"**Atlanta Electricals Limited**

Q1FY26 Earnings Conference Call"

October 17, 2025

Management: **Mr. Niral Krupeshbhai Patel – Chairman and Managing Director – Atlanta Electricals Limited**
Mr. Anand Sharma – Chief Operating Officer – Atlanta Electricals Limited
Mr. Mehul Mehta – Chief Financial Officer – Atlanta Electricals Limited

Moderator: Ladies and gentlemen, good day, and welcome to the Atlanta Electricals Limited Q1FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Savli Mangle from Adfactors PR. Thank you, and over to you, ma'am.

Savli Mangle: Thank you, Steve. Good afternoon, everyone, and thank you for joining us today to discuss the unaudited financial performance for the quarter ended 30th June 2025. I have with me Mr. Niral Krupeshbhai Patel, Chairman and Managing Director; Mr. Anand Sharma, Chief Operating Officer; and Mr. Mehul Mehta, Chief Financial Officer.

Before we proceed, I would like to bring to your attention that certain statements made during this discussion may constitute forward-looking statements. These statements are based on our current expectations, assumptions, and beliefs regarding future developments and are inherently subject to various risks, uncertainties, and factors beyond our control. Such forward-looking statements involve both known and unknown risks, and we advise you to interpret them with caution.

That being said, thank you, and over to you, Mr. Patel.

Niral Patel: Thank you so much, Savli ma'am, for introducing us. A very good afternoon to everyone. A very warm welcome to everyone joining Atlanta Electricals Limited earnings conference call for the quarter ended 30th June 2025. Our results, investor presentation, and media releases have been shared with the Stock Exchange and uploaded to our website. I trust you have had the opportunity to review them.

Today marks a proud milestone for Atlanta Electricals, our very first quarterly results after listing and our first debut earning call. This moment is a testament to your trust and support for which I am truly grateful. Atlanta Electricals today is recognized as one of India's leading transformer manufacturers over three decades of proven expertise.

Our diversified product portfolio spanning six categories, including power, transformer, inverter duty, furnace, generator, and special duty transformers, positions us to serve critical growth sectors such as utilities, renewables, railways, and diversified industrial applications.

With five advanced manufacturing facilities and very well diversified customer base across India and international markets, we are well-placed to capture the opportunities arising from accelerating infrastructure investments, renewable energy expansion, and rising from demand for renewable power solutions.

The strong foundation underscores our long-term growth potential and ability to create value for stakeholders. I'm delighted to report yet another quarter

of strong growth, marked by robust operational execution and healthy financial performance. This performance underscores the momentum we are building, and I now take you through the consolidated results for quarter ended 30th June 2025.

During the quarter, our revenues increased by about 5.1% year-on-year to Rs. 315 crores from Rs. 300 crores in the previous corresponding period, making a good start for the year on steady execution and deliveries against robust order book. These revenues are from our existing three units, namely Unit 1, 2, and 3, which were and are operating at 100% capacity utilization.

Q1FY26 EBITDA grew by 17.8% with margin at 15.5%. PAT grew by 25.3% with PAT margin at 9.9%. Growth was driven by improved product mix, higher capacity utilization, and operating leverage, disciplined procurement and manufacturing productivity, and timely pass-through pricing actions on input cost movements.

Before I move to company updates, let me briefly touch upon the broader industry backdrop. Globally, transformers are in a growth cycle driven by renewables, data centers, and grid modernization with market projected to approach approximately 91 billion by 2029 at a 6.9% CAGR growth.

In India, the sector is set for steady high-quantity growth. The overall transformer market is expected to reach 8.5 billion by FY30, about 6.2% CAGR. In this, power transformer sector is alone projected to reach approximately $3.5 billion at 15% CAGR with unit demand and installed high-voltage transformation capacity leading up to consistently. This creates a durable order funnel across transmission, industrial, and renewable segments.

Building on this demand momentum, policy support is strong and the visible national plans under NEP/CEA outline a large transmission build-out, including Rs. 9.6 trillion of planned investments by year 2032, a sizable ISTS pipeline for renewables, a green energy corridor additions underway, together providing multi-year execution visibility for the industry.

For Atlanta Electricals, this translates into real opportunity with PGCIL and Ministry of Railways approval for a range of 200 MVA/220 KV, four NABL-accredited labs, and capacity scaling towards 63,060 MVA plus. We are well positioned to take part in larger MVA and higher kV class transformer tenders and convert these tailwinds to a profitable growth.

