



danish
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Danish Power Ltd



**SNM VALUE EDUCATOR RESEARCH
SERVICES LLP:
Tiny Titans**

RA No: INH000019789

Danish Power Ltd

Driving Mobility, Powering Growth

Danish Power Ltd. is a fast-growing manufacturer of transformers and control systems, with a strong positioning in renewable energy and transmission segments. In FY25, the company achieved revenues of over ₹425 crore and PAT of ₹58 crore, its highest-ever financial performance. Backed by an order book of more than ₹450 crore, Danish has strong visibility for FY26.

In September 2025, Danish commissioned Phase-I of its capacity expansion at Mahindra World City, Jaipur, adding 2,500 MVA capacity to its existing base. A further 3,000 MVA expansion (Phase-II) is targeted for December 2025, which will take total transformer manufacturing capacity to over 10,000 MVA. This expansion enables entry into the Extra High Voltage (EHV) transformer segment up to 245 KV, broadening its product portfolio and strengthening its competitive positioning.

1. Strong Financial Growth

Revenue has grown rapidly from ₹148 crore in FY22 to ₹425 crore in FY25, while PAT expanded to ₹58 crore. This demonstrates Danish Power's ability to capture demand from renewables while improving profitability through operating leverage and scale efficiencies.

2. Capacity Expansion to Drive Scale

With capacity utilization at 96% in FY25, Danish has initiated aggressive expansion. Phase-I of 2,500 MVA was commissioned in September 2025, and Phase-II of 3,000 MVA will come online by December 2025. This will lift total transformer capacity beyond 10,000 MVA and support entry into larger contracts, including Extra High Voltage transformers up to 245 KV.

3. Renewable Energy Focus

~70% of Danish's revenue comes from Inverter Duty Transformers (IDTs), making it a key beneficiary of India's solar and wind energy expansion. Having already powered over 12 GW of solar projects, the company is deeply integrated with leading renewable developers and EPC contractors, ensuring strong repeat demand.

4. Growing Export Footprint

Exports, currently contributing ~6% of revenue, are set to increase meaningfully with new certifications and orders from Europe and the US. Danish has already executed its first European order and is targeting 15-20% export share over the next few years, providing margin uplift and de-risking from domestic cyclicalities.

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| | |
|----------------------|--------|
| CMP | ₹897 |
| Market Cap (₹ Cr) | ₹1766 |
| NSE-SME | DANISH |

Shareholding pattern

| | |
|----------|--------|
| Promoter | 73.55% |
| Public | 26.45% |

Financial Summary

| (₹ Cr) | FY23 | FY24 | FY25 |
|------------|------|------|------|
| Revenues | 188 | 332 | 427 |
| EBITDA (%) | 9% | 17% | 19% |
| PAT | 9 | 38 | 58 |
| ROCE (%) | 25% | 70% | 40% |



Company overview

From its beginnings in 1985, the company has steadily expanded in scale, capabilities, and expertise, establishing itself as one of India's most trusted and quality-driven manufacturers and exporters of power equipment.

Over the years, it has built a diversified portfolio of transformers and panels designed to meet evolving industry requirements. Its offerings include oil and dry-type power and distribution transformers, inverter-duty transformers, furnace and traction transformers, control relay panels, and substation automation services.

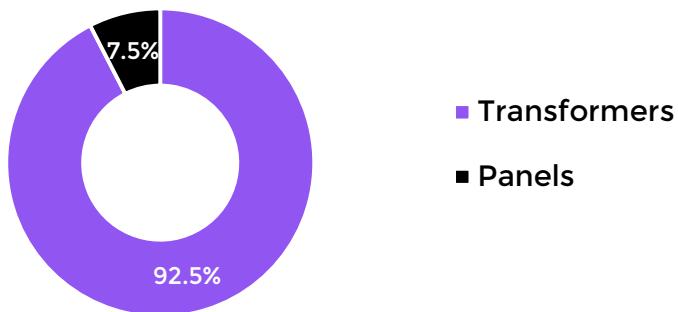
To strengthen its manufacturing backbone, the company has embarked on a significant capacity expansion journey. Danish Power's current installed capacity stands at 4,681 MVA. In September, Phase 1 of the expansion was completed, adding 2,500 MVA, while Phase 2 – expected to contribute an additional 3,000 MVA – will take the total capacity to 10,181 MVA, enabling the business to serve larger and more complex global power requirements.

