



“Supreme Power Equipment Limited  
Q3 and 9 Months FY '26 Results Conference Call”

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**MANAGEMENT: MR. VEE RAJMOHAN – CHAIRMAN AND MANAGING  
DIRECTOR – SUPREME POWER EQUIPMENT LIMITED**

**MODERATOR: MR. GANESH – KIRIN ADVISORS PRIVATE LIMITED**



**Moderator:** Ladies and gentlemen, good day, and welcome to Supreme Power Equipment Limited Q3 and 9 Months FY '26 Results Conference Call hosted by Kirin Advisors Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ganesh from Kirin Advisors Private Limited. Thank you, and over to you, Mr. Ganesh.

**Ganesh:** Thank you. Good morning, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Supreme Power Equipment Limited. From the management team, we have Mr. Vee Rajmohan, Chairman and Managing Director of the company.

With that, I now hand over the call to Mr. Vee Rajmohan for the opening remarks. Over to you, sir.

**Vee Rajmohan:** Good morning, everyone. Welcome to the Q3 and 9-months FY '26 Earnings Conference Call of Supreme Power Equipment Limited. Thank you all for taking time to join us today. We appreciate the continued interest and the engagement of our investors, analysts and stakeholders.

Supreme Power Equipment is a manufacturer of power and distribution transformer, serving utilities, EPC contractors and industrial clients across India. Our core focus on delivering the quality engineering product -- engineered product that will align with the infrastructure need -- needs of the power transmission and distribution ecosystem.

Over the years, we have strengthened our manufacturing base, enhanced execution capabilities and maintained a disciplined approach to managing the working capital and profitability. These efforts continues to support our ability to serve customers across a diverse -- diverse geographical and project profiles.

Financial performance, Q3 FY '26 for the third quarter ended December 31, FY '26. The total income stood at INR36.03 crores, representing a 14.83% year-on-year growth. EBITDA for the quarter was INR5.28 crores. Net profit for Q3 FY '26 was INR3.38 crores, reflecting a 6.34% increase on year-on-year.

Earning per share for quarter stood at INR1.35 up by 6.3% compared to Q3 FY '25. For the nine-months ending December 31, FY '26, the total income aggregated to INR111 crores -- INR111.38 crores year -- 23.7% year-on-year growth. EBITDA for the period was INR19.56 crore, up by 12.68% compared to the prior year.

Net profit for 9-months FY '26 increased to INR12.78 crores, a increase of 23.66% rise year-on-year. EPS for 9-months FY '26 stood at INR5.12 crores, up by 23.67%. This -- result reflects consistent execution and gradual improvement in operating performance in a market environment that continues to evolve.



Operational highlights. During the quarter, we secured several important orders, the following. Orders aggregating approximately INR24.63 crores were booked from Karnataka-based EPC companies for supply of 20 MVA power transformer with aggregation slated over next 8 to 9-months.

We received an order from TNPDC worth INR2.69 crores along with an order of INR1.5 crores executed through Danya Electric Company for the supply of 75 distribution transformers with execution timeline of around 4 months.

We were also honored with the MSME Ratna Award 2025 for electronics innovation and engineering excellence, recognizing our commitment to quality and innovation in the engineering product space.

We are pleased to share that the construction of our new facility is approximately 95% complete, and it is expected to become operational approximately during Q4 FY '26. And the facility will enhance our capacity, improve operational flexibility and support timely execution as we scale our order book in coming years, coming quarters.

Turning to the broader industrial backdrop. Demand for transformer and allied electrical equipment continue to be support -- supported by government investment in power infrastructure and grid modernization. The union budget '26, '27 proposed a record public capital expenditure of INR12.2 lakh crores for FY '27, underlining the government's continued emphasis on infrastructure-led growth.

This expenditure plan includes allocation that have positive downstream implication of transmission and distribution network and the electrical projects across the country. Additionally, the budget provided measures aimed to boost domestic manufacturing, including support of electrical components and capital goods, along with the physical incentives that are expected to strengthen industrial competitiveness. Infrastructure and the energy transition theme continues to receive focus, which we believe will support sustained capital investment in power sector in the medium to long-term.

