To **Date: 10.11.2025**

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G-Block,
Bandra- Kurla Complex, Bandra (East),
Mumbai – 400051 Maharashtra, India.

NSE Symbol- DANISH

Subject: Submission under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Transcription and Link of Audio Call Recording in respect of Investor Call/Meet

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we hereby inform that the Conference Call with Investors and Analysts held on 8th November, 2025 at 3:00 P.M to discuss the Unaudited Standalone and Consolidated Financial Results for the half year ended September 30, 2025.

Further, in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Transcript and Audio recording of Conference Call is also uploaded on the website of the Company.

https://www.danish.co.in/wp-content/uploads/2025/11/NSDL-The-conferenceEarning-of-DANISH-POWER-LIMITED_08-11-2025.mp4

You are requested to kindly take the above information on your records.

Thanking You

For Danish Power Limited

Vimal Chauhan
Digitally signed by Vimal Chauhan
Date: 2025.11.10 17:27:14 +05'30'

Vimal Chauhan
Company Secretary & Compliance Officer
Meb No. A54984

Place: Jaipur

Transcript of the Earnings Call of Danish Power Limited

Moderator: Dear all, welcome to the earnings call of Danish Power Limited for H1 FY-26 Joining in the call from the company are Mr. Shivam Talwar, Managing Director, Mr. Anand Chaturvedi, Chief Financial Officer, Mr. Rajat Jain, AGM Finance.

Now, I hand over to the company for briefing.

Shivan Talwar: Good afternoon, everyone. Moderator, am I audible?

Moderator: Yes, sir.

Shivan Talwar: Good afternoon, everyone. A very warm welcome to the earnings call for H1 FY-26 for Danish Power Limited. I am Shivam Talwar, Managing Director of the company.

Thank you for taking the time to join us today. Before we come to the question and answer, I would just like to give a brief update about the company's results and the business situation. So, H1 FY-26, the company delivered a revenue of Rs. 211 crores against H1 25 figures of Rs. 163 crores, reflecting a 29% revenue growth on a year-on-year basis. In terms of our PAT figures, profit after tax, the company came with figures of Rs. 29.31 crores as against Rs. 20.73 crores on the last year, reflecting a 41% increase in the PAT figures. In terms of the company order book, as of the date, the company is sitting with an order book of Rs. 405 crores to be executed in the next 6 to 8 months of timeline.

Further, with regards to the industry, we continue to see a healthy inquiry pipeline from one of our key sectors, which is renewables, along with that additional sector as well, which are transmission in the distribution segment as well, and we are also looking at the generation segment apart from renewables as well. In terms of our expansion, the company's first phase of expansion was completed in the first week of October this year, and the second phase, which is the final phase, which was planned with the IPO proceeds the company raised last year, that expansion is expected to be ready by the end of December 2025.

Once both the expansions are fully live and operational, we expect our capacities to rise close to 11,000 MVA per annum for transformers. In continuation, we are also focusing on our export side of business, which was on the lower side till now, but this year we are expecting and already have orders in hand for at least 8 to 10% of our sales coming from the international markets. Going forward, the next six months being heavy for our industry in general always the company is always gearing up to make sure that we can deliver our commitments to our customers, which is one of our key strengths, and looking forward to a strong finish to the upcoming financial year.

With these, I would like to open the floor for questions. Moderator, I request you to please take it forward.

Moderator: Now we will move to the question-and-answer session. I will request all the attendees to raise their hands. If you have any questions, kindly raise your hand. I request everyone, if you have any questions, kindly raise your hand. Our first speaker is Mr Akash Jain. Mr Akash, you are requested to unmute yourself and ask your question. Kindly limit your questions to 2.

Akash Jain: Yeah. Am I audible because I am having a little bit of challenge even in raising my hand, etc.

Moderator: Yes. You are audible.

Akash Jain: Thank you. So, I am a little new to the company. I just want to understand a couple of things. One is I think clearly growth does not seem to be a challenge for the whole industry, but there seems to be some concerns around a lot of supply coming in the transformer industry and some pressure on margins going forward. Even for us in the 6 months, there was about 1-1.5% drop in gross margins. So, can you really explain what has happened on gross margins in these 6 months and generally what scenario are you seeing on this?

Shivam Talwar: Thank you, Mr Akash. See, in terms of capacities coming up, yes, since the industry is seeing a significant rise in demand, naturally, a lot of manufacturers are coming up with expansions or new greenfield capacities.

However, for us as a business model, we are always very cautious in terms of what we expand, how much we expand and our capability to fill those capacities with the right orders. So, in our segment or the market, or the client base where we are active, the expansion that we are bringing in place, we are not facing any challenge with regard to filling up the capacity with new orders. In terms of margins as well, right now we do not see any significant challenge coming up. Whatever levels of operating margins we were doing in the last 1-1.5 years, we are working on similar lines. In terms of H1 specifically, if you are looking at, usually, I am sure you are aware the industry is H2 heavy, especially for us. The bulk of our sales, revenue happens in the H2 segment, and this time, H1 was a little below our expectations in terms of revenues, mainly because of an abnormally high monsoon, which led to delays in lift ability, but there was no shortage or lag in the demand side. So, we are confident going forward. Once we come to the end of the year, our figures will reflect what we have been able to achieve in the last year in terms of profitability or margins.

Moderator: Our next speaker is Mr Rajat. Mr Rajat, you can ask 2 questions.

Rajat: Hello, am I audible?

Shivam Talwar: Yes, you are audible.

Rajat: Yeah. So, yesterday I saw the investor presentation, and you have mentioned that you are going to make around Rs 600 crore revenue in the next 8-10 months. So, is it possible to get the guidance for the next 6 months? Like what will be the revenue guidance for FY 26, full year?

Shivam Talwar: So, FY 26 we are expecting, we are left with about 4.5 months for this financial year, and we are expecting revenue somewhere between Rs 500-550 crores.

Rajat: For the full year?

Shivam Talwar: Yes. For the March closing of FY 26.

Rajat: Thank you. And after December 2025, once the capacity expansion is completely done, what is the peak revenue that we can expect?

Shivam Talwar: Once the capacity is fully operational, in the beginning, there is some teething time that requires the capacity to settle down and have the right optimum utlization or full utilization, but once that is done, that is achievable, we expect somewhere around Rs 750 crore of revenue to be possible for the company.

Rajat: Ok. Sir, thank you.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Suruchi.

Piyush: Hello. Hello.

Shivam Talwar: Yes, you are audible.

Piyush: Yeah. This is Piyush, this side. Hi Shivam, good afternoon. Just want to understand a little bit about our capability. Capability means when we say 220 kV, 400 kV, there are competitors who are working on 755 kV also. There are a few players who are working with Power Grid Corporation or something. So, just want to understand the landscape and in this landscape where Danish Power lies. Right now, where do we stand and what are our aspirations on the capability side, higher side of the say, kV?

Shivam Talwar: Higher voltage class.

Piyush: Higher voltage class capability because we are doing this capex. The second point related to this is that we are trying to understand this all capex 3500 right now, and 2500 also proposed to be add by December, is this 220 KV only or we are going into higher voltage class?