The foundation laid by its visionary founders, Mr. Dinesh Talwar and Mrs. Shashi Talwar, continues to guide the organisation. Their principles of innovation and excellence remain deeply ingrained, inspiring the company to deliver advanced energy solutions that empower progress. Today, under the leadership of second-generation entrepreneur Mr. Shivam Talwar, the business carries forward this legacy with a sharper focus on sustainability, innovation, and long-term growth.

In FY25, the company reported revenues of ₹427 crore, supported by a strong 20.9% EBITDA margin (₹89 crore) and 13.5% PAT margin (₹58 crore). With 40 years of experience, it now powers 12 GW+ renewable energy installations worldwide and serves customers across 33+ countries.

What sets the company apart is its enduring relationship with customers. Quality, reliability, and support are not simply deliverables but promises that define its philosophy – “once a customer, always a customer.” Strengthened by this ethos, the company continues to enhance its organisational capabilities to capture emerging opportunities in global power infrastructure with confidence and precision.

Revenue Wise Segment Split



Business Segments

1. Transformers

This is the company's largest segment and the foundation of its business. Transformers are devices that change voltage levels so electricity can be safely transmitted and distributed. The company offers a full range covering grid-level power to last-mile distribution, along with specialized designs.



Transformers



Power Transformers upto 100 MVA
245 KV



Distribution Transformers upto 5
MVA 33 KV



Dry Type Cast Resin Transformers
upto 5 MVA 33 KV

TRANSFORMER Product Range:

1. Power Transformers (up to 100 MVA, 245 KV):

Heavy-duty units used at grid level to transfer bulk power between generating stations and distribution networks. These are critical for large-scale utilities, industrial clusters, and state electricity boards.

2. Distribution Transformers (up to 5 MVA, 33 KV):

These bring electricity closer to the end consumer – supplying homes, offices, and factories. They form the backbone of urban and rural distribution networks.

3. Dry-Type Cast Resin Transformers (up to 5 MVA, 33 KV):

Safer and fire-resistant transformers, typically installed indoors. They are widely used in metros, airports, hospitals, shopping malls, and IT parks where reliability and safety are crucial.

4. Inverter Duty Transformers (IDTs) & Wind Turbine Generator Transformers:

Specialised transformers designed for renewable energy projects. They can handle fluctuating voltage and frequency from solar panels and wind turbines, making them vital for India's transition to clean energy.

5. Traction Transformers:

Used in railway and metro locomotives, ensuring smooth power supply for mass transit systems. As India pushes railway electrification, this sub-segment has strong growth potential.



Traction Transformers



Pad Mounted Transformers

6. Pad-Mounted Transformers:

Compact outdoor transformers, often seen in housing colonies, malls, or urban areas where aesthetics, safety, and space efficiency matter.



Special Application Transformers

7. Special Application Transformers:

Tailor-made solutions for industries such as steel, mining, or furnaces, where operating conditions are unique and require custom design.



2. Panels & Substations (7.5% of Revenue)

This segment complements the transformers business by focusing on **power management, protection, and automation**. If transformers are the “heart” pumping electricity, panels and substations are the “nervous system” that controls, protects, and distributes that energy smartly.



Panels and Automation



Substations



Control Relay Panels with
Substation Automation suitable
upto 400 KV Substations



Compact Substations

Product Range:

1. Control Relay Panels (CRPs):

These are the control centers of substations. They provide protection, monitoring, and fault detection in power systems. The company's CRPs are suitable for automation in substations up to 400 KV, ensuring safer and more reliable operations.

2. Substation Automation Solutions:

Digital systems that allow remote monitoring and smart control. They make substations more efficient, reduce downtime, and support predictive maintenance.

3. Compact Substations:

Fully integrated plug-and-play solutions that combine a transformer, switchgear, and protection panels in a single enclosure. These are space-efficient and easy to install, making them ideal for **smart cities, IT parks, industrial hubs, and renewable projects**.



Overview of the Sector

The Indian power sector is undergoing rapid change, driven by economic growth, government incentives, and technological disruptions. As the nation moves towards its aspiration of becoming a \$10 trillion economy, the overall demand for electricity is projected to increase sharply. This growth is fueled not only by traditional industries but also by emerging sectors such as digital infrastructure, clean energy, and advanced transportation systems.

