Operator: Good afternoon, everyone, and a very warm welcome to Danish Power Ltd.'s earnings call for H2 and FY26. We are delighted to have with us today the senior leadership team to discuss the company's performance and key business highlights for the period. From the management, we have with us Mr. Shivam Talwar, Managing Director, and Mr. Anand Chaturvedi, Chief Financial Officer.

Before we begin the call, I would like to mention that certain statements made during the call may be forward-looking in nature and could involve risks and uncertainties, including those related to the future financial and operating performance of the company. Further, in the event of any issues or call drops during the course of the conference call, we request your patience while we ensure the call is reconnected at the earliest. With that, I would now like to hand the call over to Mr. Shivam Talwar, Managing Director, for his opening remarks. Thank you, and over to you, sir.

Management: Thank you so much. Good afternoon, everyone. I hope I am audible.

Operator: Yes, you are audible, sir.

Management: Thank you everyone for joining us today. This is our second-ever earnings call, being our second year post our listing. Before I walk you through our H2 and FY26 performance, let me share a perspective on the broader industry and the key trends that are shaping the sector.

Over the last few months, the global operating environment has remained volatile. Rising geopolitical tensions, supply chain issues, logistics disruptions, and fluctuations in key commodity prices—particularly transformer oil, aluminum, and copper—along with the exchange rate of the US dollar to the rupee have created uncertainty across the global transformer and electrical equipment industry. Although despite these external disruptions, India's long-term electrical infrastructure story remains exceptionally strong. Grid modernization, renewable energy build-out, the rapid expansion of data centers driven by artificial intelligence adoption, and a broader rise in the per capita electricity consumption are structural demand drivers that we believe will sustain transformer demand for at least the next 5-7 years, if not more. While the external environment may create near-term volatility, the underlying demand environment for our industry remains extremely healthy, and we are well-positioned to capture this demand with the right quality of orders at the right margins with the right delivery commitments.

Since our previous earnings call, we have undergone a meaningful phase of operational and strategic transformation. I am pleased to share that both phases of our capacity expansion, which were planned post our IPO, are now fully commissioned and operational in line with the timelines committed during our previous interaction. With this, our transformer manufacturing capacity has increased to approximately 11,000 MVA on an annual basis. The new facility has been built with a strong focus on manufacturing excellence and long-term scalability, including temperature-controlled shop floors, advanced testing infrastructure, and an ESG-compliant manufacturing process. This expansion is a significant upgrade in quality, processes, capability, and technological readiness, positioning Danish Power Ltd. strongly for the next phase of our growth.

With the new facility, our power transformer division is also now activated. We have upgraded our capabilities to manufacture transformers up to 100 MVA in rating and 245 KV voltage class.

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Prototype development and type testing processes have already commenced, and we expect formal customer qualification progress to happen throughout this financial year. The segment has naturally high entry barriers including extensive testing requirements, audits, and performance validation. We are well into that journey and believe this segment will become a meaningful contributor to our revenue from FY28 onwards.

Our backward integration, initiated through our subsidiary, is also progressing well. The sheet metal fabrication facility with a capital outlay of approximately 20-plus crores is expected to be commissioned in the next 3-4 months. This will help us internalize a key manufacturing component that has usually been a bottleneck from both a lead time and quality consistency perspective. The objective here is operational control and execution reliability, and not only margin enhancement, which may happen over a period of time but not immediately.

Recently, around six months ago, we proactively acquired land close to our existing facilities in the same industrial zone. The idea was to be prepared for our next phase of expansion. We are not committing to a specific timeline for the next phase of expansion yet, as we are evaluating carefully what and how it should be done; however, looking at the timeline, we wanted to ensure that secured land means we are ready to move quickly when the time is right.

Another important milestone has been strengthening our workforce. As the company grows, we now have more than 550 people on our direct rolls, reflecting a conscious shift towards a more stable and skilled employee base. While renewables continue to remain a strong focus area for us, we are also consciously exploring multiple growth opportunities in related sectors.