Shivam Talwar: Ok. So, both your questions are connected to each other. So, till very recently, we were mainly doing transformers in 3300 kV and a little in the 66132 kV segments. But the bulk of the sales was coming from the 33 kV voltage class segment. Now, the expansion that we have will be done by the month of December. We have expanded or upgraded our facility to be able to do transformers upto 220 kV voltage class. However, once you, whenever you set up a higher voltage segment, usually there are certain entry barriers, and it takes a certain amount of time period for us to get maybe a large chunk of orders in that segment. Therefore, we have made sure that the capacity set up by us is tangible. The capacity would be able to manufacture, which is our bulk supplies of 33 kV and 132 kV transformers but it is capable of doing up to 220 kV segment. I think that is what you are trying to understand. Right?

Moderator: Our next speaker is Mr Paras Cheda. Mr Paras, kindly give your brief introduction.

Paras Cheda: Yes. Yeah. Thank you so much for this opportunity. Congratulations for the good set of results. Sir, I just want to understand two things. First of all, it was difficult to raise a hand in the meeting. So, I do not know if there is a technical glitch, but besides that, I wanted to understand if I am correct in understanding so far that our capex will come online completely by the end of December, and therefore, will be operational in January of 2026. Initially, there could be some teething issues. I do not know whether some sort of validation is required from customers for higher voltage class transformers and when do you expect, Sir, this Rs 750 cr peak kind of revenue from this overall expanded capacity to be hit? Whether that could be FY 27? It could be FY 28. That is one question from my side. And secondly, Sir, your outlook on the transformer demand-supply situation in terms of the market outlook for the next 2-3 years, if you can provide.

Shivam Talwar: Thank you, Mr Paras. So, the first question, validation for higher voltage, yes. So, there are various ways. There are certain levels of testing at third-party laboratories that is required. Then the client also conducts audits. That is the second validation point that the client does. And then, third, you usually begin with some smaller orders which have a performance check at the site for a certain time. So, typically 2-3 ways are there on how there is validation when there is a new level of rating or new level of voltage class, basically, not rating that you enter into. For us, 220 kV is that segment and for that, we will need that level of validation.

I think your next part was with the full utilisation, the revenue expected by when. So, we are targeting FY27- FY28 somewhere in the middle we are expecting that we should be able to fully utilize this capacity, maybe upto 90% plus, which is a high level of, optimum level of utilization. So we are expecting probably FY27 might not be able to achieve full in that level. But FY28, we are fully confident that it should be able to achieve those levels and the general market outlook, see last year onwards or even maybe two years back, we are seeing a continuous growth in the demand coming from various departments, various areas and there are few logics that are getting this demand push. One of them is basically the push towards renewable or green energy, which is happening across the country. I mean, our country has set up quite massive targets and internationally as well.

Second, we are seeing the push for the use of artificial intelligence and data centres where the power demand is extremely high, and that is pushing up the overall demand of power and hence automatically the need for equipment's such as transformers and others.

Third, we are also seeing a replacement cycle that is starting to catch up a lot in the developed countries, and some level of that is coming from within India as well.

Apart from that, fourth, we usually see how our dependence on our day-to-day lives, the requirement of power on each of our homes is increasing, be it the use of electric vehicles or any of those factors depending on. So overall, there are multiple factors which we see are here and are here to stay for next at least 3-5 years if not more, which would mean a continuous rise in the demand for transformers and other electrical equipment. So, we see the outlook is positive, and hence our expansions are planned in that way that we should be able to scale up according to this.

Paras Cheda: Okay, so just last query from my end. So, given your outlook, probably that implies limited risk to the operating margins, EBITDA margins I'm talking about, probably in the next year or two, maybe, given the outlook. And would it be fair to say that FY27 the revenue estimation could be about Rs 650 odd crores in that region? Probably.

Shivam Talwar: Yes, yes, that's correct.

Paras Cheda: And for margins, you would be expecting similar stable margins for the next year or so.

Shivam Talwar: See, it's a very focused point for us. The margin that we have been able to achieve in last two years, we are focused on seeing how those are sustainable and the company continues to make efforts to make sure our operations are efficient, our designs are efficient, and we continue to target those kinds of customers who are valuing the product for their quality and giving the price accordingly. The market is massive right now and there are various types of requirements coming. There are lot of places where price is the only criterion. You got to be the lowest and only then you get an order. But there are various places as well where the competition is such where the client wants to make sure a healthy balance between the price and the product quality. And for us, making sure our product level is at that level, that we can continue to satisfy our existing set of clients who are in that category and plus continue to target newer such markets and clients. So, profitability is a priority for us. We want to make sure that the company remains healthy that way, and it will remain our focus point for the coming years as well.

Paras Cheda: Understood. I'll come back in the course. Thank you.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Srinivas Changa. Mr. Srinivas, kindly ask 2 questions only.

Srinivas Changa: Am I audible?

Moderator: Yes, you are.

Srinivas Changa: Okay. Okay. Thank you. Very good results from Danish power. Congratulations. So...

Shivam Talwar: Thank you.

Srinivas Changa: Yeah. Looking at the sectors which you are serving, like mostly the renewable energy, the inverter duty transformers, how much margin expansion we can expect in a 3–4-year time frame? Can you give guidance?

Shivam Talwar: So, you mean how much increase in the margins?

Srinivas Changa: Yeah, yeah. Inverter duty transformers.

Shivam Talwar: See, I'll be honest, inverter duty transformers, we were one of the first ones in the country to start back in 2011-12.

Srinivas Changa: Okay.

Shivam Talwar: I am getting some background noise. If you can mute till the time you're not speaking.

Srinivas Changa: Okay. Okay. Yeah, yeah. Please tell me.

Shivam Talwar: Yeah. So we were the first few ones in the country to start inverted duty transformers back in 2011 when renewables were very new. And over the years, we have been able to lead this market and make it one of our major markets. So now that till a certain time is there when the competition is limited.

Srinivas Changa: Correct.

Shivam Talwar: Moderator, can you please check where is the background noise coming in?

Moderator: Yes, please.

Shivam Talwar: Yeah. So, coming on to the point with respect to margins. See, every segment somewhere or the other gets with the competition coming in. So we are aiming to make sure that we can sustain these margins and continue with these levels. But any expansion in margin is purely subject to a lot of factors in the coming years. As I said, for us it's a priority to maintain our margins and make them any better possible. But to commit to anything on an increase in margins would not be right at this stage.

Srinivas Changa: Okay, thank you. My next question is, who are the competitors? Where are you getting the competition?

Shivam Talwar: Okay, so in IDT segment, we have competition from listed companies like Shilchar Technologies. And then there are in the unlisted space companies like Wilson Power. There is Crompton as well from the listed space. CG is there as well in that segment. And Atlanta Electric is also slightly active in that segment. So yeah, these are the few competitors coming in.

Srinivas Changa: Okay. Okay. Thank you Sir. Thank you.

Moderator: Our next speaker is Vishal Agrawal. Mr Vishal, kindly give your brief introduction.

Vishal Agrawal: Hello. Am I audible?

Shivam Talwar: Yes, Mr Vishal.

Vishal Agrawal: Hi, Mr Talwar, congratulations for a good set of numbers. And also, it's very good to hear your first conference call. So my first question is are you going to continue with this conference calls and we're going to have this call every quarter?

