

ABOUT THE COMPANY: The company is one of India's leading manufacturers of power, auto, and inverter duty transformers, with capabilities expanded to 500 MVA and 765 kV. With over three decades of experience, the company operates five manufacturing facilities across Gujarat and Karnataka.

KEY BUSINESS INSIGHTS:

India's power sector is entering a high-growth phase, supported by rising electricity demand from data centers, EV charging infrastructure, and railway electrification. The government's target of 500 GW non-fossil fuel capacity by 2030 is accelerating investments in solar, wind, and hybrid energy projects. As of Fiscal 2025, the company has an order book of ₹1643 Crores, with significant contributions from higher-capacity transformers above 150 MVA at ₹7280 Crores. Followed by 454 Crores in below 40 MVA, 289 Crores from 41 to 100 MVA. The company has some prominent players in the industry as its customers including Gujarat Energy Transmission Corporation Limited (GETCO), Adani Green Energy Limited, TATA Power and SMS India.

VIEW:

The company has had a good financial performance with revenue growing from 874 Cr to 1244 Cr from FY 23 to FY 25 with a CAGR of 19.3% whereas PAT has grown from 87 Cr in FY 23 to 119 Cr in FY 25 with a CAGR of 16.4%. The issue is overvalued at 46X PE and 15X PB as compared to average of listed peers at 40X PE and 8X PB of peers. The company also has low margins on both EBITDA and PAT level as compared to all its identified peers. On the other hand, company has the second largest order book as compared to its listed peers. The company also has a diverse range of products, experienced promoters and strong industry tailwinds. We recommend **SUBSCRIBE** the issue for long term investors with **HIGH**-risk appetite.



ISSUE DETAILS	
Price Band (in ₹ per share)	718 - 754
Issue size (in ₹ Crore)	687.34
Fresh Issue (in ₹ Crore)	400.00
Offer for Sale (in ₹ Crore)	287.34
Issue Open Date	22-09-2025
Issue Close Date	24-09-2025
Tentative Date of Allotment	25-09-2025
Tentative Date of Listing	29-09-2025
Total Number of Shares (in lakhs)	130.00
Face Value (in ₹)	2
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	19	14,326
Retail (Max)	13	247	1,86,238
S-HNI (Min)	14	266	2,00,564
S-HNI (Max)	69	1311	9,88,494
B-HNI (Min)	70	1330	10,02,820

BRLMs: Motilal Oswal Investment Advisors Limited, Axis Capital Limited

PROMOTERS: Niral Krupeshbhai Patel, Amish Krupeshbhai Patel, Tanmay Surendrabhai Patel

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)	FY25	FY24	FY23
Share Capital	14.32	14.32	14.32
Net Worth	349.90	228.47	164.90
Revenue from Operations	1,244.18	867.55	873.88
EBITDA	199.88	123.16	143.12
EBITDA Margin (%)	16.07	14.20	16.38
Profit/(Loss) After Tax	118.65	63.52	87.47
EPS (in Rs.)	16.57	8.87	12.22
Net Asset Value (in Rs.)	48.88	31.92	23.03
Total borrowings	141.03	48.60	73.09
P/E [#]	46	NA	NA
P/B [#]	15	NA	NA

Calculated at upper price band of 754

OBJECTS OF THE OFFER

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

- Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the Company (79.12 crores)
- Funding working capital requirements of the Company (210.00 crores)
- General corporate purposes

FINANCIAL STATEMENTS

Profit & Loss Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	873.88	867.55	1244.18
Other Income	2.77	4.50	6.31
Total Income	876.66	872.05	1250.49
YoY Growth (%)	-	-	-
Cost of Materials Consumed	706.31	675.58	861.44
Changes in inventories of finished goods, Stock in Trade and work in	-67.90	-40.36	54.93
Employee Benefit Expenses	16.91	21.60	29.44
Other Expenses	78.23	92.06	104.80
EBIDTA	143.12	123.16	199.88
EBIDTA Margin (%)	16.38%	14.20%	16.07%
Depreciation and amortisation expense	5.10	5.86	6.31
EBIT	138.02	117.30	193.58
EBIT Margin (%)	15.79%	13.52%	15.56%
Finance cost	27.57	30.03	34.24
Profit before tax	110.45	87.27	159.34
Tax expenses			
Current tax	22.50	23.50	39.00
Deferred tax	0.48	-0.14	0.70
Short/Excess provision of tax	-0.07	0.55	1.00
Total tax expenses	22.91	23.90	40.69
Profit for the year	87.54	63.36	118.65
PAT Margin (%)	10.02%	7.30%	9.54%
Earnings per share			
Basic earnings per share (₹)	12.22	8.87	16.57