Coming to the recent developments, I'm pleased to share some key updates on Atlanta Electricals growth journey. Our consolidated order book stands at Rs. 1,584 crores as of 30th June, with strong execution visibility over the few coming months. It is well-diversified across PSU and private customers, anchored by repeat wins and marquee utilities, renewables, and industrial plans.

Over 200 active customers across 19 states and three union territories is what we enjoy a broad base and that lowers concentration risk and supports a healthy shift towards higher kV and MVA, namely 400 kV and 765 kV class products as our new capacity ramps up. We have also successfully completed the acquisition of BTW-Atlanta Transformers India Private Limited, now our wholly-owned subsidiary, we've renamed it to Atlanta Trafo Private Limited. These strengthens our portfolio with proven EHV design and testing capabilities, enhancing our ability to deliver transformers up to 500 MVA, 765 kV.

Alongside, we operationalized our Vadod Unit, scaling the total capacity to 63,060 MVA. Together, these steps materially enhance our mix towards larger, higher-value products. These newly added state-of-the-art facilities shall contribute significantly to our top line in the second half of this year. I'm happy to share that all these units put together currently, we hold the highest capacity in the nation and all these capacities shall be put to use in the coming times.

We expect our newly built labs to receive NABL-accreditation very soon, followed by plant approvals from Power Grid Corporation India Limited, and followed by the state-owned transmission companies. We are also pleased to note the recent upgrade of bank facilities to Crisil A stable and Crisil A1. This

reflects the strength of our credit profile, lowering borrowing costs, improves access to working capital, and expands eligibility for larger PSU EPC tenders. Importantly, it validates our execution record and visibility of our book as we scale.

On IPO proceeds, as committed, we have prudently used the fresh issue funds to repay borrowings and strengthened our working capital. This has reduced leverage, lowered finance costs, and supported faster execution of large orders while reinforcing our financial position and enabling a margin accelerated growth.

We now enter FY 26 with a strong order visibility, upgraded credit ratings, and enhanced capacity. With Vadod and Atlanta Trafo fully integrated in our portfolio is shifting decisively towards higher kV, higher MVA products, enabling us to deliver larger projects with greater speed and efficiency. Demand remains firm in India and globally, and with policy support for transmission and renewables, we see a long runway of an opportunity ahead.

Our strategy remains clear, maintain between PSUs and private mix, deliver on time with cost discipline, ensure margin resilience, and a steady increase of our share of high-value products. With our broad product portfolio, engineering excellence, and disciplined financial approach, we are well positioned to convert today's visibility into sustained growth and long-term value creation.

I would want to close by thanking the entire team of Atlanta Electricals and their relentless dedication and our stakeholders for their continued trust and support. We are confident that our journey ahead will be one of the stronger growth, sharper competitiveness, and superior value creation for all.

Thank you, and we can open the floor for questions now. Thank you so much.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes from the line of Prathmesh Salunkhe with PL Capital. Please go ahead.

Prathmesh Salunkhe: Hi, sir. Thank you for the opportunity. So my question is on the BTW capacity. So we understand that the 15,000 capacity is immediately operational and can be put to use. So just wanted to understand what kind of revenue we can see from this new facility for the full year?

Niral Patel: To give you a brief, on the BTW facility, we have finished the acquisition. We've also successfully finished the name change. It is a 100% subsidiary of Atlanta Electricals now. This is a 15,000 MVA facility as of today and has possibility to expand three-phase in coming times. As of today, if we can put 15,000 MVA manufacturing capacity, the total revenue that could be mobilized from this facility ranges between Rs. 600 crores to Rs. 700 crores.

Prathmesh Salunkhe: Okay, understood. Sir, in Q1, most of our new capacity was not operational. So we understand that we were running on the old capacity. So did we see any capacity constraints in Q2 as well? Like what was the capacity utilization for the full H1 FY26?

Mehul Mehta: The revenue in Q1FY26 came from the existing three facilities and same will be there for Q2FY26. Q3FY26 onwards, this additional capacity of Vadod and BTW plant will kick in. However, during the end of August and starting of September, we were able to dispatch few of transformers from our Vadod facility. However, majority of the sales revenue will come from Vadod plant in H2 as well as BTW from H2 onwards.

Prathmesh Salunkhe: Right, sir. Does management would like to give or provide any guidance for the full year, given the new capacities are coming online?

Niral Patel: Sir, very frankly speaking, transformer manufacturing is a long-term plan anyway. To give any sort of guidance as of today will be not right. We would certainly give certain guidance as and when the facility becomes operational at optimum level.