Shivam Talwar: Sir, presently we are publishing half-yearly results. So, it is sure that we will be doing half-yearly conference calls, definitely,. We missed doing it the previous time but definitely we will be continuously doing this in the coming future as well.

Vishal Agrawal: That's great, very good to hear that. And continuing with the other participants who have asked questions in this call that there is huge tailwinds in your sector and there are a lot of demand for transformers, and

there's a lot of growth. So we now have visibility from your side for at least 1.5-2 years this CAPEX coming on board.
So, when do you think, you should start planning for the next round of CapEx after you have utilized this new capacity to 80%-90%? Maybe in around another year's time, we can start thinking of that.

Shivam Talwar: So to be honest, with the kind of demand we are foreseeing, we knew that the capex being done right now, we were having confident backing of our existing set of clients that we would be able to utilize this in a very short span of time. Looking into that. The company already acquired a piece of land a couple of months ago. I think 3 months ago to make sure that while we are closely monitoring the market and seeing when we need to start the next expansion, but since land is a critical component. So, we already acquired three months back in our own industrial area, where we are presently based, so that we can be ready as soon as we take a final call on the next CapEx. So, we are evaluating on a daily basis to be honest because we want to be sure that we are prepared whenever our next need comes in. So hopefully once we have good clarity, we will be starting up the next phase of expansion.

Vishal Agrawal: That's good, very good to hear. And my last question is that the second phase is targeted by December end, so we are already in November now. So, is there any visibility that this will happen in December itself or is there some delay expected maybe to January or you are confident that we will start in December itself?

Shivam Talwar: No, we are confident the delays were there before and a lot of delays due to monsoon and everything happened, but those are all clear now. We have good visibility, and we are confident that this will come up by the end of December positively.

Vishal Agrawal: Okay, great, very good to hear that. So once it come in December, so how is the ramp-up happening? Like if it starts in December so by last quarter, Jan, Feb, March, how much capacity can utilize like 30%, 40%, 50%. How is the ramp-up happening after it commences in December?

Shivam Talwar: See, the commencement happens and then as I mentioned earlier, there are always some teething issues because there are new types of machines installed, there is new training that happens on those machines. So, the full utilization takes time. So, if I have to say specifically to the expansion coming in December, I think it's only by March when we will be able to start delivering products out of that specific part of the expansion.
Jan and Feb usually would go in settling and then even if the production starts, the delivery comes only after 6-8 weeks as a minimum to begin with.

Vishal Agrawal: All right, okay, great. Thank you and best of luck for your future.

Shivam Talwar: Thank you, Mr. Vishal. Thank you.

Moderator: Our next speaker is Mr. Rishabh. Mr. Rishabh, kindly give your brief introduction.

Rishabh: Hi sir, am I audible?

Moderator: Yes, Mr. Rishabh, you are audible.

Shivam Talwar: Mr. Rishabh, we heard you initially, but we can't hear you right now. Are you.

Rishabh: Hello. Yeah. So, my question was for H1FY-26, what is the split of our transformer revenue into IDT transformer, distribution, transformer and power transformers?

Shivam Talwar: So, about 70% is coming in from the IDT segment, which has been the trend in the previous year as well. And then we have the balance coming up as a combination of distribution and power. Power is quite low as of now; it is mainly the distribution that is coming up, and then we have about 5% coming in from our panel division as well, the panel and automation division. That's contributing about 5% of our revenues.

Rishabh: And just the other question was, you mentioned that most of the time in this industry, the revenues are backloaded to H2. So, for H1 FY24 and

H1 FY23, would it be possible to share the revenues because we only have the full-year revenues of FY23 and FY24. So it would be just helpful to know that even historically previously the company has seen bulk of the revenues coming only in H2.

Shivam Talwar: Sure, so H1 FY24, we also shared in the investor presentation. That was the revenue of Rs 163 crores in H1 FY24, while the year ended at Rs 424 crores. So that is giving you the same evidence. For H1 FY23, I don't have the data ready in front of me right now, but we can definitely share that with you. And the trend is always similar. It's not just these years from last many years, but this is for the FY24 figure I've already mentioned to you.

Rishabh: Okay, and the other one was, I think, for the FY25, we did around Rs 450 crores of revenue, and now we're looking to double our capacity. But I think at peak revenue, we are now saying that we'll get around Rs 750 crores. So, the additional capacity which we are planning to add, it seems like that would add around Rs 300 crores of revenue. So, is the additional capacity not similarly revenue creative as the existing capacity we have? Or are we looking to enter into a lower revenue segment? That part was slightly unclear.

Shivam Talwar: Okay, so there are two parts to it. One is that the additional capacity we are targeting certain transformers of higher voltages. As I mentioned that we have updated our facilities to 220 kV voltage of transformers. Although it is tangible with our existing as well. So that is one part. When you do go at a higher MVA, the realization becomes per MVA realization is slightly lower. But at the same time, the points also come in with regards to the optimum utilization or the utilization level. So when we did Rs 424 crores, we were doing a utilization of more than 90% or I think, if I'm not wrong, 90, 92 or 93% of utilization, which because of the nature of our industry, that the H1 is light and we are not fully utilizing it and the H2, we are literally running over capacity. Hence, that realization level is, was very high in FY 24-25. Going forward, we need to see when we can get to those levels, whether we can evenly distribute our utilization, even H1, if we can utilize by targeting some other markets in a better way, that can also contribute. But the figure that I mentioned right now are considering a bare minimum that we know we would be able to comfortably have utilization of those levels. Anything above that is definitely what the company will target. But as a company, we always believe that it's better to commit less and deliver better. So that's one of the points as well.

Rishabh: Thank you, Sir. This is very helpful. Sorry, just last question. So we have, we are deriving essentially like 70% of our revenues from IDT, just based on management's own estimates. How would we think about our market share only in the inverter duty transformer? And where do you think that has moved over the last two, three years, just specifically for our company? Obviously, the market demand is there. And we're genuinely excited about that. Just wanted to get a colour on the market share for us.

Shivam Talwar: See, unfortunately, there is no published data. So, for me to give you a figure that way would not be right because it is not backed by any published data. However, there are certain data that do get published is about the number of, I mean, the megawatt of solar power generation plants that are set up in the country. So, if you go by that data, I think we did about 120 gigawatts so far, if I remember seeing one of the reports recently correctly. And we have our installation base. Now it's almost touching 14 gigawatts till now it was 13. Now it's almost 14 gigawatts of installations in solar projects of our IDTs. So that gives me some indication that probably the market share is more than about 10 or 11% is my estimate on that. But as I said, giving a firm figure is not right because there is no published data.

Rishabh: That's an interesting observation, sir. Thank you so much. And incrementally, do we see a higher than 14% penetration for new solar added capacity just based on what we are seeing, what the conversations we are seeing?

Shivam Talwar: So this year, even previous year, we are IDTs contributing about 65%-70%, which honestly, we feel it is at a high level. As a company, we want to make sure we have a diverse portfolio. And although since we do have a large supply track record, which makes us have a lot of inquiries in the segment, but we want to keep it under these levels only. And one of our reasons for getting into other segments or other voltage classes was that we can make sure that we have other voltage or types of transformers which can also contribute to our revenue. So this is the level that we are looking to keep, not more than this.