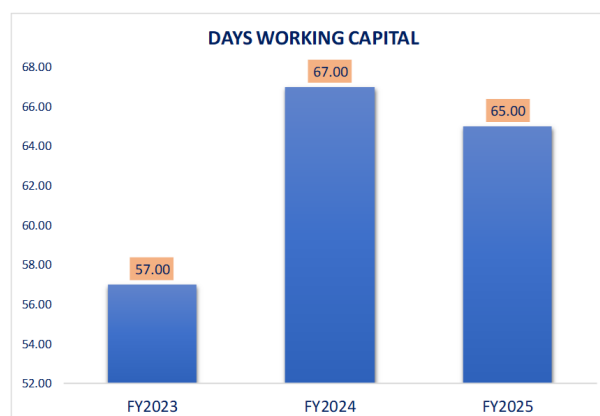
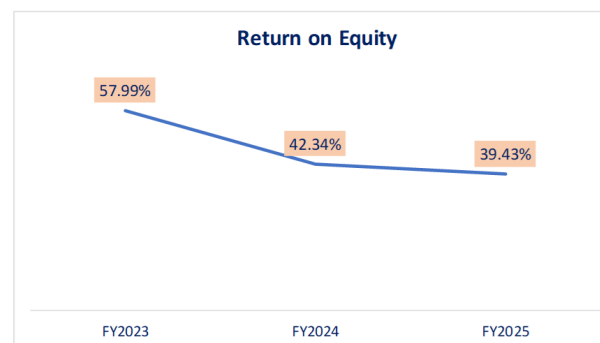
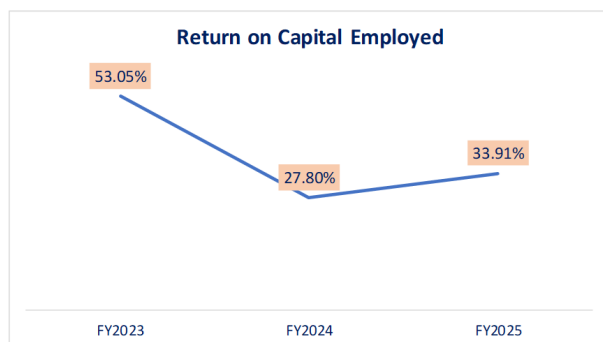
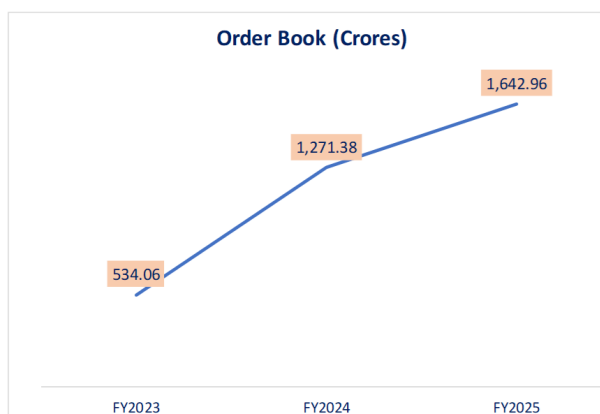
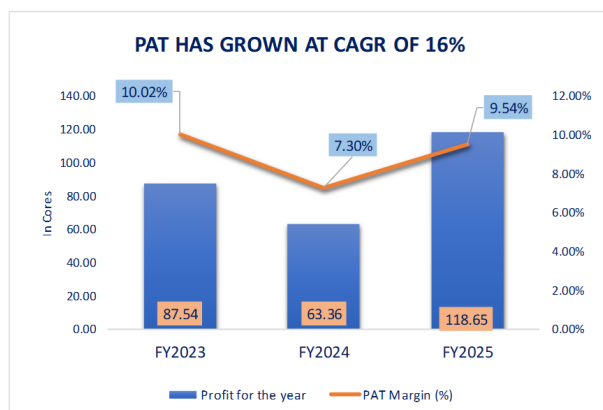
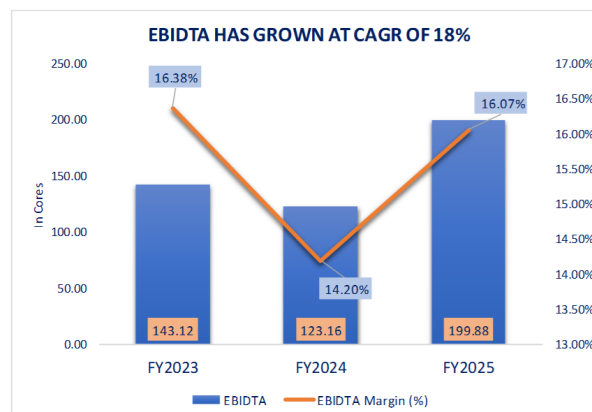
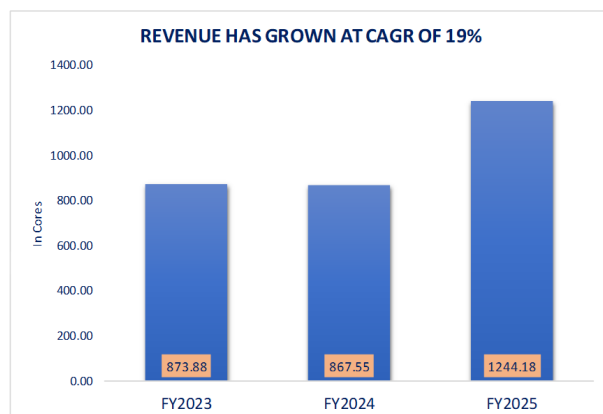
Balance Sheet

