

Sunday, 21 September 2025

CM RATING 45 /100

Atlanta Electricals

Specializing in transformer manufacturing

Over 30 years of industry presence, with a diversified customer base and installations.

Atlanta Electricals (AEL) is one of the leading transformer manufacturers specializing in power, auto and inverter duty transformers up to and including 200 Mega Volt-Amp (MVA) capacity and with 220 kilovolts (kV).

As of March 31, 2025, the product portfolio of the company comprises 6 products, such as power transformers, inverter duty transformers, furnace transformers, generator transformers, and special duty transformers.

AEL have five manufacturing facilities with a combined installed capacity of 63060 MVA [Gujarat Unit 1 at Anand 8360 MVA capacity; Gujarat Unit II at Anand 6660 MVA; Karnataka Unit I at Bengaluru 720 MVA capacity; Vadod Unit at Gujarat 30540 MVA capacity]. And the fifth one was at Anchi (this 15780 MVA unit is under wholly owned subsidiary BTW-Atlanta Transformers). The Vadod facility is designed to handle the manufacturing of transformers with a rated capacity of up to 500 MVA, 400 kV and commenced its commercial production in July 2025.

The company has enhanced its manufacturing capabilities and is now able to produce transformers with a rated capacity of up to 500 MVA and with 765 kV following the acquisition of BTW-Atlanta Transformers and commissioning of its Vadod Unit.

About 98.88% of its revenue from manufacturing activity in Fiscal 2025 derived from manufacturing facilities situated in Gujarat.

As of March 31, 2025, AEL supplied products to 19 states utilities and 3 union territories utilities and a multitude of industry customers. This diverse customer base across various industries such as transmission, steel, dairy, solar, textiles, construction and infrastructure allow it to meet varied requirements while minimizing risk. It has approvals from organizations such as PGCIL and Ministry of Railways, Government of India have unlocked new opportunities in emerging product segments and geographic markets, including the northeast and export territories.

Over its thirty years of operations in the electrical equipment industry with pan India market presence, it has supplied 4,400 transformers, aggregating to 94,000 MVA to various state and national electricity grids, private sector players and prominent renewable energy generation projects and construction companies.

The customer base of the company as of March 31, 2025, stood at about 208 customers and is well diversified. Customers of the company include 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 like Shyama Power, ABN Towers and SMS India in both renewable energy and transmission sectors.

About 65.85% of its revenue from operation in FY25 came from supply of transformers to utilities including state electricity companies. Unexecuted order book, as on March 31, 2025, amounted to Rs 1642.958 crore, which is 1.32 times FY25 revenue. Further, as on March 31, 2025, projects awarded by public sector undertakings and private players contributed to 82.08% and 17.92% to its order book.

The issue and object

The issue comprises both fresh issue of equity shares upto Rs 400 crore and an OFS of upto 3810895 equity shares. The OFS comprises sale of 435900 equity shares by Atlanta UHV Transformers LLP, the promoters selling shareholders as well as 666560 equity shares by Hemang H Shah, 777185 shares by Nimish H Shah, 217500 shares by Dhaval H Mehta, 326250 shares by Gitaben H Mehta and 1387500 equity shares by Jignesh S Patel all other selling shareholders.

Of the net proceeds from the fresh issue, Rs 79.12 crore will be used for repayment/ prepayment (in full or in part), of certain outstanding borrowings availed by the company; Rs 210 crore will be used for funding working capital requirements and balance for general corporate purposes.

The aggregate outstanding non-fund-based borrowings were Rs 591.694 crore as of July 31, 2025.

Strengths

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

Broad and diversified product portfolio with focused product development tailored to meet the customer requirements.

Strong order book coupled with well diversified customer base.

Manufacturing capabilities' focus is on quality and high level of regulatory compliance and health and safety measures.

Additional capacity with commissioning of Vadod Unit (which increase installed capacity from 16,740 MVA to 47,280 MVA) in July 2025 will facilitate the company to better capitalize on industry tailwinds.

Weaknesses

A significant portion of its revenue is derived from government-controlled entities, which follow the tendering process for determination of suppliers.

Atlanta UHV Transformers LLP, one of the corporate promoters of the company, has common pursuits vis-à-vis AEL, which may in future lead to conflict of interest.

Top 1/5/10 customers accounted for 29.10%/ 61.11%/74.21% of its FY25 operational revenue.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2025 stood higher by 43% to Rs 1244.18 crore. With the OPM expanding by 190 bps to 15.6%, the growth of OP was 63% to Rs 193.58 crore. Finally, net profit after MI was up by 89% to Rs 15.4 crore.

On expanded equity, the EPS for FY2025 was Rs 15.4. The issue price (on the upper price band) discounts the FY25 EPS by 49 times. The P/BV stood at 7.7 times and EV/Sales stood at 4.7 times.

In comparison, Transformer Rectifiers (TRIL), Bharat Bijlee, Indo Tech Transformers, Voltamp and Danish Power quote at PE of 75.7 times, 26.5 times, 30.2 times, 23.5 times and 30.2 times of their FY25 EPS, respectively, and at P/BV of 7.7 times, 12.8 times, 1.8 times, 6.9 times, 4.7 times and 5.4 times, respectively. EV/Sales of Transformer Rectifiers (TRIL), Bharat Bijlee, Indo Tech Transformers, Voltamp and Danish Power were 8 times, 1.7 times, 3 times, 3.9 times and 3.8 times, respectively.

Fresh Issue (Rs crore)	400
Offer for sale (in equity share nos.)	3810895
Price band (Rs.)	
Upper	754
Lower	718
Post-issue equity (Rs crore)	
in Upper price band	15.38
in Lower Price Band	15.43
Post-issue promoter (including promoter group) stake (%)	87.28
Minimum Bid (in nos.)	19
Issue Open Date	22-09-2025
Issue Close Date	24-09-2025
Listing	BSE, NSE
Rating	45 /100

Atlanta Electricals : Re-stated Consolidated Financials			
	2303 (12)	2403 (12)	2503 (12)
Sales	873.88	867.55	1244.18
OPM (%)	16.1	13.7	15.6
OP	140.34	118.66	193.58
Other income	2.77	4.50	6.31
PBIDT	143.12	123.16	199.88
Interest	27.57	30.03	34.24
PBDT	115.55	93.12	165.64
Depreciation	5.10	5.86	6.31
PBT	110.45	87.26	159.34
EO Exp	0.00	0.00	0.00
PBT after EO	110.45	87.26	159.34
Tax	22.91	23.90	40.69
PAT from Continuing Biz	87.54	63.36	118.65
Share of Profit from Associates	-0.07	0.16	0.00
Minority Interest	0.00	0.00	0.00
Net profit	87.47	63.52	119.97
EPS (Rs)*	11.4	8.3	15.4
* on post IPO fully dilluted equity (on upper price band) of Rs 15.38 crore. Face Value: Rs 2			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			