Rishabh: Understood, Sir. Thank you so much for your time, and all the very best to you and the team.

Shivam Talwar: Thank you so much. Thanks.

Moderator: Our next speaker is Mr. Umakant. Mr. Umakant, kindly ask two questions only.

Umakant: Yeah, Hi. Thank you for the opportunity. A couple of quick questions from my side. Sir, could you just touch down a little bit on when we, I think the last we spoke, we were earlier guiding for top line or for F26 was around Rs 600 crore. And we said that with this new capex, we are targeting a top line of close to about Rs 1000 cr at peak utilization, which we were guesstimating it for F28. Could you just talk about exactly what has gone in the last 2-3 months that we have become very conservative on the guidance?

Shivam Talwar: So, with regard to the figures for this financial year, as you would be aware, our expansion was running behind schedule. The one which got live in October was supposed to be live about four months before. And hence, that is the reason where from the touching Rs 600 crore, we are now looking at somewhere between Rs 500 crore and Rs 550 crore, because our previous year, we achieved Rs 424 crore. That was our peak utilization, and we did not have any further scope from that. And because our expansion was delayed, which was also informed as well. So that is the reason why we are seeing a reduction in that.

And your second part of the question was with regard to the peak revenue on the full utilization after the expansion. So that point, as I said earlier, to someone else who also asked that, we are looking at figures with an optimum utilization and once we do have a peak utilization of 90% to 94%, which, say, for example, we did in the previous financial year, that definitely can shoot up our numbers and take up to those levels. However, at this stage, and also the other factor I mentioned about targeting the higher MVA, higher voltage class consumers, where we do see slightly lower per MVA realization is also a factor that may play a role out there. But the figures given right now are for optimum utilization, after the full capacity expansion.

Umakant: So, what are you saying, basically, is that we can achieve Rs 1000 crore, but just for our guidance, or just for our, you know, at a certain level of comfort, we are saying that we should be at peak around optimal, we should be at Rs 750 crore. Is that a fair reading to make out of it?

Shivam Talwar: So the capability is there. I'm not denying that fact. The capability is there. And, you know, when we talk about the MVA expansion done by any transformer company, and especially in our case, when we have made the expansion, which is tangible, I mean, it is also doing 33 kV transformers of 10, 15, 20 MVA, which is one of our maximum supplies right now and also capable of doing 50 or 80 or 100 MVA to 20 kV transformer. Now that utilization MVA also changes with the type of transformer you make. I mean, just to give an example, right, if I'm making one transformer of 10 MVA with as compared to, sorry, 5 transformers of 10 MVA, which is 50 MVA as against one transformer of 50 MVA, the time taken in both is different. And hence your company's capacity in MVA terms also changes if you either calculate the utilization or you calculate the company's capacity. So there are various factors that play into it. But with the expansion, definitely the possibility is there to answer your question.

Umakant: Okay. And the second bit, just to follow up on this itself, Sir, is that while we are talking that we are gravitating ourselves from the 32 kV to about 220 kV is the new area where we are targeting to get into now. And as we transition our company towards that, would that also result in a higher margin? Because if we are getting a lower asset turn, we should be, shouldn't we be getting this thing on the margins at least?

Shivam Talwar: So, again, as I mentioned earlier, 220 kV transformer, there is a certain level of validation required. In our industry, there is an entry barrier where a client will ask a certain level of testing, which is cost-consuming, which is highly expensive. Then there are audits. And the third is a client looking at some or the other prior experience. And if that is not there in that particular segment, there is a point where the client feels that, oh, you are a new entrant. And hence, to be very honest, when we make that new entry, we will need to probably in the initial times compromise on some other part in order to get that entry as well. So that's a very common practice for anyone entering a different or a higher voltage level of transformers. Our objective as a company is to continue to focus on our margins. For us, it is not necessary that we do a 220 kV or we do a 33 kV. For us, we want to make sure that we can sustain our profitability levels or make all efforts to better that. And for that, we want to keep a wide portfolio and a wide client base to see which is best suitable for us. When the demand is there, we want to be in a position that we can decide what is best for the company's, the profitability and the quality of order as well.

Umakant: Got it. Got it. and so my second question was around the export side. So could you just talk down, so we say you highlighted that we are currently running at about 8-10 percent of our total revenue on the exports. Could you just talk about which are the key markets we are going to? How are we scaling up that bit of the business? And let's say 2-3 years down the line, what is our thought process? What that number could look like from current 8-10 percent? Could that number be a sizable number? And how does that translate to, let's say, if we are looking at the business in FY27 or 28, what that implication could have on the margins?

Shivam Talwar: So, currently, this year, we are expecting about 8-10 percent contribution from the export market for our total revenue. Going forward, every year, we are targeting a similar growth level. So if we have come from a very low level to about 10 percent this year, we are next two years, we are looking at eventually we can come to a level of 30 percent on the export side. That is something we feel is an ideal level for the domestic and export side. India, we are very bullish on our country's growth in the power sector, and we want to make sure we can contribute in that place. But exports, maybe next year, 20 and the year after 30 is somewhere in the range, is what we are looking at. But for us, again, which I mentioned earlier, be it exports or domestic, the focus would remain on margins. Exports, there are some very good, some are at par with what we are doing in India, and some are even lower as well. So, we want to make sure we can target the right market with the right profitability. If somewhere it gives us a bigger or better profitability, we would go in that direction.

Umakant: Got it. Got it. And so do we have any target on the margins front for, let's say, F27 or F28?

Shivam Talwar: We would like to see that we can have some 10 to 15 percent growth on a percentage wise basis. However, we are confident and planned in a way that we should be able to maintain what we are currently doing and see what growth we can get over it, considering how the industry is shaping up in the next two years.

Umakant: Okay, sure. Thank you. I'll just get back with you. Thank you so much.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Mr Raman KV. Mr Raman, kindly give your brief introduction and limit your question to two.

Shivam Talwar: Mr. Raman, you are on mute.

Raman KV: Can you hear me, Sir?

Shivam Talwar: Yes.

Raman KV: Sir, I just have, I'm from Sequent Investments. We are a PMS fund. I just want to, I just have two questions. One is, currently we have a capacity of, like with the new capacity coming online, we have a capacity of around 7200 MVA. And we will be adding additional 2500 MVA, which will be catering to high voltage transmission, if I'm right.

Shivam Talwar: Yes, the facility is capable of doing the high voltage transformers, but at the same time, it is also capable of doing what we are currently doing. So now, what are the current capacities which we are catering to and post the expansion? What is the high voltage capacity which we are targeting? One is that.

Raman KV: And the second question is, I just want to understand the product mix. From the DRHP and from your annual report, I figured out we are mainly into inverter duty transformers. But with the new capacity coming in, which is which will also be catering to high voltage, will we foray into transformer, power transformers also? And I just want to understand the margin uptake or realization difference between these two segments.

