Divine Power Energy

Anuj Thawar – GM: Good afternoon, everyone. This is the first day of the Bharat Connect conference. I welcome you all to Divine Power Energy Limited. Today, from the management team, we have Mr. Rajesh Giri, the Managing Director of the company, and Mr. Anuj Thawar, the General Manager of the company.

Before I hand over the call to the management, I will explain the flow of the event. We will start with a brief introduction and opening remarks by the management, and then we will move on to the Q&A session. Participants who would like to ask questions can raise their hands or submit their questions in the chat box. First, we will take questions from the participants who were unable to join the call. Then we will take questions from the participants who have raised their hands, followed by questions from the chat box. If time permits, we will take questions from the participants who were unable to join the call. Over to you, Rajesh.

Rajesh Giri – MD: Hello. Can you hear me?

Anuj Thawar – GM: Yes, we can hear you clearly.

Rajesh Giri – MD: I will begin by telling you about the company. We started the company in 2001. We are engaged in the winding wire business. We started our regular winding wire operations in 2001.

Earlier, the name of the company was {? PDRV Enterprises Private Limited ?}. Before bringing the public issue, we changed the name of the company and renamed it Divine Power Energy.

Our products were related to winding wires, which we supplied to the transformer industry. In addition, we supplied them to companies in the magnetic wire sector and to the solar sector.

Two years ago, we acquired Vimlesh Industries. Since then, the growth of our company has increased significantly. After this, I would say that Anuj should explain the growth in greater detail.

Anuj Thawar – GM: Thank you very much, sir. Let me first tell you a little about our company structure. Divine Power Energy Limited is the listed entity, and Vimlesh Industries is the wholly owned subsidiary of Divine Power Energy, which we acquired in {? 2025 ?}. Since then, both Vimlesh and Divine have grown significantly under the new management. Vimlesh has experienced multi-fold growth.

Let us move on to the products and the details of what exactly we manufacture. Can you please move on to the next slide?

This is the journey that Rajesh just explained. As you can see, this is the journey we have completed so far. Moving ahead, we expect to continue on this growth journey. Please switch to the next slide.

This is an overview of the management team at Divine Power Energy. Rajesh Giri is our Managing Director, along with Mr. Vikas Thawar, who is also a Director and promoter of Divine Power Energy. Then there is me, Anuj Thawar, and I am a Director at Vimlesh Industries. I look after the operations at Vimlesh. Mr. Sujeet Kumar Saxena is the CFO of the entire group. Mr. Skand Kumar is the GM at Vimlesh, and he looks after the plant operations alongside me.

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Can you please move on to the next slide?

Let us move on to the products that we manufacture. At Divine and Vimlesh, which I will refer to as the Divine Group, we manufacture a broad range of products under the broader umbrella of winding wires.

Winding wires are of multiple types. First, there is the bare conductor, which means that it has no insulation. It is simply a bare wire or strip of copper or aluminum. We work with two metals: copper and aluminum. All the products I am going to mention are made from both of these metals.

To begin with, we have copper and aluminum round wires and flat wires, which are also referred to as strips. We sell the bare conductors to the inverter industry and various other industries that require bare conductors.

Then we have the category of insulated conductors. Insulated conductors are of various types. There is paper insulation, which is the most basic level of insulation and is primarily used in transformers. Lower distribution-level transformers generally use paper insulation, which has the lowest temperature class.

What is the purpose of a winding wire? The purpose of a winding wire is to conduct electricity and sustain the current without short-circuiting, including at higher temperatures. These are the two major criteria. Therefore, depending on the requirements of an application, you need to change the category and type of insulation to increase or decrease the level of insulation. The application could be transformers, automobile motors, or anything else. This is the purpose of our products.

Paper-insulated conductors are the lowest category in terms of temperature class. The other categories have progressively higher temperature classes, as do their costs and value addition.

Next to paper insulation, we have fiberglass insulation. In fiberglass insulation, instead of simply wrapping paper around the conductor, we wrap a fiberglass thread around the conductor and then dip it into a varnish that is specialized for this application. It is then baked to bond it to the conductor. This creates insulation on the conductor and provides much better insulation and temperature resistance compared to paper.

Then there is enamel. Enameled conductors are the next category. The Divine Group focuses more on strips than on wires, and that is where we differentiate ourselves from our competitors. There are many players making round, enamel-insulated conductors, but when it comes to flat insulated conductors, whether copper or aluminum, it becomes challenging to maintain the quality and consistency of the insulation. That is where we excel.