Particulars (In Crores)	FY2023	FY2024	FY2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	44.03	62.27	69.23
Right-of-Use Assets	3.25	2.62	7.16
Capital work-in-progress	2.81	11.91	112.78
Other Intangible assets	0.00	0.00	0.05
Financial Assets			
Investments	0.62	0.94	0.93
Other financial assets	15.74	8.37	9.01
Other non-current assets	2.71	4.98	10.98
Total Non-current Assets	69.17	91.09	210.13
Current assets			
Inventories	186.92	238.85	215.12
Financial Assets			
Trade receivables	260.12	179.78	351.71
Cash and cash equivalents	3.13	0.22	0.37
Bank balances	31.99	30.44	65.70
Other financial assets	6.46	14.66	6.44
Other current assets	2.97	4.21	16.72
Total Current Assets	491.59	468.16	656.06
Total Assets	560.76	559.25	866.19
EQUITY AND LIABILITIES			
Equity Share Capital	14.32	14.32	14.32
Other Equity	150.58	214.16	335.59
Total Equity	164.90	228.47	349.90
Non-current liabilities			
Financial Liabilities			
Borrowings	6.60	3.87	93.03
Lease liabilities	-	0.12	3.07
Provisions	1.32	1.80	0.88
Deferred tax liabilities net	1.53	1.39	2.09
Total Non-current liabilities	9.45	7.18	99.06
Current liabilities			
Financial Liabilities			
Borrowings	66.50	44.73	48.00
Lease liabilities	0.96	0.10	1.86
Trade Payables			
total outstanding dues of MSME	96.61	34.94	26.63
total outstanding dues of others	182.76	203.38	283.50
Other financial liabilities	2.40	2.40	18.78
Other current liabilities	25.46	23.52	24.55
Provisions	2.44	4.30	5.51
Current Tax Liabilities (Net)	9.30	10.24	8.40
Total Current liabilities	386.42	323.60	417.23
Total liabilities	395.87	330.78	516.28
Total Equity and Liabilities	560.76	559.25	866.19

Cashflow Statement

Particulars (In Crores)	FY2023	FY2024	FY2025
Cash generated from operations	69.35	111.43	125.41
Income Tax Paid	-17.38	-23.12	-41.83
Net cash generated from operating activities	51.98	88.31	83.58
Net cash used in investing activities	-17.82	-35.65	-140.71
Net cash used in financing activities	-31.27	-55.57	57.28
Net increase/ (decrease) in cash and cash equivalents before effect of rate exchange	2.89	-2.91	0.15
Balance as at beginning	0.24	3.13	0.22
Cash and cash equivalent as at year end	3.13	0.22	0.37