Shivam Talwar: So, currently, the bulk of our sales revenue is coming from 33kV transformers. These are transformers that are utilized in the renewable space by IDT segment. There are also some small contributions of 33kV power transformers. So power transformers come in various voltage levels. So, some in that 33kV. And then we have contributions from the 11kV distribution transformer range as well. This is what currently we are doing in terms of how we are geared up for with the recent expansions coming in place. So, our power transformer facility capability would be upgraded up to 100 MVA in terms of rating and 220kV in terms of voltage class. That's where we will be ready on the power transformer. Continuing on the distribution transformers, we would be doing up to 33kV distribution, which is where the segment stays in. And in terms of inverter duty transformers, they also remain somewhere in the 33kV segment range only. And that will also continue to be our line of business. Apart from that, our other division is control relay panels and substation automations, which we are doing for substations up to 400kV. So this is our capability summary, if you wanted to understand that.

Raman KV: And I also wanted to understand the realization difference with respect when it comes to the different sizes.

Shivam Talwar: So again, transformer pricing does not increase in a linear way, as neither the time to manufacture nor the cost. So, as I explained, five numbers of 10 MVA transformers would cost more than one number of 50 MVA transformer. So the larger rating you go in, this realization slightly decreases. It doesn't work that we have 10 MVA, five numbers would be again 50 MVA, but that costing would be more or the realization would be more as compared to selling just one number of 50 MVA. So realization slightly decreases as the rating goes up.

Raman KV: Understood. And so my last question is, as you already mentioned, that one of your peers is Shilchar Technologies, which mainly caters to the renewable segment, and we are also catering towards the renewable segment, and we are also trying to start an export business. So, any guidance on how is you planning to increase your renewable segment share as well as increase your exports? And will this result in margin uptake in let's say, FY27, once you have a good amount of order book with respect to exports?

Shivam Talwar: The renewables, as I answered someone else earlier also, we already have a decent share in the market. And if you talk about the overall installations, I think we have one of the higher levels as compared to a lot of other manufacturers in terms of the IDT supply in the renewable space. Exports are definitely slow for us. Right now, a lot of our supplies are going mainly in the domestic segment.

As a conscious call to have a diverse portfolio, we are looking to see how we can have a healthy balance, which I feel may be a 25-30% export contribution, is healthy enough for us to have a diverse market base. So that's the reason we are looking at. Already now, you asked how we are doing that. Already pre-Covid times, we had a decent amount of exports. I do just that. After Covid, our domestic sales picked up drastically, and hence the export turnover remained at a lower level. But we already have an established client base in various countries. We have pitched up to them again, and we have already, as I said, this year we are hopeful of doing 10% of our revenue coming from exports. So we are just restarting from where we had left during the Covid time and this is helping us. We already have a good installation base in various countries and we are taking it up to restart and increase those levels.

And on the margin side, again, the answer was to what Mr. Umakant was also asking. The focus remains on the part that the profitability is sustained, as to what we are doing right now. And even exports, as I said, not every country is a higher margin market than India. Some are at some are even lower. So we are trying to see, I mean, for us, the order selection, one is the profitability, and the second is the quality of the order, by which I mean the entire execution cycle from start to end. Because our industry is entirely in a made-to-order situation. We don't stock and sell and it's highly customized. So you want to make sure that the clients are strong enough to be able to execute their projects on time because any hold-ups in any orders, even if it is a good margin order, it eventually impacts our profitability if the goods are lying for a certain period of time because it's not easy to divert one order to someone else because again, it's highly customizable as I mentioned.

Raman KV: Ok, hello. Hello.

Shivam Talwar: Yeah, Mr Raman.

Raman KV: I just have one final question. Sir, during this quarter, there was an impact on our margins when we compare it YoY. Is it because of the new capacity addition which happened during the quarter, and hence the operating cost? Or was it something else?

Shivam Talwar: So that had some factor to it, and then again, we are H1 light always. This year as I mentioned earlier, we still had growth as compared to our revenue, but we could have done better and we would not have seen this abnormally high monsoon season due to which a lot of our clients' projects were delayed, and hence we could not ship out our goods. Ultimately, I would request you to review the year-end numbers because that's where the real picture becomes clear when the entire year's circulation is done.

Raman KV: So, 19-20% margin is intact for the entire year?

Shivam Talwar: Yes, we are confident on that.

Raman KV: Thank you, sir. Thank you.

Moderator: Our next speaker is Mr Kaushal Sharma. Mr Kaushal, kindly give your brief introduction and ask two questions only.

Kaushal Sharma: Hi, Sir. Am I audible?

Moderator: Yes.

Kaushal Sharma: Yeah. This is Kaushal Sharma from Equinox Capital Venture and Family Office. So, my question is on your investment in the backward integration part. As per your annual report, I have seen that you are expanding backward integration via your subsidiary in sheet metal fabrication. So, could you please give me an update? What kind of capacity, what amount of capex are we putting in and what kind of limited expansion can we expect from such a facility?

Shivam Talwar: So yes, we have initiated that process. Sheet metal work is one of the biggest bottlenecks for us and that is what prompted us to increase.

Already, we are doing some bit in our existing facility, but we wanted to make sure we can have a larger contribution coming from our own setup, which can help us eventually do a better turnaround time for our customers. That's one of the longest lead time items, as well as it is an item where we do face maximum quality issues as well from the supply end. So in order to upgrade our quality and give a better turnaround time to our clients, we are setting that up. So in terms of capex, it's estimated to be roughly around Rs 20 crores of capex that is planned in that and the work is ongoing in that segment right now.

Kaushal Sharma: How long will it take to operationalize the same?

Shivam Talwar: It will take about six to eight months from now.

Kaushal Sharma: Six to eight months. And Sir, do we have any USA license for exporting to the US? And if yes, will the company be able to pass on the tariff to the US customer with the export ticket?

Shivam Talwar: See, for the USA, there is no specific license. However, there is a UL certification that some of the US customers demand, not all of them; some of them demand that. Currently, we have not taken that certification. However, we have done very minor exports to the US in recent times. But going forward, we are seeing that the inquiry flow has reduced, although since it was not contributing to our revenue. So, it is not yet impacting us in any way. But with the tariffs coming in, we have had some discussions, and we are seeing there is slowness in any new inquiries or even in finalization for the new projects and that they may have. So we were in an effort to increase our exports globally. The US was also one of the markets that we explored. But at this at present stage, with the tariffs, that is on a wait and watch situation for us.

Kaushal Sharma: Sir, my last question. In general, how long does the company take to test its product under transition from lower KV class to higher KV class? As currently there seems to be a capacity shortage to meet the higher KV class demand in India for at least next two-three years. Two, three years as currently India has a leftover target of around 77,000 cks transition line and 5.43,000 MVA substation have to be met in the next two years. Financial 26 and 27 as per the NEP of India. So to manage the ongoing transmission being done in India, requiring higher class of transfer like 30kv and 220kv, 400kv and 765kV. Currently, we have a decent size of capacity. So, who can we expect? What can we expect? That the capacity will be able to cater for these kinds of markets.

Shivam Talwar: So, I assume the question was what the timeline is for testing and validation for the next level of voltage.

Kaushal Sharma: And this is a very lucrative market because we have a left-off target. So, we'd have to meet out in the higher KV class. So, how are we looking this kind of market?