We have all the online testing equipment, and we are also importing technology from China to help us integrate the online detection of defects into the enameling process itself. This will use AI, with cameras consistently monitoring the wire, so that we can produce a 100% defect-free wire that our customers can use without hesitation. That is the key aspect of enamel insulation.

When it comes to our specialized products, we also have products such as aluminum foil. Aluminum foil, in the broader sense, is manufactured by many players, and you might think that there is nothing particularly special about it. However, we do not cast one large, wide foil and then slit it. We

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do not follow that process. Instead, based on the customer's requirements, we cast the small foil directly using CONFORM technology.

This helps us achieve completely rounded edges. There is no slitting, burr, or camber because the foil is cast in that form, and the edges are completely rounded. There is effectively no sharp edge. This makes it far superior in terms of quality for our end customers.

We specifically manufacture inverter-grade foil. Due to the limitations of CONFORM technology, we are only able to manufacture foil up to 33 mm in width and up to 0.6 mm in thickness. Technically, a thickness of 0.6 mm cannot be achieved using CONFORM, but we have developed this technology in-house along with a couple of other modifications. This allows us to produce the product and gives us an edge over all our competitors. We sell this material to companies such as Luminous and other large inverter manufacturers.

Apart from that, we also manufacture Kapton-, Nomex-, and Mica-insulated conductors. Kapton conductors are primarily used in traction transformers, railway locomotive transformers, and similar applications. This category of conductor is also used in higher-rated motors.

Kapton has the highest temperature class and can withstand approximately 240 degrees of temperature and perform properly at that temperature. That is the benefit of Kapton. It is specifically used in applications where the transformer is in constant use, such as railway engines.

Management: These are situations where you cannot allow an engine to fail. That is why these categories of products are used instead of ordinary conductors.

These are some of the products we manufacture. I am skipping CTC for now and will return to it in the specific section we have for CTC in the upcoming presentation, because that is the next area we are entering.

Can you please go back? Let us also go over the industries. Our presence is not limited to the transformer industry; we are also present in various other sectors. There is a hedge across industries. We supply to the transformer industry, railways, the automobile industry, and the inverter industry. This means that even if one industry is not performing well, we can obtain demand from another industry rather than relying on the underperforming industry. This maintains consistency in our production. Can you please move ahead? Thank you.

As we just discussed the products, these are the different categories we have across Divine and Vimlesh. I believe I have already explained them. Can we move on? Can you please skip to the next slide? Yes, the next one.

As I was explaining about the inverter-grade foils, you can see the complete details here. If you want to study them in detail, you can revisit this slide. Can you please move to the next slide?

This is the current bifurcation of our products. In terms of revenue, copper obviously accounts for the larger share because the value of copper is much higher than that of aluminum. However, in terms of tonnage, aluminum is also comparable to copper. I would say that the split is 60%-40% or somewhere around that level.

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As I was saying, we focus more on flat wires because that is the segment that provides us with greater value. We manufacture round wires primarily to complete the product basket so that our customers do not have to go elsewhere. Can you please switch to the next slide?

This is the list of our customers. We supply to Tata Power, Luminous, Hitachi, Panasonic, Schneider, Quality Power, and Minda. We are also exporting. Recently, we also onboarded KEI. These are some of our esteemed clients.

We export a small portion of our production to Malaysia. As you can see, we supply to companies such as Success Malaysia and LTL Holdings Sri Lanka. We intend to increase our exports to the Middle East region. Recently, for this purpose, we also participated in the Middle East Electricity 2026 exhibition. We received a very good response there. We will see what percentage of those leads converts into business.

Can we move on to the next slide? We have already covered what exactly we manufacture. Let us move ahead.

As I had mentioned earlier, let us now move on to CTC. We are already manufacturing all the products I have mentioned. However, CTC is the next generation of conductors, I would say.

When it comes to a conductor, there are two types of current: AC and DC. If you know a little about AC current, AC current tends to travel on the surface of the conductor much more than through the center. The core is therefore less efficient than the surface. This results in a wastage of weight. However, the value of copper and aluminum is measured by weight. Therefore, the weight is not directly proportional to the current-carrying capacity. This creates a challenge for larger power equipment, such as power transformers and higher-rated transformers.