Growth Drivers

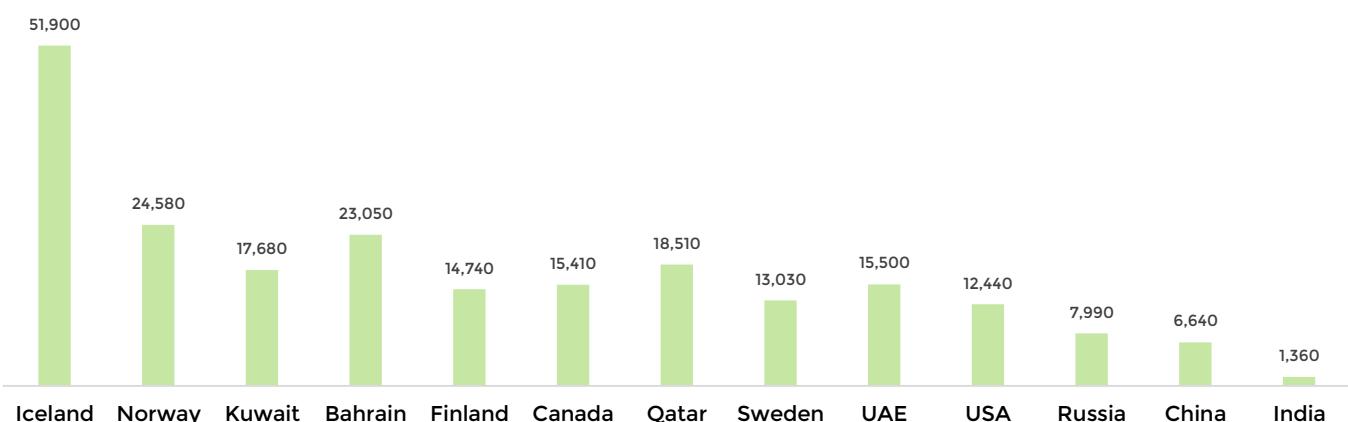
Multiple factors are accelerating demand for power in India. Significant economic expansion means incremental power consumption, especially from industrial, commercial, and residential segments. Data center growth stands out—where about 70% of operational costs are attributed to power—sending a strong signal of rising energy demand from digital and cloud computing services. The government's green hydrogen mission anticipates a power requirement of 125 MW dedicated to the production of green hydrogen. Ensuring grid stability and reliability is driving up investments in energy storage.

With modern technology, AI-powered search operations now consume six times the energy of a standard Google search, reflecting the impact of digitalization. The urgency for climate control is pushing forward the race for decarbonization, turbocharging the spread of renewable energy. Rapid electric vehicle (EV) adoption and new projects like bullet trains are further accelerating electricity consumption, with bullet trains alone expected to use 40% more power than the entire Delhi Metro system. These dynamics are underpinned by robust policy support and increased government allocations through schemes like PLI, Ujwal DISCOM Assurance, Smart Grids, and the RDSS, which are attracting unprecedented levels of investment.

Demand Drivers

Per capita energy consumption in India remains low relative to developed nations, standing at 1,360 kWh compared to 12,440 kWh in the US, 6,640 kWh in China, and 4,541 kWh in the UK. This presents significant headroom for growth as incomes and living standards rise. India is currently experiencing its highest power shortfall in 14 years, with 2023 seeing a deficit of 60 GW or 4% of total demand, and projections indicate this could increase to 8%, or 130–140 GW. Population growth, urbanization, and industrialization are expected to drive further demand, necessitating large-scale investments and innovation across the sector.

Per Capita Consumption (kWh)





Growth of Renewable Energy Sources

Renewable energy is now a global theme, with India firmly in the lead. The global share of renewables in the energy mix is projected to rise from 30.6% in 2023 to 38% in 2027. Solar energy tariffs have dropped due to declining costs of solar modules, making solar power increasingly attractive and accelerating its adoption. India's renewable installations are advancing rapidly, with the country's current solar and wind capacities at 94 GW and 48 GW respectively, and government targets set at 300 GW of solar and 140 GW of wind energy by FY2030.

