



IPO Report

24 Sept, 2025

Rating

Business
Financials
Valuation
Management



Ranking 1 to 5 , denoting lowest to highest

IPO: Atlanta Electricals Ltd.

Sector: Heavy Electrical Equipment

Expected Listing Returns: Upto 15% to 20%



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



Atlanta Electricals Ltd.

Stock Info

Issue Size (Cr)	687.34
Lot Size	19
Face Value (per sh.)	2
Min. Investment	Rs.13,642
Issue Price Band	Rs.718 to Rs.754
Listing At	BSE, NSE
QIB	50%
HNI	15%
Retail	35%
Sales Type	Fresh & OFS
Fresh Issue	400.00 cr
OFS	287.34 cr
Issue Type	Bookbuilding IPO
BRLM	Motilal Oswal Investment Advisors Ltd, Axis Capital Ltd
Registrar	MUFG Intime India Pvt Ltd

IPO Timeline

Opening Date	Mon, 22 September, 2025
Closing Date	Wed, 24 September, 2025
Allotment	Thu, 25 September, 2025
Initiation of Refund	Fri, 26 September, 2025
Credit of shares	Fri, 26 September, 2025
Listing Date	Mon, 29 September, 2025

Shareholding Pattern (Promoters)

Krupeshbhai Narharibhai Patel	8.25%
Niral Krupeshbhai Patel	8.91%
Amish Krupeshbhai Patel	8.91%
Tanmay Surendrabhai Patel	7.53%
Narharibhai S. Patel Family Trust	46.87%
Atlanta UHV Transformers LLP	13.90%
Total Promoters Holding	94.36%

Objective of Issue

- **Proceeds from the IPO will primarily be used for partial repayment of borrowings, funding working capital needs to support business growth, and for general corporate purposes.**

Atlanta Electricals Ltd. is a Gujarat-based power equipment manufacturer incorporated in 1988. The company is primarily engaged in the design, manufacturing, and supply of power and special-duty transformers, catering to state utilities, public sector undertakings (PSUs), private players, and specialized industries. Over the years, Atlanta has developed expertise in producing high/low-tension transformers, furnace transformers, inverter-duty transformers, mobile substations, testing transformers, and special application transformers designed for diverse climatic and operational conditions

Key Highlights:

- **Established Legacy in Transformer Manufacturing:** Atlanta Electricals Ltd. (AEL) is among India's leading manufacturers of power, auto, and inverter-duty transformers. The company offers a comprehensive product portfolio, ranging from 5 MVA/11 kV up to 200 MVA/220 kV power transformers, along with auto transformers, inverter-duty transformers, furnace transformers, generator transformers, and special-duty variants. Following the acquisition of BTW-Atlanta Transformers Pvt. Ltd., AEL has significantly expanded its capabilities and can now manufacture transformers with capacities of up to 500 MVA and voltage ratings as high as 765 kV.
- **Robust Order Book:** As of FY24, the company had an order book of ₹12,833.21 million, providing near-term revenue visibility. As of March 2025, Atlanta Electricals served a diversified base of 208 customers, including marquee names such as Gujarat Energy Transmission Corporation, Adani Green Energy, Tata Power, and SMS India. The company also supplies to 19 state utilities and 3 union territory utilities, with approvals in place from both PGCIL and the Ministry of Railways. Supported by the government's National Solar Mission and state-led renewable initiatives, the share of revenue from the renewable energy sector has risen sharply from 6.1% in FY23 to 21.3% in FY25.
- **Financial Performance & Metrics:** Within a short span, revenue has grown significantly from ₹6,256.62 million in FY2022 to ₹8,675.53 million in FY2024, registering a strong CAGR of 38.66% with net profit of ₹635.21M vs a ₹553.03M in FY2022. EBITDA margin 14.20% (vs 14.28% in FY2022),

Valuation & Investment Recommendation

AEL has recently expanded its manufacturing capacity by 2.8x in FY25 and plans a further 33% increase in the near term, enabling it to address the strong and sustained demand for transformers. The demand-supply dynamics of the transformer industry remain favorable, supported by ongoing infrastructure expansion in the power transmission and distribution sector. At the upper end of the IPO price band, the company is valued at 48.9x FY25E P/E (post-issue), representing a slight premium to the peer group average. We recommend a **Subscribe** rating on the issue from a long-term perspective, as the benefits of capacity expansion are expected to accrue over long term.

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SWOT Analysis

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STRENGTHS

Market leadership: AEL is a leading transformer manufacturer in India by production volume. It has over 30 years of industry experience and has built a strong reputation for quality and technology.

Diverse product range: The company offers a broad portfolio of transformers (power, inverter-duty, furnace, generator, special duty, etc.) – 6 product lines as of Sept 2024. This allows AEL to meet varied customer needs across transmission, industry, renewable, and mobility sectors.

Management and innovation: AEL's experienced leadership drives R&D and product customization, with innovations like testing, inverter-duty, and railway transformers, strengthening its reputation and customer trust.

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WEAKNESSES

Customer concentration: AEL derives ~65–83% of sales from state utilities, with top 10 customers contributing ~60–70% of revenue, exposing it to high concentration and payment delay risks.

Supplier concentration and backward integration: AEL's heavy reliance on a few suppliers and lack of backward integration (e.g., CRGO steel, insulation) exposes it to supply disruptions and input cost volatility, pressuring margins.

Working capital intensity: AEL's long project cycles and delayed utility payments drive high receivables (109–116 days) and rising working capital needs, increasing reliance on borrowings and straining liquidity.

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OPPORTUNITIES

Infrastructure and power sector growth: India's ₹4.25 trillion T&D capex and government electrification/smart grid schemes are boosting transformer demand, positioning AEL to benefit from sector tailwinds.

Renewable energy expansion: India's 500 GW renewable target and rising demand for specialized transformers offer strong growth potential, with the market projected to grow ~12% CAGR to 2029, favoring AEL's expertise.

Capacity expansion and scale: The upcoming Vadod plant will raise capacity to 47,280 MVA, enabling larger orders, lower unit costs, and improved efficiency, strengthening AEL's market position.

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THREATS

Intense competition: AEL faces intense price pressure from both international competitors, including low-cost Chinese manufacturers, and numerous domestic players, forcing potential margin reductions to secure orders.

Regulatory and policy uncertainty: AEL faces regulatory and policy uncertainties in the power sector, where delays, stringent compliance, and changing government norms can disrupt orders and increase costs.

Raw material and currency risk: AEL is exposed to raw material shortages, price fluctuations, and currency volatility, which can raise costs and impact export competitiveness.

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