Looking ahead, we will continue to focus on improving execution efficiencies, strengthening product capability and deepening our engagement with utility, private sectors and EPC customers. Our emphasis remains on maintaining cost discipline, ensuring timely project delivery and sustaining consistent quality standards across operations.

With this, we remain focused on strengthening operational performance and create -- creating sustainable long-term value for all our stakeholders. We sincerely thank our customers, partners, employees and investors for their continued trust and support.

With this, I would like to open the floor for question-and-answer session. Thank you.

**Moderator:**

Thank you very much. We will now begin with the question and answer session. The first question is from the line of CA Garvit Goyal from Serene Alpha.



- Garvit Goyal:** Sir, first question is on the execution for this quarter. What we understand is in the existing plant, our optimum utilization gives us the revenue of INR45 crores on a quarterly basis, right? So what is the reason for the poor execution in this quarter? We did only INR35 crores even when Q3 is execution heavy. So that's my first question?
- Vee Rajmohan:** Yes. Because this is -- actually, we have manufactured product, and we were waiting for the payment, so it was not billed. So that is the reason we are not able to bill that. Because of the customer side -- they made a little delay on that. So we are not able to do that. So that INR4 crores, INR5 crores material was lying with us. That was the reason which we are not able to deliver -- which was not able to invoice that.
- Garvit Goyal:** So does that mean this INR4 crores, INR5 crores gap will be deferred to Q4, right?
- Vee Rajmohan:** Yes. Yes. Yes.
- Garvit Goyal:** Understood. And secondly, on the new plant, you mentioned 95% work is done. Why there is delay, sir? Because we were expecting this plant to be ready by Q3, right?
- Vee Rajmohan:** Q3, correct. The factory building, the total factory building is fully ready. The admin building is only almost 95% is over. So 5% the interior work and the partition work is going on. It may take one month, but we have already taken -- started taking trial production in the factory building. So factory building is fully equipped and all machineries are fully installed, and we started taking trial production.
- Garvit Goyal:** So regarding this year guidance, earlier we were targeting INR200 crores plus. What is your take on that? Like Q4, are we still confident enough to reach nearby to that target, sir?
- Vee Rajmohan:** Yes, yes. We are still confident. We are -- we will be -- we believe that we will achieve the target of INR180 crores to INR200 crores. Yes, there was a delay because of the environmental clearance was delayed. So that was the reason we are not able to invoice. So the trial production and equipment and initial teething problem, we are -- already we have come across, and we have rectified all those things.
- Garvit Goyal:** So if you are saying we will be doing INR180 crores to INR200 crores for this year, does that mean this quarter, we'll be touching INR70 crores to INR80 crores. Is that understanding correct?
- Vee Rajmohan:** Yes, yes, yes.
- Garvit Goyal:** Okay. And what about the margins part, sir? Because this quarter, we saw a little bit dip on that side also?
- Vee Rajmohan:** Yes, yes. There was a fluctuation in the copper price. So now the copper price is high and it is stable now. So the margin will sustain between 10% to 12%.
- Garvit Goyal:** Net margins you are speaking about, right?
- Vee Rajmohan:** Yes, I'm talking about the PAT.