Capital Expenditure (Capex) and Infrastructure

Capital expenditure in India's power sector is expected to climb sharply in the years ahead. A huge focus is on expanding solar and wind generation, but equally critical is investment in power transmission infrastructure needed to deliver electricity from new generation sites to demand centers. Power transmission is set to claim the second largest share in sectoral investments, with a projected capex of \$524 billion between FY24 and FY50. India also benefits from comparatively short project lead times; transmission projects are delivered in 12-18 months compared to 2.5-3 years in the US. The whole industry, from project financiers to EPC contractors, is positioned to see sustained growth and profitability as the investment cycle strengthens.

Transformers: Types and Manufacturing Process



Transformers are essential in the efficient and safe transmission of electricity across distances. Multiple types exist, categorized by voltage: low voltage (for residential and commercial buildings), medium voltage (for distribution at substations), high voltage (for main grid transmission), and extra high voltage units (for long-distance, high-capacity transfer across regions). The manufacturing process for transformers involves several stages: core building, winding (the most crucial and specialized step), pre-shrinking of coils, core-coil assembly, drying in ovens (which accounts for the largest share of capex), tanking, and then testing and dispatching. Testing and dispatch are handled both by manufacturers and clients to ensure quality and safety.

About the Industry

The transformer industry in India is fiercely competitive with minimal barriers to entry, resulting in low margins during downcycles. The opportunity for growth, however, is massive thanks to ongoing investments and government support. There has been a strong policy push for indigenization, with domestic content in transformers expected to reach as high as 75% in 2024. Many Indian firms are investing heavily in capacity expansion to meet rising demand, especially as clients prefer local suppliers due to high product replacement rates and quicker turnaround times. Despite massive increases in government expenditure—rising from 50,000 crores in 2019 to an anticipated 915,000 crores in 2024—only about 10% of required transmission infrastructure has been completed, leaving ample scope for continued growth and modernization. Companies distinguish themselves primarily in winding technology and high-quality manufacturing processes.



Risk

1. Raw Material Supply Dependency:

Danish Power relies heavily on a limited number of suppliers for critical raw materials, such as CRGO steel and copper. Any disruption in supply or significant price volatility could adversely impact production schedules, costs, and profitability.

2. Revenue Concentration and Customer Dependency:

A significant portion of the company's revenue is derived from a few key customers, including large utilities and EPC players. Losing or experiencing delays with any major client could materially affect cash flows and financial performance.

3. Capital Expenditure and Capacity Utilization Risks:

While Danish Power has aggressive capacity expansion plans (from ~4,681 MVA to 11,000 MVA), any delays or underutilization of the expanded capacity could pressure margins and impair growth projections.

4. Competitive and Market Risks:

The transformer industry is highly competitive with low barriers to entry. Danish Power faces pressure from global and domestic competitors on pricing, product differentiation, and customer acquisition, requiring continuous innovation and operational efficiency.

5. Regulatory, Policy, and Export Risks:

Changes in government spending on power infrastructure, shifts in subsidy schemes, or delays in regulatory approvals could impact the company's order pipeline and revenue visibility. Additionally, Danish Power's aspirations in the export market face challenges such as compliance requirements and market penetration barriers.