Prathmesh Salunkhe: Understood. Thank you so much for answering my questions. All the best.

Niral Patel: Thank you, sir.

Moderator: The next question comes from the line of Mihir Manohar from Trust Mutual Funds. Please go ahead.

Mihir Manohar: Yes, hi. Thanks for giving the opportunity. So, basically, I mean, all the three plants are operational, right? I mean, the BTW acquisition -- the plant from the BTW acquisition plus the brownfield expansion of 30,000 MVA. All the three plants are operational as of now, right?

Niral Patel: All the five plants are operational as of now.

Mihir Manohar: Sorry. Understood. Correct. Sure. Sir, I sort of wanted to understand on the basically kV manufacturing capability across all these five plants, I think Anand I, Anand II has up to 220 kV. Then the BTW has for 400 kV and 765 kV. And the 30,000 MVA, that is up to 400 kV, right? If you can provide some color around here as to what level of kV can each of these plants manufacture around the transformers around?

Anand Sharma: Good afternoon, sir. Anand Sharma this side. I am COO here. Each of the facility has a distinct voltage class of manufacturing. So, starting from Unit 1, we can manufacture transformers of 220 kV and larger power ratings of 132 kV.

Unit 2, which we have, is used to manufacture transformers of 66 kV and larger ratings of 132 kv means up to 50 MVAs . Unit 3 is a unit which is comparatively pretty small as compared to the other units, wherein we manufacture transformers up to 110 kV and 16 MVAs.

Unit 4, which is a newly built unit of ours, has a capacity of 30,000 MVAs. And that unit is designed in such a way that we can manufacture transformers up to 400 kV. And the newly acquired facility from the JV partner BTW, that plant is suitable and capable to produce transformers and reactors up to 765 kV.

Now, any of these facilities are, let's say, downward side fungible, actually. So, Unit 1 can certainly produce 33 kV transformers, but that is something we should not like to do in any case, because in that case, we would not be utilizing that particular facility to its fullest.

Anand Sharma: In all units, we have kept some kind of overlap, some specialty, some primary voltage rating and the secondary voltage rating. And one plant's secondary voltage rating would be overlapping with another plant's maybe primary voltage rating, actually. So, this allows us to cater to the requirement of the entire spectrum, actually.

Mihir Manohar: Understood. Sure. Fair point exactly. On the 765 kV side, I mean, do we have the approval from PGCIL or how does it work? Because, I mean, the facility which was there for BTW, that was non-operational for a certain period of time. So, how does it work?

Anand Sharma: So, BTW facility was supplying and has supplied 765 kV products to Power Grid till 2022. And as you rightly mentioned that this facility was not operational since then. Now that we have taken over this particular facility, we shall be initiating the process of getting the plant approval from Power Grid and, subsequently getting the product approval also done from the Power Grid. So, it will happen in due course of time.

Mihir Manohar: Understood. Sure. And just my last question was on the order book. Has the order book increased further, let's say, as of now, I mean, after the Rs. 1,584 crores number which is there?

Anand Sharma: Sir, we are seeing a steady growth in the order book. It might not be fair on our part to share as on date numbers, but we can assure you that we are moving at a steady and good pace on the order book side.

Mihir Manohar: Sure. Understood. That is all from my side. Thank you.

Anand Sharma: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Arfad Sayyed with Reliance Nippon Life Insurance. Please go ahead.

Arfad Sayyed: Yes. Hi, sir. Thanks for taking the questions and congrats on a superb listing. Sir, my first question is on your order book. You said your order book is close to Rs. 1,584 crores. Can you get the mix of the order book in terms of KV class wise and also private players?

Mehul Mehta: Sir, Mehul this side. So, regarding order book, kV class wise up to 66 kV, we have around 17% of the orders; 132 kV, 23% of the orders and 220 kV orders are at 60% of the total orders.

Arfad Sayyed: So, sir, how would this -- let's say, based on this thing, I think the higher kV class yet to be, let's say, captured fully. I think that will happen in the next couple of quarters. So, how your reaction will improve based on, let's say, per MVA?

Mehul Mehta: So, sir, as we move up to higher KV class, realization per net MVA goes down and margins improves. This is how the KV class matrix works.

Arfad Sayyed: Got it, sir. And lastly, I just want to understand, let's say, demand outlook. Now you are getting approval for higher KV class also. So, how the demand for, let's say, higher KV class, which is up to, let's say, 220 KV and also how the demand for below 220 KV class?