Shivam Talwar: So, as I mentioned, we have upgraded our facilities. The expansion that we did is upgraded to 220kV voltage class. And in terms of the validation process, we are already started to some extent. And since the type testing process is where we first manufacture the transformer, and then eventually send it for testing. So, the timeline to do that is anywhere between six to eight months. However, the selection of what rating of transformer to which specification is the key part. Because the investment to manufacture as well as to type test is significantly higher. And as a company, we want to be sure that whichever rating and specification we are following right now, we would be able to have them as our initial set of customers and bank upon their capacity or their quantity requirements for the coming years. So, the timeline is roughly six to eight months from when we take that process.

Kaushal Sharma: So, sir, have we done any type testing for any customer or are we in the process to do that?

Shivam Talwar: So, we are in process. So first we have to manufacture the product as per that. And then it goes for type testing to a third-party laboratory. So, it's yet to be done. We have begun the study process as to what specification we need to manufacture.

Kaushal Sharma: Okay Sir. Thank you very much for answering the question. And best of luck. Thank you. Thank you. Mr. Kaushal.

Moderator: Our next speaker is Mr. Akash. Mr. Akash, kindly give your brief introduction and ask only two questions.

Mr. Akash. Mr. Akash, you are not audible. Mr. Akash, you have been unmuted. Kindly raise your questions.

Shivam Talwar: I think we can move to the next. Maybe he has some technical issue.

Moderator: Our next speaker is Mr Rahul. Mr Rahul, kindly give your brief introduction and ask only two questions.

Shivam Talwar: Mr Rahul, are you there? We are not able to hear you.

Moderator: Mr. Rahul. You have been unmuted. It seems like he is having a technical issue. We'll now move to the next speaker.

Our next speaker is Mr Sahil Raj. Mr Sahil, kindly give your brief introduction and ask only two questions.

Sahil Raj: Am I audible now, Sir?

Shivam Talwar: Yes, you're audible.

Sahil Raj: Sir, just one question I have. So, there is a lot of chatter going around that transformers and maybe even in the renewable energy companies are all expanding their capacities. So, there is a notion going on that we will outpace the demand by the capacity that is installed by all of these players. So, how true is that on the ground and what are your thoughts on that? That's all.

Shivam Talwar: See, demand and supply both are at this stage. I mean if you really see at any data with regard to the available supply, yes, probably in the listed space, there is published data. But in the unlisted space also there are also some happenings. But in reality, there is no specific confirmed data available with regard to what level of supplies are coming in. The charter does come in every now and then. I agree to you. However, when we see our set of inquiries coming in, the set of demands from our existing clients, if we which we are in regular touch and we keep forecasting and with regards to the same, the level of expansion that we do, we do it very cautiously to make sure that we are able to fill that expansion with the orders on an as early as possible basis.

So there is that news. I don't deny that. But when we come to the ground and right now, if we see the level of orders that we have, the level of inquiry base that we have, we right now don't see that the supply is in excess. And hence, right now, we don't foresee any challenge in that segment. The demand would continue to grow, is how we have seen in the studies are all there to say. And it's not just within India. We have explored internationally as well. So the chatter would come in here and there. But as per our studies or as per our activities that are happening, we right now don't see any challenge in that segment.

Sahil Raj: All right, Sir. And Sir, what is the current share of exports in our business?

Shivam Talwar: This year we'll do about 8 to 10%.

Sahil Raj: 8 to 10%. And what are we targeting to take it up to in next two to three years?

Shivam Talwar: We are targeting somewhere around 20% in the next year and 30% in the year after that.

Sahil Raj: And all of these exports are direct or via some merchant exporters.

Shivam Talwar: Currently, whatever we have almost 99% is direct. Going forward, in the next two years, I mean we are open we yet to see what kind of inquiries come in. If there is anything via merchant exporter as well as long as it fits all other criteria of ours, we don't have any challenges. But currently, all of it is 99% is direct export.

Sahil Raj: Okay, Sir. And Sir, how do we compete with the global players in terms of price, in terms of quality, what are the differentiators of Danish power there?

Shivam Talwar: We've been exporting since early 2000. I think in 2003 we started exporting. We have a wide installation base in a lot of countries. We've got back customers who are now asking again for orders, for our supplies, which means that they've been happy with our product. They have been happy with our services. So in terms of quality, we feel that we are at par with a lot of mid-sized global companies. Obviously, I mean, when you compare with countries like China, and China has all types of products. It has a low-quality product as well and it has a high quality good-price product as well. So, wherever we are competing, it's with a good quality, good price product. We don't work where price is the only criterion. So that way, we feel we are at par with a lot of countries. And recently we've done exports to the European countries as well. We have done to the Australasia continent as well, which are places where if you are not of the right quality and obviously the right price, you cannot get orders there.

Sahil Raj: All right, Sir. Final question on the CRGO thing. There are some talks from some players that CRGO pricing is constantly going down and the supply side is also facing some issues. So, is that thing correct? Have you faced anything similar?

Shivam Talwar: The price is down from before, definitely. I think we had a significant rise in the pricing last year which was due to the BIS licenses not being renewed for certain overseas players which led to a shortage in the country, and hence the prices had risen abnormally high. That situation had eased out, the licenses were granted again, and they were even renewed again in, in July this year. So that is definitely brought the pricing back to normal levels which probably on a personal level, I would say are the right pricing for CRGO. So right now, it's at a good level, which is healthy for the industry, I feel. I mean abnormal rise, abnormally high or even abnormally low, both are difficult situations for either the CRGO producers or even for transform manufacturers. So, I think it's a healthy pricing right now, which is making sense for everyone.

Sahil Raj: Sir, can you quantify the pricing in terms of kg? What is the current prevalent price that you say?

Shivam Talwar: Sahil, there are various grades that come in a CRGO.

Sahil Raj: The one that Danish uses for that.

Shivam Talwar: Exactly. Even Danish uses various grades because there are various specifications that come to us. There are some customers with a very high efficiency demand. Some are at a mid-level, and therefore we have to use the grade as per the client specification. So we are ourselves using all types of grades of CRGO, be it low loss. But the pricing idea to give you a high efficiency CRGO right now is somewhere around $3,000 a ton. And when we are talking about a lower efficiency level, that around $2,000-$2,200. So, between $2000 to $3,000 a ton is the pricing varying for various grades of CRGO.

Sahil Raj: All right, Sir. Thank you very much for answering. Thank you.

Shivam Talwar: Thank you.

Moderator: Our Next speaker is Mr. Sandeep Kumar Patwa. Mr. Sandeep, kindly give your brief introduction and ask only two questions.

Sandeep Kumar Patwa: So, my first question is regarding the order book or order pipeline. Like as you mentioned, like H1 was a very, you know, due to the extended monsoon. So, how was the order inflow in the H1 and currently, how is the order pipeline for the next six months?

Shivam Talwar: So, the order inflow was definitely good because we have orders for the next six to eight months. Currently, the order book is at Rs 405 crores which is confirmed orders with us. And we have a large inquiry pipeline ongoing, which would be finalized in the next one to three months, depending on every project, every customer. So that is where we are right now.

Sandeep Kumar Patwa: Like in terms of numbers, can you quantify like how much we have already bid and how much will be converted? I mean some estimate on the conversion ratio, or like bidding to conversion ratio like on that.