To overcome this challenge relating to weight and current-carrying capacity, instead of using one large conductor, as shown in the picture, the large conductor is divided into small strips. These strips are individually insulated, thereby increasing the surface area. They are then bunched together in a highly controlled and systematic manner so that they can easily be wrapped around the winding and the core of the transformer.

This is the technology we are importing from China. Some of the machines have already been received, while the other machines are on their way and are being dispatched from China. We have a technical collaboration with the third-largest Chinese manufacturer of CTC. They do not only manufacture CTC machines; they manufacture the product itself and also export it to India and other countries.

We have a technical collaboration with them. They will guide us throughout the setup phase and help us achieve the required production quality. That is the technical agreement we have with them.

We expect to install the capacity and start production by December. Production is expected to start in December. Obviously, this is subject to realization.

The benefit of CTC is that it helps reduce the weight of copper required in the equipment. When the weight is reduced, it directly creates value for our customer and for their customer as well, because the same transformer can be produced using a lower amount of copper. It also increases

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reliability and reduces the size of the equipment.

CTC is currently being used in railways as well. Some of our customers are already buying this conductor from other suppliers, and we have received significant interest from all these customers.

We are currently setting up two separate CTC lines. We expect to expand them further depending on the performance of the current plant. Can we move on to the next slide?

As I already explained, our target customers for CTC will be power transformer manufacturers and locomotive transformer manufacturers. I have also discussed the technical agreement.

The technical partner is also providing the testing equipment that it has developed in-house. This is something that cannot be obtained in the market because it is based on its proprietary technology. That is a major benefit we will receive.

The quality requirements for CTC are such that our customers have to provide warranties of up to 20-25 years. Therefore, they have to ensure this level of quality from us. This creates a strong entry barrier for new entrants into the market.

However, we are already supplying to these customers. We are already supplying half of the winding wire required. In a transformer using CTC, one of the LT-HT components is CTC and the other is the normal conductor that we already manufacture and supply. We are already supplying half of the requirement. We only need to capture the other half. This creates a significant entry barrier for other entrants.

There is also strong export demand. Not only in India, but across the world, demand for power and energy is increasing. This puts us in a very favorable position. India is also a growing export market. Many European and Middle Eastern countries are already importing CTC products from India. This is also a significant opportunity for us. Can we please move to the next slide?

We currently have two manufacturing facilities. One is the Divine Power Energy plant, located in Sahibabad, Ghaziabad.

The distinction between the two plants is that the Divine Power Energy Sahibabad plant focuses more on recycled copper material. Aluminum is primary material at both locations. The Divine plant in Sahibabad focuses more on recycled material, whereas Vimlesh is known for using primary materials and the highest-quality raw materials, irrespective of the customer.

We have all the OEM customers at Vimlesh, including larger OEMs such as Schneider, Panasonic, Hitachi, and Quality Power. That is the level of manufacturing we have at Vimlesh.

Can we please switch to the next slide?

These are some details about our plant. Let us move on to the next slide.

This is about the Vimlesh Sonipat plant. As you can see, the area is much larger, which is why we are setting up the CTC manufacturing facility there as well. The customers are already with Vimlesh. Let us switch to the next slide.

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We do not treat conductors as ordinary products; they are not commodities. Copper and aluminum may be commodities, but what we do is not a commodity business. It is more engineering-oriented.

We do not simply sell copper or aluminum. We sell the final winding wire, which affects the performance and cost of the entire appliance. This could be a transformer, a reactor, or any other equipment in which our products are used.

For example, if the edges are not properly rounded, there would be more copper in the same length. That would be a wastage for our customer, who would be paying more for the same product. These are some of the aspects that we fine-tune with our customers, and we also help them optimize their products using our winding wires.

The benefit we have across Divine and Vimlesh, as part of the Divine Power Group, is that we have all categories of insulation. Our customers do not have to go to anyone else. They can obtain the complete range, variety, sizes, and specifications they need from us. We can provide multiple insulation layers on the same conductor. We are doing everything related to winding wires, so our customers do not have to look elsewhere.

We also have a diversified customer base, as I was explaining. We are not limited to the transformer industry. We are present across various industries, including automotive, railways, inverters, and others. This gives us a more diversified portfolio in terms of our customer base.

Alongside this, we also have geographical diversification. We have customers in North India and South India, and our products are supplied across India. Players in Maharashtra are buying our products, and there are also various customers in Bangalore. We have many customers across the country. This provides us with geographical diversification as well.