Niral Patel: Sir, Niral Patel this side. The demand of higher KV class, namely also 400 and 765 kV and also to the extent 220 kV class, stands fairly high. There is a shortfall in the nation as we speak. And that is the whole reason of Atlanta Electricals is taking such a bold step to expand its facilities and intends to cater to the shortfall in the market. Demand is good and pretty steady and this will remain for years to come.

Arfad Sayyed: Got it, sir. Got it, sir. Thank you. Thank you, sir.

Moderator: Thank you. The next question comes from the line of Naman Parmar with Niveshaay Investments. Please go ahead.

Naman Parmar: Good afternoon, sir. Thank you so much for the opportunity. Firstly, I wanted to understand on the acquisition side, as you mentioned that you have already done your acquisition part and fully and it will be reflecting as a subsidiary in the couple of quarters, right? So, any royalty payment will be going to this BTW Chinese parent company or the technology type?

Niral Patel: The steps we have taken to close the transaction was to first cancel the technology license agreement and then buy the assets, meaning the shares

of the company with the company's credentials. So that's how we have bought the company. The company now has no connections with BTW China and hence there is no question of any royalty payments.

Naman Parmar: Okay, understood. Secondly, on the industry side, as a lot of capacities are getting to come in by FY27, right? So, any price war type of situation you are facing in the industry? Given there is a very good demand on the industry because of a lot of rising data centers, renewables and all, but seeing a lot of capacity coming in, you are facing any price war type of situation?

Niral Patel: Not as of now and we anticipate that cycle of price wars is not going to kick in for a long period of time. That is our vision and the vision is backed by judgments like there is not just capacity addition that is happening, sir. There is upgradation of technology is also happening. India was predominantly ordering 400 and 765 kV. Now we are shifting our gears to HVDC.

So, people are upgrading their capacities relatively to cater to the higher demand of HVDCs and people like Atlanta would be expanding their capacities to cater to demands like 400 and 765 kV. So, we are all moving up in a ladder of capacity as well as technology. As soon as an OEM manufacturer establishes their technology in a higher kV class rating, the intentions would be to free up the space for the lower kV class that the manufacturer is making. And that is where the industry is growing.

So, every capacity expansion that you see announced by OEM manufacturers would be relatively to the higher kV class rating from whatever they are manufacturing.

Naman Parmar: Okay, understood. And on the backward integration side, so currently how is the sourcing basically for the CRGO, tanks, radiators? Any issue there or it is very normal that there is no issue on the sourcing of the CRGO?

Anand Sharma: As we are seeing the crunch on the transformer supply, certainly as maybe indicated by you rightly, there is certainly pressure on the raw material supply chain thing also for the transformer component. But we have a robust, let us say, mechanism for the procurement of the material.

We also enjoy support of our stakeholders, which is vendors with whom we have longstanding relationships. And a resultant is that we have till date not faced any situation wherein our transformers are waiting, our orders are waiting for the raw material to manufacture the transformer. So, we believe we will be able to, let us say, continue to travel on that track in a time to come as well.

Naman Parmar: Okay, understood. And lastly, on the order book side, if you can give the breakup as a client-wise, how much is from the PSUs and how much is from the private?

Anand Sharma: Typically, the ratio historically also and maybe in a time to come also would be around 70% to 30%, 70% being utility and 30% being the private players, which might include EPC contractors, IPPs and the industries.

Naman Parmar: Okay. Yes, that's it. Thank you so much for answering my question. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Yash Banka with Tiger Assets. Please go ahead.

Yash Banka: Thank you. Sir, can you touch upon the supply chain side, specifically related to copper and the bushings? As we can see, the copper price is rising. So, are we seeing some sort of uptick in the cost, on the manufacturing side and will the margins be stable? And also, the bushings, if there is any extended timeline for sourcing bushings? Yes, that's my first question.

Anand Sharma: Sir, I was trying to touch upon the topic or rather trying to answer the earlier question or previous question. I'll take reference of that only. So, 70% of our business comes from utilities and 30% business comes from the private sector. The 70% business which comes from utility is backed up by the price variation formula. Within any, let's say, variation in the price, we are able to pass it on to the customer on a transparent basis. And hence, any variation on the copper prices is certainly not going to affect our margins for sure.

As far as the procurement of the bushing is concerned, as I was mentioning earlier, we have a robust mechanism to tackle the issues related to the items

wherein we are seeing a comparatively higher shortage and the crunch in the supplies. And we have been able to manage the situation quite well all these years and, in a time to come wherein, let's say, players are putting up manufacturing facilities for the manufacturing of bushings, the situation will certainly ease off only, if not getting complicated further.