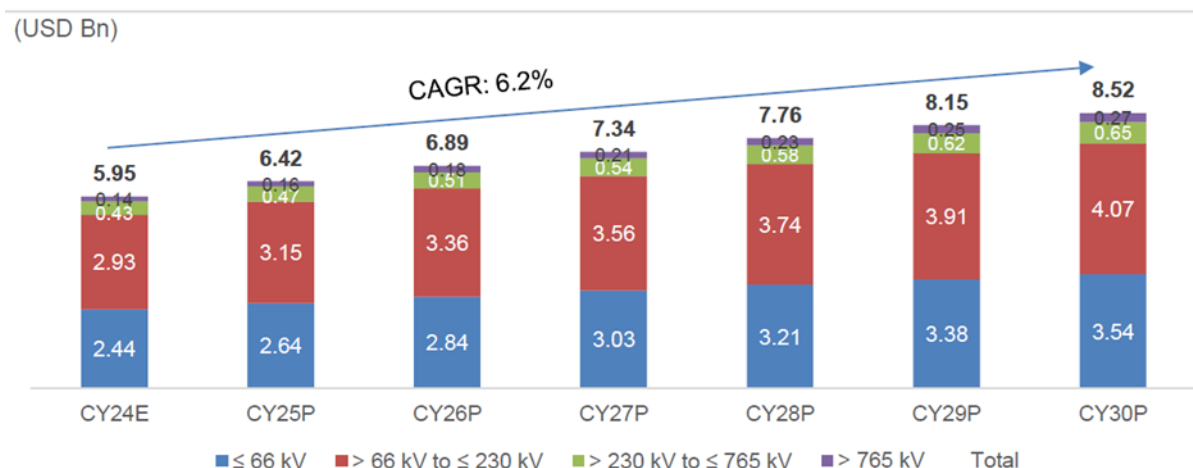
PERFORMANCE THROUGH CHARTS



INDUSTRY REVIEW

TRANSFORMER MARKET IN INDIA

- India's growing power demand, manufacturing push, and electrification efforts, as well as the country's ambitious green energy transition goal of 500 GW by 2030, are all contributing to a revival of transmission and distribution capital expenditure (capex) activity. According to the CEA's National Electricity Plan, the power transmission segment alone is expected to see a capex of Rs. 4.25 trillion by 2027, underscoring the immense opportunities for transformer manufacturers in this space.
- India's AC transformation capacity has been steadily increasing, reaching 1,304 GVA across the 220-765 kV levels as of March 2025. Over the five-year period from fiscal 2019 to 2025, the AC transformation capacity grew at a CAGR of 5.8%. During fiscal 2025, the total market for transformers (power and distribution) upto and including 200 MVA/ 220 kV was estimated around USD 1.6 – 1.8 billion.
- The domestic transformer market is expected to grow by 7-8% in 2025. The transformer segment has registered growth of 10.4% between 2019-23 and is expected to grow at CAGR of ~6-7% from 2024-30. Historically, transformer growth benefitted from aggressive push on electrification, renewable integration, rural grid expansion under SAUBHAGYA, DDUGJY, Power for All and other government schemes, resulting in robust demand. However, during the forecast period, the demand drivers such as renewables, EV integration, grid modernization, urbanisation, will remain strong but rising material cost, supply chain volatility, and execution delays may affect the growth rate compared to the historical years.
- In India, the Generation, transmission and Distribution happens at various voltage levels. Power generation in conventional power plants typically produces electricity at voltage level between 11 kV and 25 kV. HV and EHV transmission lines transport power from the power plant over long distances at voltages like 132 kV, 220 kV, 400 kV and 760 kV. Power from transmission network is delivered to sub-transmission network after stepping down the voltage to 66 kV or 33 kV through 220/132/66/33 kV Grid substations.



COMPETITIVE STRENGTHS OF THE COMPANY

DIVERSE PRODUCT PORTFOLIO

- The company offer a broad and diversified product portfolio, which is designed to meet the diverse requirements of the company customers. As of March 31, 2025, the company portfolio comprises of 6 products, such as power transformers, inverter duty transformers, furnace transformers, generator transformers, and special duty transformers.
- The company understand the need for customization to cater to specific customer requirements. The company have successfully manufactured and supplied transformers tailored to unique specifications for institutional and corporate customers. For instance, the company are one of the few companies to deliver 66 kV transformers to Leh, which were designed for installation at an altitude of over 3,000 meters and to withstand ambient temperature conditions.
- The company also manufactured and supplied 20 MVA, 66/11.55 kV power transformers with dry plug-in terminations (both HV and LV), using natural and synthetic ester oils. These ester-based fluids are fire-safe, biodegradable, and less hazardous, making them ideal for use in urban environments.