- Garvit Goyal:** Got it. And regarding the copper prices, what is our arrangement with the end customer, sir? Like are we able to pass on the increase in the copper prices to our end customer, maybe with a lag of one or two months?
- Vee Rajmohan:** Yes. Generally, we used to pass -- pass on the price rise or price rise will be passed on to the customers.
- Garvit Goyal:** So when you say generally, does that mean maybe a part of the hike will be passed on or pull -- you are able to pull 100% pass on the price of the copper?
- Vee Rajmohan:** No. Only that copper portion we will be able to pass on to the customer, raise and copper portion.
- Garvit Goyal:** Sorry, I didn't get that, sir.
- Vee Rajmohan:** Yes. Actually, in our product, we are using 20% to 20% of copper in transformers. For that portion, the price maybe per kg copper, if you raise INR100, that INR100 will be passed on to the customer. Not the entire margin and everything. Only the -- yes. Only the copper raise will be shared.
- Garvit Goyal:** Understood. And just one last question on the bushing shortage. Are you seeing any pressure in the terms of bushing availability in India, sir, right now?
- Vee Rajmohan:** No. Normal ceramic bushings we are getting, and there is no problem on that, getting it. Only the REP bushings, we're getting a little delay, but we are able to manage that.
- Garvit Goyal:** Understood. And one last thing. As we are near close to this financial year, what is the outlook for FY '27, sir?
- Vee Rajmohan:** Outlook, we are expecting more than INR300 crores next year. You are asking about the next year, right?
- Garvit Goyal:** I'm speaking about FY '27 because we are still confident for FY '26, right?
- Vee Rajmohan:** Yes.
- Garvit Goyal:** So INR180 crores turnover for this year, we will be targeting around INR300 crores for next year. Is that understanding correct?
- Vee Rajmohan:** Yes, yes, yes. You are perfectly.
- Garvit Goyal:** And regarding the competition part, like I'm seeing multiple players are coming up with their capacities online now. So in the incremental orders that we are also getting, are you seeing any competitive pressures therein and that can eventually lead to maybe a dip in the margins for us?
- Vee Rajmohan:** And as of now, there is no symptom about that. And as of now, we are holding INR300 crores orders on hand for next year execution -- including next year execution. And I don't find any much pressure on margin. It can be maintained between 10% to 12%, even or odd percent more.



- Moderator:** The next question is from the line of Dhanraj Tolani from Kuber Advisors.
- Dhanraj Tolani:** I have a couple of questions with me. So I'll just start with the first one. So what is our assessment of the current industry environment in terms of demand visibility, order inflows and overall demand-supply dynamics? Like how we position ourselves in the same?
- Vee Rajmohan:** As of now, in the current sector scenario, the demand is very high. And as of now, you can see our order holding is something around INR300 crores, whereas we did last year, the total revenue is something around -- INR150 crores -- INR148 crores. But this year, before end of this March itself, we are holding INR300 crores and some INR700 crores on pipeline. So we feel there is a very strong demand in this sector for especially in transformer sector and the distribution line.
- Dhanraj Tolani:** So how much like price realization or margin realization we are expecting in the medium term? Like are we going to improve in the medium term or it's a long term?
- Vee Rajmohan:** Actually, now because of sudden increase in copper, there was a slight dip in margin, maybe 1% or 2%. So otherwise, even though if the copper price was very high, but it should be stable, then it will be -- if you see, the fluctuation only makes difficult. Now the copper price is almost high, and it is standing in a point.
- So the margin, it can be maintained between 10% to 12%. And now we are going to manufacture larger power transformer in the new plant. So there, the margin will be -- can be increased by 1% or 2%. So on an average 12% to -- 10% to 12% can be maintained.
- Dhanraj Tolani:** Okay. And also, how is the customer demand evolving? Like they're moving across different like -- transformer technology? So how do we expect the conventional transformers to continue this dominating the market?
- Vee Rajmohan:** No. We see and as per the market information, next 5 to 10 years, infrastructure growth is there and as well as the infrastructure growth is there. The demand for-- especially for transformer will be there. And we have a number of inquiries, and we are continuously responding to them. And so in Karnataka, Kerala, now recently, we have entered into Kerala, participated in tenders and few tenders we came L1 also. So we are establishing our footprints across Kerala and Andhra Pradesh and Karnataka.
- And you asked about the position, we are positioned well. So once we start deliver from the new plant, so then we can book the orders at a huge level. We're just waiting for the new plant to deliver the first invoice. So yes, the trial production already we have taken and few products are ready. And on Friday, we are going to make the first invoice from the new plant.
- Dhanraj Tolani:** Okay. And talking about-- if I talk about the transformer supply, so the company is primarily linked to the substation expansion replacement or upgradation projects?
- Vee Rajmohan:** No, it is a new plant, whereas the existing plant is something around --17,000 square feet, whereas the new plant is like 140,000 square feet. So it's a huge investment and it's more than INR95 crores to INR100 crores investment.