When it comes to our group, the capacities of Divine, Vimlesh, and the proposed merger company Viraj are complementary to one another. Whenever we face any breakdowns or scheduled maintenance, we do not have to worry about our customers facing difficulties because of that. We can always draw capacity from other group companies. This also provides us with an advantage over our competitors.

The manpower across all our capacities and facilities is well equipped to fulfill its respective roles and responsibilities. The top management is also well equipped with the required knowledge and capabilities.

For example, we manufactured one of the machines for aluminum foil ourselves in-house. This demonstrates the level of capability we have.

Operator: Understood. Can we move ahead?

Management: Yes, sir.

Analyst1 - Arihant Capital: A brief overview would be helpful, since we are limited on time. If we could quickly provide a brief overview of the company and the financials as well, we could then move on to the Q&A session.

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Anuj Thawar – GM: Certainly. Let me briefly explain the industry in general. As you know, demand for EVs and energy has been rising significantly, not only in India but globally. This is because data centers are consuming large amounts of electricity, AI is becoming increasingly important, and EVs are consuming significant amounts of power.

All of this is leading to higher power demand, which in turn is creating an increasing requirement for grids and grid modernization. Demand for our winding wires goes hand in hand with this. This puts us in a favorable position across the globe. Can we move ahead to the next slide? The next one.

I have already explained this. Can we move ahead?

These are some of our key financials. Rajesh, can you please take over the financials from here? Rajesh, are you able to hear us?

Rajesh Giri – MD: Yes, please go ahead. Yes, I can hear you.

Anuj Thawar – GM: Can you take over the financials?

Rajesh Giri – MD: Regarding our current financials, we have already provided you with the figures up to 2026, and you should be able to see these financials.

In addition, Viraj Upkram is one of our companies, and we are merging it into this company. We expect that the merger will be completed in the next financial year. We expect that in 2028 we will become more than twice our current size.

For our financials, we expect the data for 2028 to be more than twice the current figures.

Our growth is good across all areas. In addition, significant growth is expected from the CTC plant that is being installed. At present, we are installing a single machine, which can be considered a pilot project.

Once this is completed, we will not face any difficulty in terms of sales. Customers are already prepared to place orders equivalent to four times the capacity of the machine we are installing.

After this, we expect to install three more machines. In addition to the one CTC machine we are currently installing, we will install three more machines.

Analyst1 – Arihant Capital: Understood. Shall we move on to the Q&A session?

Anuj Thawar – GM: Yes.

Analyst1 – Arihant Capital: Participants who would like to ask questions can raise their hands or submit their questions in the chat box. First, we will take questions from the participants who have raised their hands, followed by questions from the chat box. If time permits, we will take questions from the participants who were unable to join the call. I request participants who have questions to raise their hands.

While the question queue is being arranged, I will ask one of the questions received from participants who were unable to join the call. The question is: Could you please provide some

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details on the order book as of today, including the sector-wise split and the expected execution timeline for the order book? Am I audible? Anuj?

Anuj Thawar – GM: Yes, I am here. Hello. Yes.

Our current order book ranges from 1 month to 3 months, depending on the product, and the execution period also varies accordingly. For example, for fiberglass-insulated conductors, we have a waiting period of approximately 2.5–3 months. Overall, we currently have an order book of approximately 1.5 months.

Analyst1 – Arihant Capital: What is the current level of fresh orders, and what is the size of the single largest order you have?

Anuj Thawar – GM: I can share those details later. I do not have the numbers with me right now.

Analyst1 – Arihant Capital: Can you also tell us about the current customer concentration? What percentage of revenue comes from the top five and top ten clients, and what is the split between state discoms and private OEMs?

Anuj Thawar – GM: The supply to state discoms is negligible. We have moved away from that. Currently, we supply only to Tata Power and BSES because they are private entities and not government entities.

We are no longer supplying a significant amount of our conductors to the government. We have shifted our focus more toward private players. Therefore, most of our production is going to private entities.

Regarding customer concentration, I believe this was already mentioned in the presentation. The top five customers account for approximately 50% of our revenue.

Analyst1 – Arihant Capital: Understood. On the revenue-share side, how much comes from exports, and what is the realistic Middle East target we are expecting?

Anuj Thawar – GM: In terms of the percentage of revenue, exports are currently negligible. The previous owners of Vimlesh Industries, the former promoters, did not focus significantly on exports. We have now started to re-establish the Vimlesh brand in the export market.