In terms of higher capacity and higher voltage transformers, as I mentioned, the new facility is fully ready and operational, and the prototypes and type testing are in process. We have already started supplying transformers for battery energy storage applications, which is one of the most high-demand growth segments we are seeing both within India and internationally. Next, in terms of dry-type transformers, which has historically been a lower volume and revenue generator for us, the demand is rising due to data centers, and we are currently building capacities and certification pathways to increase this segment as well.

Further, exports have been part of Danish Power Ltd.'s journey for a long time. Although post-COVID our domestic sales picked up at a very fast pace and hence exports weren't contributing much, this year we have reached almost 8-9% export revenue, which is a significant jump since the last financial year. Our focus remains on profitable export growth rather than volume-led expansion. Our panel and automation division is currently contributing about 7-9% of our revenue. The continuous growth in substation automation requirements and grid modernization initiatives is creating incremental opportunities in this segment as well.

Coming to our order pipeline, the demand momentum continues to remain healthy across segments. As of today, our confirmed order book stands at over 500 crores compared to about 450 crores at the time of our last call. The deliveries for these orders are spread over the next 6-9 months. Importantly, the order mix is becoming more diversified, with contributions now emerging from battery storage, export products, and power transformer facilities, alongside our key revenue driver of inverter duty transformers. At the same time, we continue to remain disciplined in our order selection approach, which has always been a key focus area for us. A strong focus remains on

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execution, customer quality, and sustaining the profitability of the company.

Some additional key developments in the year include CRISIL ratings upgrading us to A- from BBB+. That was a valuable step forward. Our IPO proceeds utilization was 100% complete as of March 31, 2026. As a company, we have voluntarily adopted Ind-AS financial reporting to ensure more efficient and systematic financial reporting going forward. Further, almost 90% of our revenue comes from the private sector, which provides stronger payment discipline, relatively better margins, and faster execution cycles, thereby supporting both our profitability and working capital efficiency.

Now let me take you through the key financial highlights for H2 FY26 and the full year FY26. As a reminder, our business remains structurally H2-heavy, as seen in previous years. For FY26, the company delivered a consolidated revenue of 521 crores, with a growth of approximately 22% year-on-year, supported by healthy execution across our core business segments and contribution from the expanded manufacturing capacity. The full benefits of phase two expansion will be more visible in this financial year and beyond. Despite the commissioning and ramp-up costs associated with the new facility, we have still been able to maintain a healthy EBITDA margin of approximately 19%, reflecting strong operational discipline and prudent order selection. Margin preservation remains a key strategic priority for the company.

In terms of profit after tax, the company achieved approximately 69 crores with a growth of 26% year-on-year. Overall, we at Danish Power Ltd. remain well-positioned to capitalize on this strong industry opportunity while maintaining a disciplined approach toward growth, margins, and capital efficiency. Our guidance for the ongoing financial year FY27, based on current order visibility, capacity ramp-up, and market outlook, is for revenue to exceed 700 crores. We remain committed to sustaining our EBITDA margins in the range of 19%. As we scale the power transformer business and exports, there could be some temporary impact. However, over the long term, margin improvement remains a key focus area. With that, I will now hand the call back to the moderator to open the session for questions. Thank you.

Operator: Thank you very much. We will now begin the question and answer session. We will take the first question from the line of Kaushal Sharma from Equinox Capital Ventures Private Limited. Please go ahead.

Kaushal Sharma – Equinox Capital Ventures Private Limited: Hello, hi sir, very good afternoon. Am I audible?

Management: Yes, you are audible. Good afternoon.

Kaushal Sharma – Equinox Capital Ventures Private Limited: Sir, first I want to congratulate you on your performance. Regarding our current capacity, we have expanded to 11,000 MVA. What kind of peak level and potential can we expect out of this, and what is the current utilization level? Also, you mentioned that our exports expanded this year, so which geographies are we targeting and what kind of mix are we targeting going forward?

Lastly, on our type testing, as we are expanding capacity in the higher KV class, what kind of timelines are there to get orders after testing is done? In an earlier call, you mentioned it would take

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around 7-8 months to complete the type testing and then another year to receive the order. What is the timeline now to get the order?