Shivam Talwar: Currently, the total inquiry base would be close to a thousand crores. I think Rs 800 crores- Rs 2000 crores would be the total inquiries that we have. Now this is a combination. There are private clients who have a direct inquiry. Most of our business is from that set of clients. And there are some sectors where the tendering happens, and they bid the tender, they float the tenders and then we have to bid for them. So now out of these Rs 800 to 1000 crores, as a company, we have to see which ones are following in our first delivery commitments. Because there are various requirements from the clients. Whether we meet those commitments are not as they remain. And that remains one of our USPs that we deliver as per the customer's schedule. So if we can honour those, we go for those inquiries at the first go. Second is our pricing, our level of profitability that we are targeting from any particular order. So we'll need to check how many we have quoted out of those. But your question on the conversion rate. So the conversion rate is when we evaluate it, typically to the ones we have quoted, and we have shown interest against how many we get. And that usually varies from time to time. I'm being very honest, but still, anywhere between 20% to 30% does get converted because usually we go for specific targeted inquiries only and not just port everywhere.

Sandeep Kumar Patwa: Okay. And in this order, pipeline, like how much is the government sector and like how much is the private sector? Like any ratio or any mix?

Shivam Talwar: 90% is the private sector.

Sandeep Kumar Patwa: So, like we are not catering to like government tenders or like something like utilities.

Shivam Talwar: Very, very minimum, very limited. So, like companies like we do, which are government or public-private partnership, is like who have a joint venture with the government, but purely government is less like the discoms of the government-owned. We face issues with respect to some payment delays, and cycles of that. So, we usually are more focused on the private sector of the business.

Sandeep Kumar Patwa: Okay. And my second question is regarding like in terms of FY27, can you give some percentage growth, how much we will do like, like around 20% to 30% CAGR growth. Are we targeting for FY27 in terms of revenue growth?

Shivam Talwar: Yes. So typically, that is the level we are doing year on year right now, and that is what we are targeting on the revenue side as well.

Sandeep Kumar Patwa: Okay. And this in terms of this incremental capacity, which will be operational by December. So, like have we like to have we started looking for orders against this additional capacity also?

Shivam Talwar: Yes. So, we have orders in hand for deliveries in the next six to eight months, which means that this capacity gets ready and then we can bring something into manufacturing by the end of January or February. So definitely this is already counted for any of the orders or the commitments we are doing to our customers. This expansion is already considered in that.

Sandeep Kumar Patwa: Okay, sure, sure. Thank you.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Rohan Karhale. Mr. Rohan, kindly give your brief introduction and ask only two questions.

Rohan Karhale: Yeah. Good evening, Sir. Congratulations on good set of numbers.

Shivam Talwar: Thank you.

Rohan Karhale: Just one question. Any plans to go for the main board?

Shivam Talwar: Sir, as much as I understand, there is a certain timeline of about three years from the SME board to the main board. We have completed one year of our listing on the SME board. So, there is as per the the guidelines, there is still two years there. Once that timeline is there, definitely we would look in that direction.

Rohan Karhale: Okay. I think the rest of all queries are answered.

Shivam Talwar: Thank you, sir. Thank you.

Moderator: Our next speaker is Mr Pramod Kumar. Mr. Pramod, kindly give your brief introduction and ask only two questions.

Pramod Kumar: Hello, sir. Am I audible, sir?

Moderator: Yes.

Pramod Kumar: Yeah. Thank you for the results and conducting con-call, Sir. Appreciable. So I just want to know, like what is the guidance for FY26? Sorry, I joined a little late. That is my first question. Also like, do we see tailwinds from you know, in the transmission sector going forward and while you know. Sir, just give me a second. I'm audible. Sorry for.

Shivam Talwar: Yeah. Mr Pramod, there is some background noise coming in and we could not understand your questions.

Pramod Kumar: Just give me a second, Sir. Just give me a second. Sorry, my question is like I joined a little late. I just want to know what the guidance is for FY26. I'm not sure if that is already been discussed. That is my first question also. My second question is do we see the structural tailwinds we are seeing from the last couple of years in transmission sector and the transformer sector? So, going forward, are we expecting the same, and also what support are you getting from the government? So that is my two questions. Thank you.

Shivam Talwar: So FY26, as you mentioned, we are targeting between Rs 500 crores and Rs 550 crores of revenue. In terms of your second question of the tailwinds, yes, we do continue to see that right now. I explained earlier about the various reasons why that is coming in, and hence it seems logical that it would continue for. For at least the next 3, 4, 5 years, if not more. Your third part was any support from the government, and did I understand correctly? I mean, what kind of. What do you intend to ask? If you can clarify.

Pramod Kumar: Support in the sense. Usually, they will give them some PLI schemes kind of right. So that you can get, you know, support in that sense. I asked that question.

Shivam Talwar: So, we are based in Jaipur, in the state of Rajasthan. And Rajasthan has had its investment promotion scheme ongoing for the last few years. So, the Danish has done investment and expansion under that. So that support from the government is definitely there. There are various incentives in the Rajasthan Investment Promotion Scheme, and we have utilized that.

Pramod Kumar: Thank you, Sir. I encourage you to you know, conduct the con calls every quarter if possible. Appreciate.

Shivam Talwar : Sure, We'll do at every time of our results. We'll definitely do that.

Moderator: Our next speaker is Mr. Pratham Agarwal. Mr. Pratham, kindly give your brief introduction and ask only two questions.

Pratham Agarwal: Thank you for the opportunity. Sir, I'm Pratham Agarwal, an individual investor in the company. I wanted to understand, have you done any expansion in the control-relay panel segment as well?

Shivam Talwar: No, Sir. In the control relay panels and automation side, we have not expanded the facility currently. However, in that set of business we mainly used to need to expand our fabrication setup and a bit on testing setup. So as we mentioned earlier, someone also asked we had increased our sheet metal fabrication facility, which would be utilized in both transformers as well as our panel side of business as well and which can help growth in that segment. And we are focusing more on the substation automation side in the panel division and looking to see how what opportunities come in that way. But otherwise, there is no major expansion done at that level.

Pratham Agarwal: Got it, sir. So, like you answered to the previous participant that our guidance for FY26 is around Rs 500 cr to 550 cr. Even if I take guidance on the higher side that is Rs 550 cr on a year-on-year basis on the H2, we are seeing only 30% growth, whereas we have already expanded our capacity by 50%. And another 2500 Kv capacity will be coming for which will be utilized for one quarter. So is our guidance on the conservative side, and we can beat that. So, what is the understanding on that?

Shivam Talwar: See, the capacity expansion came live only in the month of October. So, it is not an entire year that the 50% enhancement is there. So if you do it for half a year or even maybe slightly less than that that that comes to 20%-25% and still the growth is 30%. So that way, we are there in terms of the capacity, whatever is available to us. The second capacity will only be in the end of December, and hence the outflow of transformers will start thereafter. Because once you start manufacturing it takes at least 8-10 weeks for us to from start to end to deliver the product to the customer. So that would by chance come in March. But most probably it will start delivering or start generating revenue from April onwards only.

Pratham Agarwal: Okay, Got it sir. So my last question after this whole capacity expansion is done what kind of revenue potential are we seeing from the transformer segment only?