Yash Banka: Okay, understood. Very well answered, sir. So, any sort of data you have on the field dates or any sort of warranty claim that we have had in the past couple of years?

Mehul Mehta : No, sir. No such major warranty claims in past recent years. There may be a few of the complaints, customer complaints, that is of routine nature, small complaints, and that we need to attend through our service team. That is it.

Yash Banka: Okay, okay. I'll fall back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Deepak Poddar with Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much, sir, for this opportunity. So, just wanted to understand first of this acquisition consolidation is from which quarter, I mean?

Niral Patel: The consolidation will come from the second quarter onwards.

Deepak Poddar: Consolidation will come from second quarter?

Niral Patel: Yes.

Deepak Poddar: And what sort of revenue they are doing currently?

Niral Patel: Sir, BTW Atlanta had shut operations in 2022. Since then, they have not done any revenue so far. Post-acquisition, we have started operations there and the revenues from that unit will be shown in the second half of this year.

Deepak Poddar: And so, I mean, utilization ramp up will take some time. I mean, the Q2 will start and maybe second half you will ramp up?

Niral Patel: Yes, yes.

Deepak Poddar: Okay, sure. And in terms of our total capacity, 63,000 MVA we have. I mean, that's our current capacity or anything is under construction in this 63,000 MVA?

Niral Patel: So, ~16,000 is what we had. ~30,000 is we constructed and ~15,000 is what we acquired. All of these facilities are under proper operations. They have commenced and they have commenced the manufacturing activities. Manufacturing activities take a little bit of time to make large transformers and we suggest H2 of this year is when we see the top line growing.

Deepak Poddar: Fair enough. So, how should one look at the utilization level? I mean, I think FY25 we did a volume of, let's say, some 16,500 MVA, right? So, how should one envisage the utilization level over the next three years, the ramp up? Some sense on that would be very helpful.

Niral Patel: So, we as a company, I'll give you a brief. Unit 1, 2, and 3 in in FY25 was running at 100% utilization and they are running at 100% utilization now also. Like I mentioned, we will not be able to share a forward guidance, but we can share the intention of the company. The intention of the company is to have the same growth trajectory as historically the company has been doing, gradual ramp up in terms of volumes of sales and in terms of newer product developments, namely 400 kV and 765 kV class transformers and reactors.

Deepak Poddar: Okay. And fully, I mean, optimum utilization in the next three years, can we envisage in three years we'll be at optimum utilization of our capacity?

Niral Patel: We intend, I mean, the company is intending to do so. Yes.

Deepak Poddar: Okay. I think that's very helpful, sir. That would be from my side. All the very best.

Moderator: Thank you. The next question comes from the line of Jai Chauhan with Trinetra Asset Managers. Please go ahead.

Jai Chauhan: Good afternoon. Thank you for the opportunity. So, I just have two questions. One says, do you procure and make laminations by yourself or do you buy laminations for the code directly?

Anand Sharma: So, we procure lamination from the approved sources of Atlanta, which happens to be the renowned sources in the domestic industry.

Jai Chauhan: Understood, understood, sir. But I wanted to understand, like, I think, if you, like, how does it work if you do it in-house? Can the margins get better or it doesn't work that way?

Anand Sharma: It's really difficult to, let's say, maybe assess. At this point in time, we have not really made any assessment of such sort. But, yes, so it's not fair on our part to make any comment there. We have not made any such assessment.

Jai Chauhan: Understood, understood, sir. And the second question, sir, like, what technology did BTW, Chinese JV, brought in the past?

Niral Patel: So, BTW, China had a technology tie-up agreement with BTW, Atlanta Transformers India, Private Limited in India. So, the technology was brought from the parent company to manufacture 765 kV class transformers, 400 kV class transformers and 765 kV class reactors in the Indian company.

Jai Chauhan: Sir, I just wanted to understand what exactly is the differentiator there for the higher kV classes of the transformers and, like, what kind of technology was exactly required at that time?

Niral Patel: Sir, so they are fairly technical products. A lot of mathematical and electrical calculations go in place. Softwares are procured to do the calculation for designing the transformer. And at the same time, know-how of, in the terms of routine manufacturing, the know-how as to how to manufacture this kind of transformers efficiently is the technology.

So, when we say a technological tie-up is done, we have witnessed this whole exercise and we have witnessed this manufacturing cycle when it had happened in 2018 to 2022.

Jai Chauhan: Sure, sir. Thank you. Thank you for answering my question. Thank you.