As of now, exports are almost negligible, at less than 1% of total revenue. We are working on this, which is why we also organized the exhibition in the Middle East. I would not like to put a number on it, but we are very optimistic about the opportunity.

Analyst1 – Arihant Capital: Understood. How much of the 626 crore FY26 revenue is run-rate revenue versus one-off revenue? Could you provide some details? Q4 FY26 alone amounted to approximately 346 crores, which was more than half of the full-year figure. What is the nature of the revenue recognition? Is it quarterly and sequential, or is it a one-off?

Anuj Thawar – GM: You may be seeing the increase because of the rise in metal prices. Otherwise, the run rate is more or less the same in the first half and the second half. Obviously, the second half usually performs slightly better.

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Analyst1 – Arihant Capital: If we ignore the higher metal prices, generally does revenue remain broadly similar in the first half and the second half?

Anuj Thawar – GM: Yes, although the second half is slightly better than the first half.

Analyst1 – Arihant Capital: Understood. What would be the current copper-versus-aluminum volume split against the total installed capacity of 500 tons per month of copper and 400 tons per month of aluminum?

Anuj Thawar – GM: The same machines are used to manufacture copper and aluminum when it comes to insulated conductors, so it is not possible to provide a specific number for this split. It is technically not possible to calculate it.

If we manufacture more copper, we will be able to manufacture less aluminum, and vice versa.

Analyst1 – Arihant Capital: Understood. That answers the question.

I request participants who would like to ask questions to raise their hands or submit their questions in the chat box. While the question queue is being arranged, I will ask another question. What share of our revenue comes from value-added products such as fiberglass, DPC, and DCC, and how does that compare with bare conductors?

Anuj Thawar – GM: This was also mentioned in the presentation. Let me go back briefly to provide you with the exact numbers.

For copper, bare products account for 18% and insulated products account for 82%. For aluminum, the split is 26% and 74%. However, you should keep in mind that aluminum foil is also included in the bare category.

Analyst1 – Arihant Capital: Understood. We will now take some questions from the Q&A chat box. The first question is from Akshay Darji: What EBITDA margin are we expecting going forward over the next 2 years through FY28?

Anuj Thawar – GM: It will be broadly in line with the past trends.

Analyst1 – Arihant Capital: The second question is from Satish Shetty: Thank you for the opportunity to interact with you and learn more about the company. My question concerns the scheduled merger with Viraj Upkram. What are the synergies, how does this merger contribute to the growth strategy, and what is the expected contribution to revenue and EBITDA?

Anuj Thawar – GM: Let me explain a little about Viraj Upkram. We skipped that part during the presentation.

Viraj Upkram was established by the promoters. When we were trying to acquire Vimlesh Industries, our first 2-3 rounds of negotiations for the takeover of Vimlesh failed. We therefore shifted our focus toward setting up a new plant because the negotiations were not progressing.

We then set up Viraj Upkram with the latest technology and machinery, including machinery that Vimlesh Industries did not have.

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However, during the process of setting up the machinery and other facilities, we realized that it would be a time-consuming process. It would take us at least 5-7 years to reach the level at which Vimlesh Industries was already operating.

We therefore increased the consideration amount slightly. The former promoters of Vimlesh also realized that if we established a separate plant, we would take away some of their market share. They consequently reduced part of the consideration, and we were able to agree on a figure.

This puts Viraj Upkram in a very favorable position. Viraj Upkram has the latest technology and state-of-the-art machinery, including machinery that Vimlesh Industries does not have so far. This gives it an advantage in terms of manufacturing costs and quality.

Now that Vimlesh Industries is also part of the group, it does not make sense to have a separate company conducting the same business. That is why we are merging it with the Divine Group.

Analyst1 – Arihant Capital: Understood. That answers the question, or at least I hope it answers the participant's question.

I request any participants who have questions or doubts to raise their hands or submit their questions in the chat box. As there are no further questions from the participants or the chat box, I think we can conclude the call here.

I would like to thank the management on behalf of Arihant Capital for taking the time to join us and share insights about the company. If participants have any further questions or doubts, they can contact the Arihant Capital team and the Divine Power Energy Limited team.

Over to you. Do you have any closing remarks? Anuj?

Anuj Thawar – GM: Thank you very much, everyone, for joining us today, giving us your valuable time, and listening to our presentation about the company.

I would also like to thank Arihant Capital for giving us this platform to address and interact with all of you. Thank you very much.

Analyst1 – Arihant Capital: Understood. Thank you very much.

Anuj Thawar – GM: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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