Atlanta Electricals Ltd.

SUBSCRIBE

BP WEALTH

IPO Note **19th September 2025**

Company Overview

Atlanta Electricals Limited is a leading Indian manufacturer in the transformer industry, specializing in power and special duty transformers with capacities up to 200 MVA and voltage levels of 220 KV. The company was originally incorporated as Atlanta Electricals Private Limited in Gujarat in December 1988. Atlanta Electricals operates three advanced manufacturing facilities: two in Anand, Gujarat, and one in Bengaluru, Karnataka, covering over 3,21,451 sq. ft., with a combined aggregate production capacity of 16,740 MVA. The company has over 30 years of experience in producing a varied range of industrial transformers including power, auto, inverter duty, furnace, and special duty types. It has supplied more than 4,000 transformers, totaling 78,000 MVA capacity across 19 states and three union territories in India, supporting power grids, private businesses, and renewable energy projects. The company boasts strong growth, achieving a revenue CAGR of 38.7% between FY22 and FY24 (from Rs. 6,256 million to Rs. 8,675 million), and maintains a healthy order book of about Rs. 12,833 million with 208 customers, which include Gujarat Energy Transmission Corporation Limited (GETCO), Adani Green Energy Limited, TATA Power and SMS India. The company's notable projects include a significant order for eight 80 MVA, 220/33 kV transformers for the Ultra Mega Solar Park in Andhra Pradesh. With strong order book, well diversified product portfolio and focused product development, the company looks poised for long-term growth.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

⇒ Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company;

⇒ Funding working capital requirements of the company; and

⇒ General corporate purposes.

Investment Rationale

One of the leading manufacturers of power, auto and inverter duty transformers in India, well positioned to capture industry tailwinds

Atlanta Electricals Ltd. Is one of the leading manufacturers of power, auto and inverter duty transformers in India in terms of production volume as of FY25. The company has established a legacy of quality and technology with over 30 years of experience in the transformer manufacturing industry. Over the years, they have expanded their operations significantly, allowing them to establish a robust presence across 19 states and three territories in India, helping the company to meet diverse needs of customers nationwide. With India increasing investments in renewable energy projects along with rapid industrialization and infrastructure development, there are significant opportunities in the transformer manufacturing market. Between 2019 and 2024, the Indian transformer market grew at a CAGR of 10.2% to reach USD 1.3 billion. The market is further expected to increase up to USD 2.6 billion during 2024-30 period, registering a CAGR of 12.2%. Also, all the products of the company are designed to meet stringent international standards, ensuring global competitiveness.

Strong order book and execution capabilities coupled with well diversified customer base to drive growth ahead

The company has cultivated relationships with 208 customers, of which 21 are public sector undertaking and 187 are private sector players. The company's customer base has expanded significantly, growing from 137 customers in FY23 to 208 customers in FY25, reflecting a compounded annual growth rate of 23.2% and reaching 208 customers as of March 31, 2025. The company's notable customer include key players such as GETCO in the state transmission sector; Adani Green Energy, Tata Power and O2 Power in the renewable energy space; and various EPC firms in both renewable energy and transmission sectors like Shyama Power, ABN Towers and SMS India. The company's order book at the end of FY25, FY24 and FY23 amounted to Rs.16,429 million, Rs. 12,714 million, Rs. 5,340 million, respectively. The focus on maintaining quality standards in construction and strong project execution skills has helped the company to grow its order book consistently. The order book is diversified across different business and geographical regions, enabling them to pursue a broader

Issue Details	
Offer Period	22nd Sept. 2025 - 24th Sept. 2025
Price Band	Rs. 718 to Rs. 754
Bid Lot	19
Listing	BSE & NSE
Issue Size (no. of shares in mn)	9.1
Issue Size (Rs. in bn)	6.9
Face Value (Rs.)	2

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Motilal Oswal investment Advisors and Axis
Registrar	MUFG Intime pvt ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	94.4%	87.0%
Public	5.6%	13.0%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

range of project tenders, maximize business volumes and improve profit margins. The company has received approvals from PGCIL and Ministry of Railways, Government of India, which have helped them to unlock new opportunities in emerging product segment and geographic markets including the northeast and export territories.