Management: Thank you for your question, Kaushal. First, regarding the peak utilization level: in the financial year that just ended, since our capacities expanded in a two-phase manner, any time a capacity goes live, getting revenue out of it takes at least 3-4 months. The overall capacity calculation for last year is mixed. However, with our phase one expansion going live in the middle of the year, I think we were at roughly 80% utilization. We cannot consider the full 11,000 MVA capacity for the previous year because the massive second phase came online only after January; therefore, that revenue output will only come in this financial year.

In terms of export geography, we are targeting or already working in four continents where we continue to grow: the Middle East, Europe, Africa, and Australasia. We have a good hold in these areas and progress will continue.

Regarding your final point on type testing, it can definitely take 7, 8, or 9 months once we start manufacturing to complete the testing, followed by validation and supplying on a trial basis for some time. Real revenue from the higher voltage power transformers would come in the next financial year, FY28. That is our expectation.

Kaushal Sharma - Equinox Capital Ventures Private Limited: And the margin in H2 has fallen because of raw materials? You mentioned 19%—is this sustainable going forward in this kind of environment?

Management: That has always been our focus area. We do feel this is something we can sustain over a period of time. Obviously, incidents like the West Asia conflict impact planning and future views. However, we are quite confident given the inquiry inflow and the kind of orders we have been able to finalize even in the last 1-2 months while the conflict has been ongoing. We still feel we should be able to maintain this. That will remain a key focus while we take any order going forward.

Kaushal Sharma - Equinox Capital Ventures Private Limited: Do you feel there are any challenges regarding competition intensity in IDT transformers, as many companies are starting manufacturing? Is there a chance of margins decreasing due to competition, or do you think the demand is sufficient?

Management: Competition will always emerge where other manufacturers see potential. That is something we cannot control. We control our focus on customer quality and the value we offer to our clients. Fortunately, our clients are very mature; price is not the only factor they consider, and our reliability in the market is proven. As a company, whether it is IDT or any other product line, we will ensure we maintain these margins. It is not just IDTs; we have other products that are also increasing.

Kaushal Sharma - Equinox Capital Ventures Private Limited: Thank you.

Operator: Thank you. We will take the next question from the line of Hazel Rathore from PhillipCapital. Please go ahead.

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Hazel Rathore – PhillipCapital: Hello. Hi sir, congratulations on the great set of numbers. Primarily my question arises from the fact that, given the current global scenario, how do we look at expansion in terms of capacity utilization, given the phase one and phase two capacities that we have installed? Going ahead, in terms of margins, what kind of impact might we expect from raw material prices and the orders we have already taken?

Management: Regarding your first question on capacity utilization, do you mean the ramp-up of orders?

Hazel Rathore – PhillipCapital: Yes, in terms of ramping up. How do we see that happening? Can we expect to reach optimal utilization in H1 or somewhere around H2?

Management: Optimal utilization is a specific term, and there is no single figure for it. Typically, H1 is much lighter than H2, so we will not reach that level in H1. Additionally, the conflict impact is ongoing, which slows some things down. Good utilization would likely come in H2 and the following financial year, where we target reaching peak utilization.

In terms of margins, the conflict is having an impact. Q1 for this year will be impacted, although as a company, we try to ensure our interests are covered when we secure an order. We don't like to leave many variables open, but in this difficult situation, some supplier backing out does occur. Certain materials, like transformer oil in particular, must be purchased at a certain time and cannot be bought 4-6 months in advance. That will definitely have an impact. We are in active discussions with our clients on existing orders to mitigate this and find a midway solution so that our impact is limited and the clients also share some of that impact.

Hazel Rathore – PhillipCapital: Understood, sir. Thank you so much.

Operator: Thank you. We will take the next question from the line of Naman Parmar from Nivisha Investment. Please go ahead.