Moderator: We will move on to the next question. It's from the line of Sagar Dhawan with Valuequest. Please go ahead.

Sagar Dhawan: Yes, hi. Thanks for the opportunity. Just wanted to understand, basically, how would the order book build-up happen to be able to utilize the expanded capacity that has come online this year? So, just wanted to understand your perspective on how far out, basically, the order that you're booking today give you the visibility of sales?

Niral Patel: This is Niral Patel again. The order book build-up in our industry happens kV class-wise. 400 kV class and 765 kV class, typically, it is 18 months to two years of lead time. In 220 kV class, it's about 9 months to 12 months. In 132 and 66, it ranges from four to six months. Typically, a for a 66, or a 33, or also, to an extent, 132 kV class transformer, we would end up getting orders in this – in the current year, and we would also end up manufacturing, closing the order in the current year itself, typically. However, the larger KV rating orders are long-term orders.

Atlanta Electricals, as a company, has already started making their customers aware of the fact that Atlanta is trying to enter into 400 kV space. Fortunately, with the recent announcements that we've already done with the stock exchange, we have also started receiving orders for 400 kV, and those orders will certainly fall for manufacturing in the next coming year.

Sagar Dhawan: Understood, sir. And could you give us an idea of the enquiry pipeline that you're seeing right now?

Anand Sharma: Yes, Sagarji, Anand Sharma this side. It may not be feasible on our part to, let's say, give any numbers as of now on this call, but we can assure you that our sales team is really working hard to generate the enquiries, and as a company, we are working hard to convert those enquiries into orders so that we can fill the newly built facilities appropriately and make good use of it in a time to come.

Sagar Dhawan: Got it, sir. Understood. And one last data point question, actually. What is the current gross debt level?

Mehul Mehta: Gross debt. Okay. Yes. So, gross debt, long-term debt was Rs. 330 crores due to acquisition of BTW and Vadod Plant Project term loan. However, we have

repaid out of the equity proceeds the Vadod term loan fully, that is Rs. 130 crores, and out of Rs. 210 crores of this BTW acquisition, we are repaying INR85 crores as of now. So, around Rs. 125 crores will be of long-term debt outstanding , sir.

Sagar Dhawan: Thanks a lot. Thanks for taking my questions.

Moderator: Thank you. The next question is from the line of Mihir Manohar with Trust Mutual Fund. Please go ahead.

Mihir Manohar: Hi, sir. Thanks for giving the follow-up. Sir, you mentioned about this Vadod facility which is there, that is on 400 kV class. I mean, what steps or what procedure does it take? Is it fungible to 765 kV? I mean, can we upgrade it? How does it work?

Niral Patel: Sir, the facilities are made, like I mentioned, transformer manufacturing is anyways a long-term business. The facilities are developed in such a way that they are one level upgradable without any civil changes only by adding better equipments. So, when we say our Vadod facility is 400 KV class, with adding little bit of testing equipments, we can upgrade the facility to 765 KV class without making any civil changes.

When we say BTW is 765 kV class, we can upgrade the facility easily by adding certain equipments, machines for testing the transformers to make it a 1,200 kV class facility.

Mihir Manohar: Understood, sir. Perfect, sir. Perfect. On the 765 kV side for the BTW, I mean, do we require a product approval again since we have started the plant?

Anand Sharma: Yes, sir. It certainly would be the case, actually. And this is something we mentioned earlier on this particular call that we shall have to get the plant approval done to start with and followed by the product approval done by the power grid. And that is something we shall certainly be undertaking and getting it done in due course of time.

Mihir Manohar: Understood. So, I mean, when can we expect, let's say, we as the external party should expect that? End of the year?

Anand Sharma: To give you a definite timeline, may not be a possible thing as of now, sir, but knowing the efficiency levels at which our organization has been working, we are sure that we will be able to finish it off, we will be able to get these things done at a very, let's say, short span of time.

Mihir Manohar: Understood. Perfect, sir. Perfect. And the last question was on the margin side. Are the gross margins in the order that we are looking now, are they improving versus the gross margins that we were looking, let's say, three months back or six months back?

Anand Sharma: Sir, again, these margins as we speak, we are not seeing, let's say, any growth as of now, because of the very fact that whatever orders we had booked maybe in a year back of higher voltage class are possibly coming to the shop floor now. Whatever orders we shall be booking now will see slight, let's say, change on the positive sides, on the margin, and which will have the reflection on the bottomline in years to come, actually. But at the moment, it is quite flattish, actually.

Mihir Manohar: Okay. Understood. Yes. That's it from my side.