- Dhanraj Tolani:** And also, if I talk about aftersales support, so do we provide any service like maintenance services or spare part supply or refurbishment solution for the transformers?
- Vee Rajmohan:** And we have idea to do refurbishment work also. And in the new plant, it will be in a Phase 2 manner. Maybe after 6 months -- after 6 to 12 months, we will be able to do that. But initially, we have huge orders. We need to honor all the orders on time. So we are now focusing mainly on supply of new transformers, and we have a plan for refurbishment of transformers also.
- Moderator:** The next question is from the line of Majid Ahamed from PinPoint X Capital.
- Majid Ahamed:** Sir, my first question is, sir, this quarter 3, even last quarter, I saw the margin is around 7%, 8% and this time you have improved. Just I'm trying to understand that is quarter 3 generally a benign quarter for the company how is it, sir?
- Vee Rajmohan:** Sorry, I do not get you?
- Majid Ahamed:** Sir, what I'm asking, sir, is generally quarter 3 a soft quarter? Like in last year, we saw revenues are not that high comparative. So is it generally like that? Or is it due to some other factors?
- Vee Rajmohan:** No, no, it is generally like that. Especially in the last quarter, we do more than 50% of the entire nine months. So generally, it's the industry practice -- the industry culture, sector culture.
- Majid Ahamed:** Majority of the invoice would mostly get billed at quarter 4?
- Vee Rajmohan:** Yes. In the quarter 4 only maximum billing will be done. Last year, last quarter, we did around INR60 crores -- around INR60 crores.
- Majid Ahamed:** Last year, sir, last year, quarter 3 FY '25, we did INR27 crores with INR2 crores of EBITDA and with around 7% margins. And this time, we did INR37 crores. So I'm -- that's what I was trying to understand. Is it generally the case for the company for the quarter 3?
- Vee Rajmohan:** No, no. This year, this quarter, the material was ready for dispatch, and it was awaiting for the payment. So we could not show that profit in the balance sheet. So something around INR10 crores finished product was lying with us waiting for the invoice. So when it was -- when we invoice it only, the profit margin will increase.
- Otherwise, in the stock, we'll value 10% less. So it was actually delayed by the customer. So that's the reason we're not able to deliver that. Otherwise, it would have gone up when compared to the last quarter.
- Majid Ahamed:** So this will be billed in this quarter?
- Vee Rajmohan:** This INR5 crores to INR10 crores finished product will be billed in the last quarter.
- Majid Ahamed:** And secondly, sir, any update on the international market? Any orders are we looking in pipeline for FY '27?