Naman Parmar – Nivisha Investment: Good afternoon, sir. Thank you for the opportunity and congratulations on a great set of numbers. Firstly, I wanted to understand the industry perspective specifically regarding BESS. How is the setup playing out? We already have various solar grids connecting and many IDTs installed. With BESS coming in, will there be additional demand for IDTs, or can older ones handle that load? Is a new type of transformer required for BESS, and how are we preparing for the BESS market?

Management: We have been preparing for more than 12-18 months and have already secured and executed orders for BESS applications. The BESS application is slightly different from a typical IDT installed for a solar plant. Requirements will definitely increase with BESS, especially in new projects where solar and BESS are applied simultaneously. In existing projects where BESS is being implemented, there is an additional requirement for transformers. The application and loadability of a BESS transformer on-site are different from an IDT. We are well-prepared, already executing, and see substantial potential in this segment based on incoming inquiries.

Naman Parmar – Nivisha Investment: Understood. In our current order book, how much are BESS projects contributing?

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Management: It should be roughly 20-25%.

Naman Parmar - Nivisha Investment: Regarding the current order book, how many orders have a price variation clause and how many are fixed?

Management: Out of the 500-plus crores I mentioned, some orders are from the last 4-6 weeks and are on firm pricing. In the total mix, I think around 30% of the orders have price variation clauses.

Naman Parmar - Nivisha Investment: Understood. Similarly, regarding data centers, are we tapping into dry-type transformers for that market?

Management: We have been manufacturing dry-type transformers for 14 years, but it has contributed a very small amount of revenue because we were at full capacity. Now, with our expansion, we have space allocated for that segment and are actively working to capture part of the data center market.

Naman Parmar - Nivisha Investment: Understood. Thank you so much, sir.

Operator: Thank you. We will take the next question from the line of Jatin Parmar from Aurum Capital. Please go ahead.

Jatin Parmar - Aurum Capital: Good afternoon, congratulations on a good set of results considering the current situation. Can you provide more information on the backward integration mentioned in the slides? We have seen issues with input materials across the industry; how are we mitigating that and what will this integration entail?

Management: One of our biggest bottlenecks is sheet metal fabrication, such as outer bodies and cooling equipment for transformers. In terms of lead time, our supply chain often falters there, which can affect our client commitments. We want to honor our commitments, so we intend to manufacture these items within our own setup to control lead times and prioritize needs for specific projects. Quality remains a priority, and this ensures we maintain the same level of quality seen in the rest of our transformers.

Jatin Parmar - Aurum Capital: We did around 5,500 MVA in FY26. What are the projections for FY27 and FY28?

Management: For FY27, we expect to achieve 7,000-8,000 MVA comfortably. In FY28, our expectation is to exceed 10,000 MVA.

Jatin Parmar - Aurum Capital: I understand margins were around 21% in FY25 and moved to 19% last year due to expansion. With the expansion in place, can we move back to the older margins, or are there challenges?

Management: Even in FY25, overall margins were influenced by H2 performance. With the power transformer segment coming in, entering a new segment might require strategic calls. I feel margins between 19-20% are sustainable despite the new product lines. The objective remains to return to 20-21%, but given the current global uncertainty, it is better to plan conservatively.

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Anything above that is a bonus.

Jatin Parmar – Aurum Capital: That makes sense. Regarding the 8% revenue from exports, what are we doing to increase that percentage meaningfully over the next 2 years? What is the margin differential for exports?

Management: The differential varies by project and country. It can range from 1-2% extra to as high as 5% in special cases, making it difficult to cite an average figure. To increase exports, we have increased our capacity. We were receiving inquiries previously but were full with existing domestic orders and could not commit to new export clients. We prefer long-term relationships over one-time orders. Now that we have capacity, we have signed long-term framework agreements with international clients. We are hopeful to reach 15-20% export share this year.

Jatin Parmar – Aurum Capital: Perfect, thank you.

Operator: Thank you. We will take the next question from the line of Paras Gada from Purple One Vertex Ventures LLP. Please go ahead.

Paras Gada – Purple One Vertex Ventures LLP: Good afternoon, sir. Thank you for the opportunity and congratulations on the results. We have an 11,000 MVA capacity and plan to achieve 10,000 MVA in FY28. Are you intending to take utilization higher from this same existing capacity?