Moderator: The next question comes from the line of Prathmesh Salunkhe with PL Capital.

Prathmesh Salunkhe: Hi, sir. Thank you for the follow-up opportunity. So, continuing on the margin front, I had questions on margin only. So, we saw some 15.5% of EBITDA margin this quarter. So, my first question was, is this margin sustainable given the new factories are coming up and we might incur some additional cost relating to the -- when the factories come online, we need some additional cost. So, will this cost actually impact the margins? Are 15.5% margins sustainable going forward?

Niral Patel: Yes, sir. To answer your question, this margin is very much sustainable. Whatever the expense is required to lift the Vadod facility ramp-up has already been done and factored in. So, this margin is quite sustainable and margin improvement is also possible, but it depends on how the facilities will ramp up.

Prathmesh Salunkhe: Okay. So, we are estimating the facilities to ramp up in the next one year, right? And we are also entering into the higher kV class transformers. So, do we think it's possible for us to reach margin levels of let's say 17%, 18% in next one year or two years?

Niral Patel: It depends on how operations ramp up, but yes, margin improvement is possible. However, giving any range is not possible at present.

Moderator: The next question comes from the line of Mangesh Bhadang with Allcargo Family Office.

Mangesh Bhadang: Hi Sir, I had a question. Yes. Sir, I had a question regarding, we've been hearing some news about shortages of transformers in US because of the data center boom there. Just wanted to understand how are we trying to fill that gap or are we looking at those markets for the products that we have?

Firstly, I want to understand whether our products are suitable for these applications. And if yes, are we looking at this market aggressively? Because we're hearing that at least 2 times to 3 times is the price that currently the US transformers have compared to the Chinese one.

Anand Sharma: So, like Indian market means US market, as rightly pointed out by you, is seeing a sharp surge in the requirement of transformers. We as a company have been doing very minuscule, let's say, level of exports till date because of the very simple reason that we didn't have enough capacity to produce and supply transformers for the export market and we were busy with the domestic market front only.

We are seeing a good amount of interest from various, let's say, partners or the customers for the US requirement. We are still in active discussions with, let's say, two or three players. However, it might not be -- it might be very, very early for us to comment and commit anything on the outcome at the moment. But, yes, market is looking promising and we are making efforts to make an entry into that particular market.

Mangesh Bhadang: Okay. Secondly, also I wanted to understand, what would be the timeline for PowerGrid to basically approve the products that would be making from BTW

and for that facility also to be basically approved from PGCL. So, what would be the timeline you would be looking at for higher kV products?

Anand Sharma: We are eyeing or we are aiming to get the plant approval done in next quarter and followed by the product approval. Because for the product approval, we'll have to make the prototype and get the type testing done. So, it will take certainly some more time for us to finish the short circuit test on the prototype. But on the plant approval side, we are aiming that we should be able to finish that up and get the approval in next one quarter's time. That's what our aim is.

Moderator: The next question comes from the line of Ayush with MSFL.

Ayush: Hi. Thank you for the opportunity. I just wanted to understand if you could please share the production numbers achieved in the first quarter and additionally, are you on track to meet the annual production target of 33,600 MVA for FY 26 as mentioned on the page number 124 of your RHP?

Niral Patel: So, sir, exact production number, are you talking about MVA?

Ayush: Yes, sir. In the first quarter in MVA terms.

Niral Patel: Right, sir. So, commenting anything on the future numbers will not be possible for us at present. However, MVA number what we have achieved in Q1 is 4,300 MVA as of June quarter. Whatever the future numbers you are suggesting, we cannot comment upon anything. But yes, we are progressing. We are progressing well actually.

Moderator: The next question is from the line of Yash Banka with Tiger Assets. Yash Banka, your line has been unmuted. Please go ahead with your question.

Yash Banka: Yes. Sir, just can -- if you can provide any execution timeline for the current order book of around Rs. 1,584 odd crores.

Niral Patel: Sir, this order book is depending on the customer guidelines for deliveries. It would not be right for me to share the exact guidelines, because that would give forward numbers. But to give a brief on how the industry functions

broadly, any orders booked post second half are usually comes into manufacturing the next year. Orders before the second half -- second financial half of the year, which we normally make, majority of the order book gets executed in the current financial year itself.

Yash Banka: Okay. Okay. And do we have any sort of data on the customer acquisition timelines? Or like from acquiring a customer to getting the order and then executing it. Any average timeline?