Shivam Talwar: So again, I think this was asked earlier as well if we are having an optimum utilization. We are expecting somewhere around 750 crores plus of revenue. And if we are able to do a peak utilization like we did in our last financial year, we had a utilization of extremely high levels. And this can substantially go up as well.

Pratham Agarwal: So, any number for peak revenue possible at optimal utilization.

Shivam Talwar: Someone else already said that we had mentioned close to a Rs 1000 crores. So, we'll need to stick to what someone else said.

Pratham Agarwal: Thank you so much for the answer. All the best.

Moderator: Our next speaker is Mr. Shubam Gupta. Mr. Shubham, kindly give your brief introduction and ask only two questions.

Shubam Gupta: Hello. Am I audible?

Shivam Talwar: Yes, Mr Shubham.

Shubam Gupta: Hello sir. So, Sir, I am an individual investor. So, I had mainly one question. Basically, you have Rs 405 crore of order book. But if I see the order announcement on BSE and NSE, like only in the last six months, there is only Rs 50 crore of orders which you have announced. So are you exchanging or is it like...
Like just one request, we get regular updates of the orders.

Shivam Talwar: See, usually what our understanding is that a certain material event has to be announced, which we feel is that a certain value of order or above that should be announced. So, when we accumulate orders, like not all orders are Rs 50 crore or Rs 80 crore. There are various orders of Rs 2 cr, Rs 5 cr, Rs 8 cr, Rs 10 cr, or Rs 12 crore. And usually, not every small order is announced on the exchange. However, we will take your input and we'll see if we can lower that level and that barrier by the amount of barrier from which we announce, and we'll see if we can do some more announcements.

Shubam Gupta: Okay sir. Sir, one request is this, and another request is, as you are saying, that your export revenue will increase, like next year it will go to 20% and after that 30%. So if I see the revenue, if I see the export margin of

Shilchar, it's around 30%. Like they are operating at a 30% to 35% margin. So, will your margin also be comparable, or become comparable after one or two years?

Shivam Talwar: Sir, I cannot comment on anyone else's margin as to how it is achieved. But from our analysis, from our studies, we have seen international markets. There are various markets which are at a higher margin level than what we are operating right now. Some are at par, and some are even lower than the margin that we get in India. So our intention is definitely that we can target higher margin levels. But I cannot comment on being comparable or similar to any other company's exports. I mean, there are various reasons how a margin operates in a company. It is not just the sales side or the market side. I mean, it also depends on your internal operations and various other factors.

Shubam Gupta: Okay Sir. Got it. Thank you. Thanks for answering my question.
Thank you.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Mr Yash. Mr Yash, kindly give your brief introduction and ask only two questions.

Yash: Hello.

Moderator: Yes, you are audible. Yes sir.

Yash: Hello sir. Congratulations on the solid set of numbers. My question is regarding if we need any additional capex for the radiator side or any kind of maintenance capex, we need for our expanded capacity after we come after the completion of both parts of 2500 MVA. So, can you shed some light on this?

Shivam Talwar: So if any further expansion needs to be planned, if it is any maintenance expansion, as you said, or something smaller, we are geared up with our internal accruals. We would be using them to do any of those kinds if there is any larger investment. The company is yet to take a call about that.

We have yet to plan what would be the next set of large expansions coming in. So, depending on the size of that capex, the company would eventually take a call. But for any smaller or maintenance, as you said, it's going to be the company's internal accruals only.

Yash: Okay. Thank you, Sir. Thank you so much.

Shivam Talwar: Thank you.

Moderator: Our next speaker is Mr Akshay. Mr Akshay, kindly give your brief introduction and ask only two questions.

Akshay: Am I audible?
Shivam Talwar: Yes.

Akshay: Okay. So, most of the points have been covered, and I would like to congratulate the management since this is their first call to the investors. I'm an individual investor.

Shivam Talwar: Thank you.

Akshay: I have only one question, which is if you could highlight some of the risks and specifically import risk from China. And if you could tell us a little bit more about the industry as a whole, because renewables and the solar sector, there has been a lot of government support or shield from the government to support the solar sector from cheaper imports from China. So does that kind of situation also persist, or is it there in the transformer sector? Thanks.

Shivam Talwar: So imports of transformers, it does happen. I'm not saying it does not, but as far as my knowledge goes, the import component is very low. It is largely because of various factors. I mean, as compared to solar modules, you can bring them from China and install them, and usually it's a product which doesn't require any significant maintenance, or even if one module goes bad, you simply replace it. That is how it usually goes, as far as my understanding is. Our transformers work differently. It does require periodic maintenance. It's an expensive and bulky equipment to bring in and at top of it, the government has certain requirements of Bureau of Indian Standards certified material to be utilized in our transformers, which definitely is a concern when it comes to imports from other countries about the availability of that material. Hence, imports are usually not a worry for us. We have not seen any, nor have we ever lost an order where the client may have gone and imported a transformer so far. So we don't see any risk in that segment currently.

Akshay: Ok. Thanks.

Moderator: Mr Rahul was not able to ask a question earlier. So, we are giving another chance. Mr. Rahul, kindly ask your question.

Rahul: Hello sir, am I audible?
Shivam Talwar: Yes.

Rahul: Hi sir, good morning. Congratulations for a good set of numbers. My question is whether any strategic move you have planned with reference to backward integration, like taking a supplier of raw materials?

Shivam Talwar: So backward integration, as we discussed earlier, also in this call, we are doing some backward integration of sheet metal fabrication in our subsidiary company, which will help reduce our bottlenecks as well as improve on quality side of the product. That is one of the challenges we face right now in our supplies to our clients.

Rahul: Understood sir. And sir, one more question — given the rapid capacity expansion we have in the past one year and we have also seen some new players entering into the market such as Waaree Energies. So do you think the oversupply will be there coming in the next few months, and which will impact the margins going forward?

Shivam Talwar: See, the players that have come in new have mainly acquired existing companies. Obviously, they might scale up those companies and add additional capacities. But see, that is happening, the capacities will add up. But as I mentioned earlier also, at our level, whatever expansion we have done or whatever we would plan is cautiously looked after to make sure that we can fill those expansions with the right set of orders.

We see a continuous growth in demand as well. So, currently, it doesn't bother us much with regard to the excess capacities situation. We don't see the excess happening anytime soon. Maybe four or five years later, yes, anything can happen, but currently we don't see that as a challenge.

Rahul: Okay sir. And sir, lastly, for financing your further capex, are you looking through loans or through equity? Debt or through equity going forward?

Shivam Talwar: The further capex is not yet planned. It is still under evaluation as to what level, what kind of capex we need. So once we zero down on our total needs as to how much fund would be required, then we will take a call on how that is funded. Right now is not the stage for us to answer that.
Rahul: Okay, thank you sir. Thank you for your future.

Shivam Talwar: Thank you.

Moderator: All the queries and questions have been answered. Now we end this question-and-answer session.

Shivam Talwar: Thank you to all who have attended. With this, this is our first earnings call post the IPO, and we will make sure to continue having these and expect active participation from all of you. So, thank you all. We'll close the call now.

Moderator: Thank you everyone for attending.