- Vee Rajmohan:** Yes, we are continuously putting effort and discussing with the other country counterpart. So as of now, I'm not able to give any guideline on that, but we are focusing on that.
- Majid Ahamed:** And sir, as of now, like of the order book that you have, how much is from the government side and private spaces? How much percentage.
- Vee Rajmohan:** Government side is almost 30%, 35% and balance from non-government.
- Majid Ahamed:** How do you see going forward?
- Vee Rajmohan:** INR105 crores from government and INR206 crores from nongovernment.
- Majid Ahamed:** Going forward, how do we see this mix, sir, this 70% to 30% mix in FY '27?
- Vee Rajmohan:** Yes, we are expecting the same, but we want to restrict below 50% -- the government exposure below 50%. And as of now, it is -- the order book is 30% -- 30% to 35% of government and balance from private sectors.
- Majid Ahamed:** Mainly given from non-government?
- Vee Rajmohan:** Yes, yes 60% -- 60%, 65% is non-government. And going forward, we believe it will maintain.
- Majid Ahamed:** Okay. And sir, what about the working capital cycle, like post the capex, how are we going to manage working capital? Or do we need to take further debt for sustaining growth for the coming years?
- Vee Rajmohan:** Yes. As of now, we are comfortable with the bank borrowings for working capital. And for the next -- for next year for a revenue of INR300 crores, we need to increase our working capital limit. The limits we need to increase, and we approached the bank also for next year requirement.
- Majid Ahamed:** Sir, as of now, we are also targeting -- final question from my side -- we are targeting other states like Karnataka, Kerala and other states. So going forward, what would be like the mix between Tamil Nadu and non-Tamil Nadu states put together as a mix. How are we targeting? If you can give me some understanding?
- Vee Rajmohan:** Yes, now Karnataka is booming, and we are securing more orders from Karnataka state -- state of Karnataka through EPC contractors. So almost 30% from Karnataka we are expecting, 30% to 40% from Karnataka and 10% from Kerala and 40% from Tamil Nadu.
- Majid Ahamed:** Even in the pipeline is similar is what you have detected in terms of order pipeline?
- Vee Rajmohan:** Order pipeline more from Karnataka and Kerala.
- Majid Ahamed:** So we are well diversified...
- Vee Rajmohan:** Almost equal 30%, 30% we can expect the pipeline.
- Moderator:** The next question is from the line of Paras Chheda from Purpleone Vertex Ventures LLP.



**Paras Chheda:** Just wanted to recap and reconfirm what you said that this first invoice will be billed on Friday for the new capacity. So shall we assume that all the approvals are in place and more or less the trial production as you said, so we are now entering into commercial production on the new capacity?

**Vee Rajmohan:** We have taken trial productions and almost trial -- initial teething problems are solved. Trial production has taken. We have taken the trial production. And for this auspicious first invoice, we are going to make on 30th for the auspicious day. First invoice on...

**Paras Chheda:** So sir, all the statutory approvals are all in place?

**Vee Rajmohan:** Yes. Statutory, all approvals are in place. Only thing this PCB claims, environmental claims we have to get. We have applied for it just a matter of a week, we will get it. It is in the final stage.

**Paras Chheda:** So for the full year FY '27 and hopefully in March also, this new facility will be fully operational then?

**Vee Rajmohan:** Yes, it will come into operation. I cannot say it will be in full operation. Full operation means monthly INR60 crores to INR70 crores we have to make.

**Paras Chheda:** No, no, I'm not saying capacity utilization, sir. I'm saying that the capacity will be. utilization will definitely gradually improve?

**Vee Rajmohan:** Yes. Yes, it will be in full operation.

**Paras Chheda:** Yes, from that perspective?

**Vee Rajmohan:** Even now, it is fully ready. It's fully ready. Only very few small, small hiccups are there, but it's fully ready. So we have taken already -- we have taken trial production. Only thing is after invoicing, I have to announce -- give announcement in NSE.

**Paras Chheda:** Understood. So in the next, let's say, week or two, broadly, that official start will be done, give and take?

**Vee Rajmohan:** Yes.

**Paras Chheda:** Then there is nothing left as a hurdle to the new capacity being operational?

**Vee Rajmohan:** Yes. Only the challenge is we need to improve the strength of the skilled workers.

**Paras Chheda:** Right. That you'll have to gradually work upon.

**Vee Rajmohan:** Gradually, that we have to increase. That is a challenge. Now we are focusing mainly on skilled workers. So we are gradually increasing. Already we have deployed 30%, and we have -- gradually, we have to increase it. So we are on the job. Building is over, all machineries are installed.