Anand Sharma: No, sir. We have actually not prepared any data around that particular question or query of yours. But typically, sir, again, depending on the requirement of the customer, it can take anywhere right from 3 months to 6 months to 9 months time. And it all depends on the process which customer wants to follow on the vendor approval side.

Yash Banka: Got it. Got it. And just one last question. Do you have any sort of unit economics per MVA or per transformer that we can compare across your units? Say Anand-1, Anand-2 and the other plants?

Anand Sharma: No, sir. Typically, comparison or other such values are derived on per MVA basis, unit price realization, UPR, for a specific voltage class. And this UPR for 66 would be X, for 132 would be Y, 220 kV it would be Z. So, yes, it varies from voltage class to voltage class. And as we only can say that as we move up on the voltage class, the unit price realization drops.

Yash Banka: Understood. Understood. Okay. Okay. Thank you. All the best.

Anand Sharma: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Jainam with Saltoro Investment. Please go ahead.

Jainam: Congratulations on the Rs. 183 crores order of 400 kV class. So, I just wanted to understand how big is the opportunity putting aside, let's say, the central utility PGCIL, whatever approval timeline it may take. But even with the private sector, as well as probably state utilities, do we require any approval?

That's question number one. And if so, approval is not required, how big is the opportunity within these two pockets in itself?

Niral Patel: Thank you. Thank you for wishes, sir. It was actually a prestigious order that we received from a customer, privately owned. And such opportunities are there in the market, and they are also sizable, which can, you know, help us grow in the 400 kV segment.

The opportunities from PGCIL are significantly large, and they are, you know, the pressures are on both sides, as we speak, as to PGCIL to find the right type of vendors and for Atlanta Electricals to find the right type of customers. Discussions are on way to crack PGCIL so that, you know, we can end up having a good visibility on our order book coming forward.

When we say approvals, there are certain state transmission companies who do not have the process of making a plant approval. Those customers are easier to fetch. However, certain customers would have a proper plant approval process, which we have initiated with majority of our existing state-owned transmission companies who are already our customers, and they would be approving our plant.

The process initiates in such a way that the plants first get ISO accreditation, then the NABL accreditation, and then the vendor, the plant approval process follows. It usually should not take much time since the plants are already capable to manufacture these kind of transformers, and we have commenced operations to prove that the plant is capable to manufacture these kind of transformers.

Jainam: So, typically, that's great to hear. So, typically, for state utilities, we are saying some state utilities won't require approval necessarily, just like the private player that we won the order for. We can immediately start supplying the 400 kV transformers. Certain state utilities wouldn't need it. And the approval timelines would be fairly quick. Is that a fair conclusion?

Anand Sharma: Yes, yes, absolutely.

Sure. Why we are able to put this across that certain utilities will not require any approval? Because we are already approved with all those utilities for the supply of products up to 220 kV. And this is the track record, or rather the good track record we have had with them for the supply of 220 kV products.

We certainly get this, I would say, chance to produce and supply transformers for 400 kV also. So, it is that confidence of the customer which is enabling us to move forward in the 00 & 765 kV segment.

Jainam: Got it. So, have we already supplied to any state utilities or won orders? Or is it something that's pending? Because this was a private sector one, right, that we won?

Anand Sharma: Yes.

Jainam: So, for state utilities, have we won any orders?

Anand Sharma: Sir, this project is getting executed by a private EPC player, but this is…

Jainam: I'm not referring to the particular project, Anand ji. I get that. But apart from this particular one, is there any your customer, your client for this one would be BNC Power, right? But is there any state utility that you have won an order for where you will be directly supplying 400 kV class transformers is what I was asking?

Anand Sharma: No, sir. Not as of now.

Jainam: Okay, got it. And typically, what would be the order size for state utilities versus PGCL? I think Niral ji was talking about PGCL, the scale being higher. So, just to get a ballpark idea of how the order size is typically?

Niral Patel: TypicallyState transmission companies operate in the 220 kV segment. They do require 400 & 765 kV products to tap into the central grid. However, the quantum of 400 &765 kV are comparatively less to 220 kV.

Niral Patel: Typically, we see a range of about 7 to 10 transformers in a developing state and say about 10 to 15 transformers from a power developed state on yearly basis that comes from each state.

Jainam: Got it. Got i**t.** Those are my questions. Thank you very much and all the very best.

Niral Patel: Thank you, sir.

Anand Sharma: Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to Mr. Niral Patel for closing comments.

Niral Patel: Thank you, everyone, for joining and for spending your valuable time to understand about Atlanta Electricals. I would like to thank you all once again for giving us support in a very good listing and a very good growth trajectory. Thanks again. Thank you.