Financials

Profit & Loss Statement

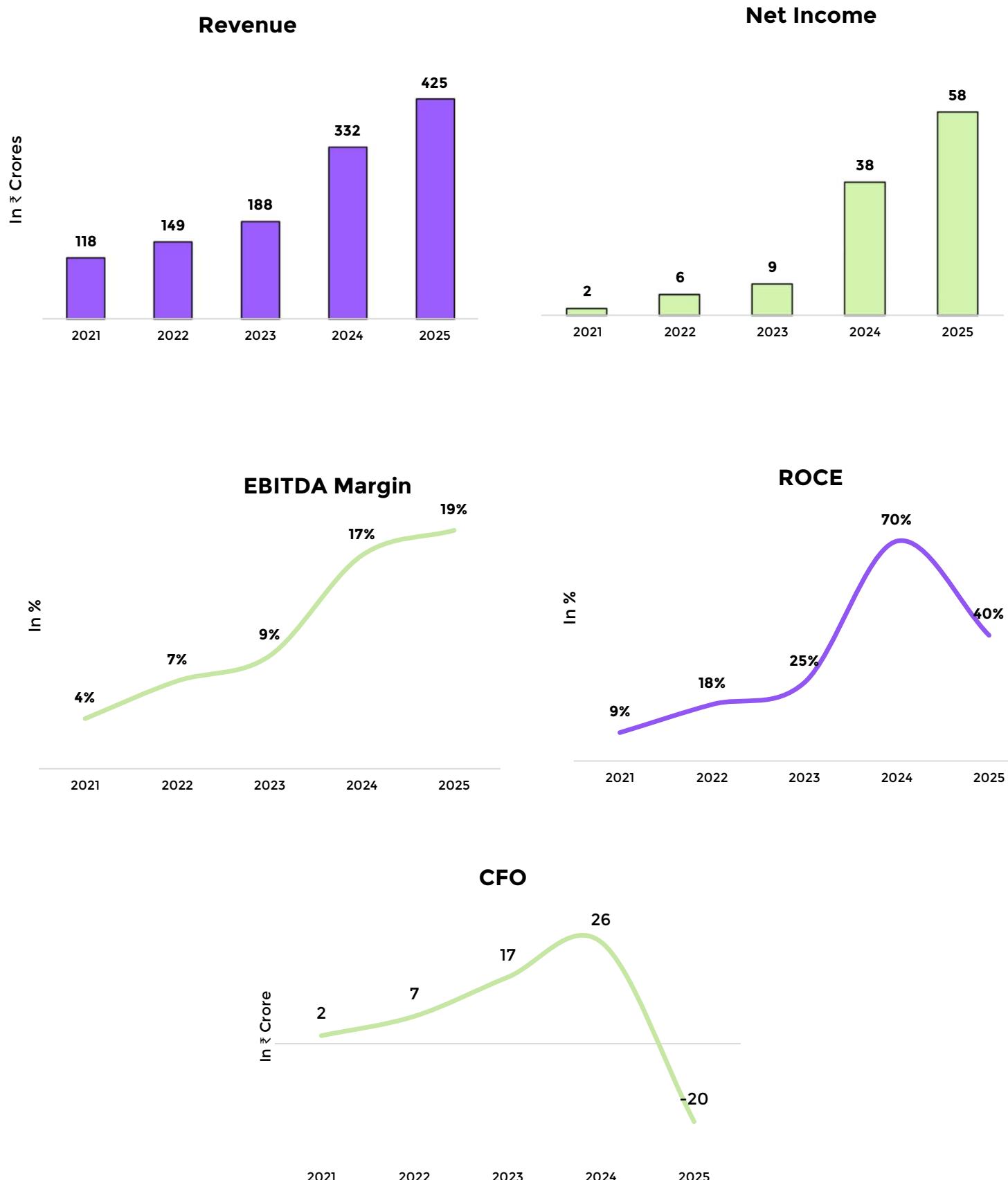
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------|------|------|------|------|------|------|
| Sales | 102 | 118 | 149 | 188 | 332 | 425 |
| Expenses | 98 | 113 | 138 | 172 | 277 | 344 |
| Operating Profit | 4 | 4 | 10 | 16 | 55 | 81 |
| OPM % | 4% | 4% | 7% | 9% | 17% | 19% |
| Other Income | 1 | 1 | 1 | 1 | 2 | 8 |
| Interest | 2 | 2 | 3 | 3 | 4 | 6 |
| Depreciation | 1 | 1 | 1 | 2 | 3 | 4 |
| Profit before tax | 2 | 3 | 8 | 12 | 50 | 79 |
| Tax % | 23% | 25% | 27% | 27% | 25% | 26% |
| Net Profit | 2 | 2 | 6 | 9 | 38 | 58 |

Balance Sheet

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------|------|------|------|------|------|------|
| Equity Capital | 2 | 2 | 2 | 2 | 2 | 20 |
| Reserves | 27 | 29 | 34 | 42 | 81 | 301 |
| Borrowings | 11 | 23 | 28 | 14 | 13 | 4 |
| Other Liabilities | 25 | 26 | 52 | 50 | 67 | 91 |
| Total Liabilities | 65 | 79 | 116 | 108 | 163 | 416 |
| Fixed Assets | 7 | 17 | 16 | 30 | 35 | 34 |
| CWIP | 0 | 0 | 7 | 1 | 0 | 13 |
| Investments | 0 | 0 | 0 | 0 | 0 | 31 |
| Other Assets | 58 | 63 | 94 | 77 | 127 | 339 |
| Total Assets | 65 | 79 | 116 | 108 | 163 | 416 |



Financials





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| 8th September 2025

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