Interest Coverage Ratio (x)	5.0	3.9	5.7
Valuation Ratios*			
EV/EBITDA (x)	38.7	45.6	28.3
P/E (x)	61.7	85.0	45.5
P/B (x)	32.7	23.6	15.4
EV/Sales (x)	6.2	6.2	4.4
P/Sales (x)	6.2	6.2	4.3

**Valuation ratios are based on pre-issue capital at the upper price band*
Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Atlanta Electricals Ltd	Transformers & Rectifiers India Ltd	Voltamp Transformers Ltd	Shilchar Technologies Ltd	Indo Tech Transformers Ltd
CMP (Rs)	754.0	526.0	7,380.0	4,872.0	1,788.0
Sales	1,244.2	2,017.0	1,934.0	623.0	612.0
EBITDA	193.6	327.0	366.0	185.0	85.0
Net Profit	118.6	214.0	316.0	147.0	64.0
Mkt Cap.	5,797.5	15,804.0	7,466.0	5,573.0	1,900.0
Enterprise Value	5,472.5	15,915.0	7,427.0	5,536.0	1,815.2
EBITDA Margin (%)	15.6	16.2	18.9	29.7	13.9
Net Profit Margin (%)	9.5	10.6	16.3	23.6	10.5
P/E (x)	48.9	73.9	23.6	37.9	29.7
EV/EBITDA (x)	28.3	48.7	20.3	29.9	21.4
RoE (%)	33.9	17.1	19.9	42.4	22.8
RoCE (%)	39.4	19.5	22.2	52.4	28.0
EV/Sales (x)	4.4	7.9	3.8	8.9	3.0

For Atlanta Electricals Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

RoE and RoCE calculated on Pre-issue capital

CMP for peer companies is closing price as on 17th September, 2025

Source: RHP, Exchange Filings, SSL Research

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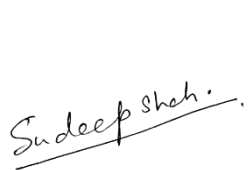
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