STRONG ORDER BOOK

- The company are one of the leading manufacturers of power, auto and inverter duty transformers in terms of production volume as of Fiscal 2025. As of March 31, 2025, the company have cultivated relationships with 208 customers of which 21 are public sector undertakings and 187 are private sector players.
- The company Order Book, as on Fiscals 2025, 2024 and 2023, amounted to ₹ 16,429.58 million, ₹ 12,713.80 million and ₹ 5,340.62 million, respectively. Diversifying the company Order Book across different business and geographical regions, enables its to pursue a broader range of project tenders and therefore maximize the company business volume and profit margins. The consistent growth in the company Order Book is a result of the company past experience; the company focus on maintaining quality standards in the company construction and project execution skills.
- As of March 31, 2025, the company supply 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, dairies, solar, textile, construction and infrastructure etc. allows it to meet varied requirements while minimizing risk. The company 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.

EXPERIENCED PROMOTERS

- The company is guided by a highly experienced team, including the company Promoters, who collectively bring decades of expertise in the electrical industry. Mr. Niral Krupeshbhai Patel, possessing over 22 years of experience in transformers manufacturing industry. Mr. Tanmay Surendrabhai Patel, who has over 22 years of experience in the transformers, electrical and manufacturing sectors. Mr. Amish K. Patel, with 17 years of combined experience in real estate, investment and acquisitions.
- The composition of the company Board of Directors not only includes the company Promoters but also comprises experienced professionals from respective industries. Their varied backgrounds and experience enhance the company decision-making processes, thus contributing to the company success. The company believe that this provides it with a competitive advantage, as the company seek to expand the company business in existing markets and enter into new markets and positions its well to capitalize on future growth opportunities.
- As of March 31, 2025, the company management team is supported by 311 professionals across various functions, including business development, finance, operations, engineering, marketing, legal, human resources, and design. This diverse talent not only enriches the company operational capabilities but also positions its to respond effectively to the dynamic demands of the industry.

RISK FACTORS

GEOGRAPHICAL CONCENTRATION RISK

- A significant portion of the company revenue is generated from manufacturing of transformers at the company facilities situated in Gujarat. As of Fiscal 2025, Fiscal 2024 and Fiscal 2023, the company derived 98.88%, 96.83% and 89.97% respectively, of the company revenue from manufacturing facilities situated in Gujarat. Any disruptions in the region could have a material adverse effect on the company business, financial condition and results of operations.
- The company have five manufacturing facilities and operate four fully operational manufacturing facilities, of which two manufacturing facilities are located in Anand, Gujarat, one in Bengaluru, Karnataka in India and the Vadod Unit which has commenced commercial production in July, 2025 is located in Vadod, Gujarat. Further, the company Ankhi Unit is in the process of commencing commercial production as of the date of this Red Herring Prospectus. Expansion into new geographies will cause it to incur significant costs, and face regulatory, personnel and cultural challenges which may adversely affect the company operational expenses.

EXPOSURE TO STATE ELECTRICITY COMPANIES

- The company derive a significant portion of the company revenue from the supply of transformers to utilities including state electricity companies who constituted 65.85%, 65.46% and 80.47% of the company revenue from operation during Fiscal 2025, Fiscal 2024 and Fiscal 2023. Additionally, the company 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 the company business, financial condition, cash flows and results of operations.
- As on March 31, 2025, 82.08% of the company Order Book comprised of state electricity companies. Any material failure or inability, financial or otherwise, on their part to fulfil their obligations under the terms and conditions of the contracts/tenders would have a material adverse effect on the business and operations of the company. The company revenues and profitability may be adversely affected if the company are unable to recover the company dues from the state electricity companies.

CUSTOMER CONCENTRATION RISK

- The company depend on the company relationships with the company customers. A substantial portion of the company revenues is dependent on the company top 10 customers. As of Fiscal 2025, Fiscal 2024 and Fiscal 2023, the company derived 74.21%, 64.82% and 79.87% respectively, of the company revenue from the company top 10 customers. The loss of any of these customers, will materially and adversely affect the company revenues and profitability.
- These customers may not be the company top 10 customers in each of the above Fiscals the loss of any of the company top 10 customers for any reason (including due to loss of, or failure of the company customers to win orders / contracts from their customers to renew the company existing arrangements with the company customers; limitation to meet any change in quality specification, change in technology disputes with a customer; adverse changes in the financial condition of the company customers, such as possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, labour strikes or other work stoppages) could have a material adverse effect on the company business, results of operations and financial condition.



PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Atlanta Electricals Limited	1,244	2	16.57	48.88	33.91	46	15
Voltamp Transformers Limited	1,934	10	321.65	1569.24	20.50	23	5
Transformers and Rectifiers India Limited	2,019	1	7.21	41.71	17.29	73	13
Danish Power Limited	427	10	34.55	162.5	18.00	25	5

Financials are of FY2025 Data ^ Calculated at upper price band of 754. *Calculated at closing of 16th September 2025



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