Management: Yes.

Paras Gada – Purple One Vertex Ventures LLP: What kind of peak revenue does this indicate if we hit 10,000 MVA?

Management: Somewhere between 900 crores and 1,000 crores.

Paras Gada – Purple One Vertex Ventures LLP: Is that the peak revenue for the current capacity?

Management: Once a new facility runs for 6-12 months, we evaluate bottlenecks. Transformer manufacturing is a complicated process, not just a single machine output. After a period of operation, we often find opportunities for debottlenecking. In our existing facility, we were able to increase capacity through this process. So, it could definitely go higher than 1,000 crores as that process continues.

Paras Gada – Purple One Vertex Ventures LLP: So it is comfortable to guide for 1,000 crores with potential for more. Regarding the land we acquired, is there a timeline for a decision on the next level of expansion?

Management: We hope to make a decision in the next 3 months.

Paras Gada – Purple One Vertex Ventures LLP: If you do decide, what kind of capacity expansion are you aiming for—30%, 40%, or 50%?

Management: With the land available, we should be able to increase capacity by a further 80% or even double it. It would likely be a phased expansion similar to our last one. We want to start getting output as soon as possible rather than waiting for the entire plant.

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Paras Gada – Purple One Vertex Ventures LLP: Typically, how much time does it take for that to come live?

Management: We are better prepared this time, but the timeline would still be between 12–18 months to start production.

Paras Gada – Purple One Vertex Ventures LLP: So by the time current utilization nears its peak, the new expansion will be ready. Regarding the export share targeting 15–20% and higher value-added segments, does this mean we can maintain or structurally improve margins 1 or 2 years down the line?

Management: Maintaining the current margins remains the focus. We would not compromise on margins to grow a segment like power transformers; we would rather maintain our current levels. Higher categories do not necessarily offer better margins automatically. Margin is determined by the type of customer and the value you offer. A distribution transformer can have low or very high margins depending on the market and the specific requirements of the client. It is about how you position yourself. Higher voltages have more complexities and a less populated competitive landscape, but sophisticated products for critical clients at any voltage level can provide good value.

Paras Gada – Purple One Vertex Ventures LLP: Barring the geopolitical scenario, how do you see the demand for the next 3–5 years?

Management: Extremely promising. That is why the next expansion is on the cards. The inquiry flow is very good despite the conflict. We have not seen demand or inquiries reduce.

Paras Gada – Purple One Vertex Ventures LLP: Thank you so much for your time.

Operator: Thank you. We will take the next question from the line of Yogansh Deshwani from Mittal Analytics. Please go ahead.

Yogansh Deshwani – Mittal Analytics: Thank you for the opportunity. Congratulations on the good set of numbers. Comparing your performance with peers, we see you have safeguarded margins while others took a hit. How have you been able to achieve this?

Management: It is difficult for me to comment on others. For us, the quality of orders matters. Getting an order is not difficult today, but getting a good quality order—from a client who supports you and pays on time—is the challenge. Execution and planning around commodity fluctuations also play a role. We sometimes take calls that might disturb our inventory levels to protect our margins. We want to ensure our margins remain healthy in good times so we stay resilient when times are less favorable.

Yogansh Deshwani – Mittal Analytics: Do you think commodity prices will impact pricing and margins going forward, or will discussions with clients allow you to maintain the spread?

Management: With new orders finalized after the price rise, we are more or less maintaining our levels. Orders taken before the impact on a firm price basis are experiencing some pressure, as not all raw materials can be secured at the time of the order. We are in active discussions with clients to

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see how they can support us. Contractually we are bound, but client maturity helps; if they cannot support us on this order, they might on the next. We are also finding ways to cut costs to minimize the impact.

Yogansh Deshwani – Mittal Analytics: So, older orders hitting the P&L might see pressure, but new orders will build margins back?

Management: Yes, the older orders can definitely have an impact.

Yogansh Deshwani – Mittal Analytics: Can you share any guidance on volume growth for FY27?