Valuation

Atlanta Electricals Ltd. Is one of the leading manufacturers of power, auto and inverter duty transformers in India in terms of production volume as of FY25. The company has over 30 years of experience in producing a varied range of industrial transformers. It has supplied more than 4,000 transformers totaling 78,000 MVA capacity across 19 states and three union territories in India, supporting power grids, private businesses, and renewable energy projects. The company's facility in Vadod has started commercial production in July 2025. The commissioning of Vadod Unit will increase company's installed capacity from 16,740 MVA to 47,280 MVA, representing 182.4% increase in manufacturing capabilities. The emerging economies are witnessing significant investment in power generation and transmission, which is further expected to stimulate the transformer market. T&D retrofitting industry plays a vital role in raising transformer demand across the region. China and India in the Asia Pacific region are majorly contributing to the growth of transformer manufacturing market. The global transformer market is expected to reach over USD 97 billion by 2030 at an annual growth rate of 7.3% between 2024 and 2030. India's current share in total global transformer market as on December 2024 was about 8-10% which is expected to increase to 10-12% by 2030. However, India's share in Asia Pacific market is in the range of 24-26%. The company has achieved significant growth, with revenue rising at a CAGR of 19.3% over FY2023-25 period. **At the upper price band of Rs. 754, Atlanta Electricals Ltd. is valued at a P/E multiple of 45.5x based on FY25 earnings, which is comparatively higher than its peers. Given the company's expanding margins, robust order book, scalable business model and industry growth potential, we believe the valuation, although at a premium, is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks:

⇒ A significant portion of the company's revenue is generated from manufacturing of transformers at their facilities situated in Gujarat. As of FY25, FY24 and FY23, the company derived 98.9%, 96.8% and 90.0% respectively, of the revenue from manufacturing facilities situated in Gujarat. Any disruptions in the region could have a material adverse effect on the company's business, financial condition and results of operations.

⇒ The company derives a significant portion of its revenue from the supply of transformers to utilities including state electricity companies which constituted 65.9%, 65.5% and 80.5% of its revenue from operation during FY25, FY24 and FY23, respectively. Additionally, the company's business is largely dependent upon the demand for power generation, transmission and distribution which is closely linked to government policies. Any economy downturn or change in government policy may have an adverse impact on their business, financial condition, cash flows and results of operations.

Atlanta Electricals Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	8,739	8,676	12,442
Total revenue	**8,739**	**8,676**	**12,442**
Expenses			
Cost of material consumed	7,063	6,756	8,614
Changes in inventory of finished goods, stock in trade and work in progress	-679	-404	549
Employee benefit expenses	169	216	294
Other expenses	782	921	1,048
Total operating expenses	**7,335**	**7,489**	**10,506**
EBITDA	**1,403**	**1,187**	**1,936**
Depreciation & amortization expenses	51	59	63
EBIT	**1,352**	**1,128**	**1,873**
Finance costs	276	300	342
Other Income	28	45	63
PBT and exceptional items	**1,104**	**873**	**1,593**
Exceptional items	**0**	**0**	**0**
PBT	**1,104**	**873**	**1,593**
Tax expense			
Current tax	**225**	**235**	**390**
Deferred tax	5	-1	7
Short/excess provision of tax	**-1**	**5**	**10**
Total tax	**229**	**239**	**407**
Net Profit	**875**	**634**	**1,186**
Diluted EPS	12.22	8.87	16.57

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	520	883	836
Cash flow from/(used in) investing activities	**-178**	**-357**	**-1407**
Net cash flows (used in) / from financing activities	**-313**	**-556**	**573**
Net increase/(decrease) in cash and cash equivalents	29	-29	1
Cash and cash equivalents at the beginning of the period	2	31	2
Cash and cash equivalents at the end of the period	31	2	4

Source: RHP, BP Equities Research

Atlanta Electricals Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
ASSETS			
Property, plant and equipment	440	623	692
Right of use assets	32	26	72
Capital work-in -progress	28	119	1,128
Other Intangible assets	0	0	1
Financial Assets			
(i) Investments	6	9	9
(i) Other financial assets	157	84	90
Other Non-Current Assets	27	50	110
Total Non-current Assets	**692**	**911**	**2,101**
Current Assets			
Inventories	1,869	2,389	2,151
Financial Assets			
(i) Trade Receivables	2,601	1,798	3,517
(ii) Cash and cash equivalents	31	2	4
(iiii) Bank balances other than (ii) above	320	304	657
(iv) Other financial assets	65	147	64
Other current assets	30	42	167
Total Current Assets	**4,916**	**4,682**	**6,561**
Total Assets	**5,608**	**5,593**	**8,662**
Equity and Liabilities			
Equity Share Capital	143	143	143
Other Equity	1,506	2,142	3,356
Total Equity	**1,649**	**2,285**	**3,499**
Non-Current Liabilities			
Borrowings	66	39	930
Lease Liabilities	0	1	31
Deferred Tax Liabilities (Net)	15	14	21
Provisions	13	18	9
Total Non-Current Liabilities	**94**	**72**	**991**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	665	447	480
(ii) Trade Payables	2,794	2,383	3,101
(iii) Lease Liabilities	10	1	19
Provisions	24	43	55
Other financial liabilities	24	24	188
Other current liabilities	255	235	246
Current tax liabilities (Net)	93	102	84
Total Current liabilities	**3,864**	**3,236**	**4,172**
Total Liabilities	**3,959**	**3,308**	**5,163**
Total Equity and Liabilities	**5,608**	**5,593**	**8,662**

Source: RHP, BP Equities Research

Research Desk Tel: +91 22 61596138

Institutional Sales Desk Tel: +91 22 61596403/04

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392