Management: For FY27, we should be able to achieve between 7,500 and 8,000 MVA.

Yogansh Deshwani – Mittal Analytics: Thank you.

Operator: Thank you. We will take the next question from the line of Mandira from Invesco. Please go ahead.

Mandira – Invesco: Thank you for the opportunity. What portion of FY27 revenue visibility is supported by your current executable order book?

Management: Of our current 500-plus crore order book, approximately 90% is expected to be executed in the next 6-9 months, which falls within this financial year. We keep a 10% buffer for potential project delays.

Mandira – Invesco: Are you witnessing any demand softness in the 132 KV segment? Also, how do you plan to mitigate potential order losses from Waaree, given their recent competitor acquisition?

Management: The 132 KV and 220 KV segments are new for us. Since announcing our capacity is live, we have seen a huge inflow of inquiries. Regarding Waaree, we were always prepared. Most of our orders come from repeat clients, but we have already added several new clients and secured and executed large orders from them. We are not facing any challenges regarding inquiry or order loss due to the Waaree entry.

Mandira – Invesco: Thank you. That was helpful.

Operator: Thank you. We will take the next question from the line of Dheeraj Kumar Reddy from Alpha Squared. Please go ahead.

Dheeraj Kumar Reddy – Alpha Squared: Hello, thank you for the opportunity. Beyond IDTs, what are the new areas the company is working on and what kind of product cycles are we at?

Management: IDT has become synonymous with our name because we started back in 2011 when few others were doing them, and the renewable energy boom increased our volume. However, we have always produced distribution, dry-type, and small power transformers, along with special application transformers. Those continue to grow. The power transformer segment is now active and will provide good revenue from FY28. Our panel and automation division is also growing.

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Dheeraj Kumar Reddy – Alpha Squared: What is the transformer application specifically for your products?

Management: The role of the transformer is always the same: to change voltage by stepping it up or stepping it down. Whether it is an IDT, BESS, or power transformer, it performs that role. Different applications have different input voltages and special features, but the core work of the transformer remains the same.

Dheeraj Kumar Reddy – Alpha Squared: Regarding the storage space, do you see this growing over the next 4-5 years like the renewable space did?

Management: Yes, there is a lot of potential. Renewable energy generation is growing, but power is needed at night as well, which makes storage essential—either through pump storage or battery energy storage. The type of transformer used for BESS is similar to an IDT, and we are well-prepared and already supplying this segment. It could be the next game-changer.

Dheeraj Kumar Reddy – Alpha Squared: What is the aspiration for Danish Power Ltd. in the next 5-7 years?

Management: Given world dynamics, we prefer to take smaller steps. Our next 2 years involve product expansion into extra-high voltage (EHV) and capacity expansion. We want to stay in the manufacturing space, diversify our expertise, and be known as one of the most reliable manufacturers. That focus will remain.

Dheeraj Kumar Reddy – Alpha Squared: Thank you.

Operator: Thank you. We will take the next follow-up question from the line of Yugansh Jaiswani from Vitthal Analytics. Please go ahead.

Yugansh Jaiswani – Vitthal Analytics: Thank you once again. What is the price increase we have taken for transformers across categories due to commodity rises?

Management: It varies because aluminum, copper, and oil prices have increased at different rates. We do both aluminum-wound and copper-wound transformers, and oil quantities also vary between them. Since we just started securing orders in the last 4-6 weeks under these conditions, the ranges are anywhere from a 5% increase to as much as 15-18%. We will have more clarity after we complete this quarter.

Yugansh Jaiswani – Vitthal Analytics: This is helpful. Thank you.

Operator: Thank you very much. Ladies and gentlemen, that was our last question. I now hand the conference back to Mr. Shivam Talwar for closing comments.

Management: Thank you everyone for joining the call and for your trust in us. We are committed to sustainable work and transparency. With your best wishes, we look forward to a good FY27 for Danish Power Ltd. Thank you once again.

Operator: Thank you, sir. On behalf of Danish Power Ltd., that concludes this conference. You may now disconnect your lines.

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