**Paras Chheda:** And the testing has already being done, right?



- Vee Rajmohan:** Yes. Test -- testing facility is also fully installed and except one small owner to test equipments. And machineries are well placed and working capital is also there. The only thing is now we have to increase our manufacturing strength, the manpower strength. So that we are doing that.
- Paras Chheda:** Yes, that some gradual time and then sort of cut-out?
- Vee Rajmohan:** Yes, that we have to increase it gradually.
- Paras Chheda:** Yes. The other one was that now you got the order book of about INR311 crores almost, right, and with the full year left. So one is that, as you said that FY '27 most likely will cross INR300 crores revenue, right? I mean that is what is more or less achievable?
- Vee Rajmohan:** Correct. Correct.
- Paras Chheda:** Sir then given that this full year will be available, right, I mean, in terms of order booking, is it sort of what level you expect for next year, FY '28, sir, broadly? Possible to go to about INR500 crores -- INR450 crores, INR500 crores. utilization?
- Vee Rajmohan:** Yes, yes. Possibility to go up to INR400 crores to INR500 crores.
- Paras Chheda:** Right. And then, sir, you mentioned the demand environment is strong. Now in terms of the cycle strength and there is competition and the capacities are coming up, do you expect broadly about a 3 to 5 year good up cycle strong demand for the sector?
- Vee Rajmohan:** No. We -- as per the market information and the global demand, we expect and believe this demand will sustain for next 5 to 10 years. Even though all manufacturers are increasing their capacity. the demand is also very huge.
- Paras Chheda:** Okay. So if you're confident of 3 to 5 year like a cycle, are you -- because this capacity that has come up has also taken us about 1, 1.5 years of investment period playing out. So are you looking at expanding capacity at some point in the next couple of months, not a quarter or two?
- Vee Rajmohan:** Yes, yes, yes. Now we are...
- Paras Chheda:** Because I think it takes about a year, 1.5 years for the entire thing to come up. But I'm not sure, sir, you've got already a 6-acre facility. So will it be like at the same facility you can expand further or you will have to look for another?
- Vee Rajmohan:** No. It is fully built. So we need to acquire land with bigger capacity. Yes. So we have and we started thinking about that. So definitely -- everything goes well, we have to go for further expansion.
- Paras Chheda:** So in a quarter or so, at least the land you will sort of identify and look, I mean, to close probably?
- Vee Rajmohan:** Yes, yes. But okay, we will try. See here, land cost is very high in Chennai. So we are also -- yes, we are thinking about that. It's the right point. We are taking it. And we are already, we are thinking about that for next level expansion.



- Paras Chheda:** Understood, sir. And sir, in terms of reaching, let's say, INR500 crores now potentially, let's say, by FY '28, possibly INR450 crores to INR500 crores, some working capital as was pointed out on the call, will be required. Now the short-term facilities from the bank will be available. But will we be required to dilute equity at any point in time to reach this full optimal capacity. Or we should be able to manage within the?
- Vee Rajmohan:** Yes, I think it is -- we have not planned anything on dilution. We are trying to manage with the bank supports.
- Paras Chheda:** Understood. And in terms of operating margins, you said sir, this last quarter, of course, there was a sharp jump in copper prices. But otherwise, as long as the copper prices are stable, we should be able to pass this on, right? I mean over a medium to long-term, the margins should broadly say that net PAT margin basis copper prices passed on will be about 10% to 12%, right? I mean, we will take a particular quarter because there will be some quarters you'll benefit and some quarters you'll lose. But on an average, we are okay with that?
- Vee Rajmohan:** Yes. On an average, we are okay with that. And it will be maintained between -- it should -- I think it should maintain between 10% to 12%, 10% to 13%.
- Paras Chheda:** Understood, sir. And sir, just last two queries. In terms of receivable days, sir, between the government and the nongovernment, what will be the receivable days like, I mean, broadly from each entity?
- Vee Rajmohan:** Last two years, it was bad. But now last one year, we are getting payment from government on time within a month.
- Paras Chheda:** And on time means, okay, within a month or so?
- Vee Rajmohan:** Yes, yes. Within a month or two, we are getting the payment. Within 60 days, we are getting the payment.
- Paras Chheda:** And. Anyone from the private parties?
- Vee Rajmohan:** Yes, private parties almost we used to get payment before dispatch. And for some selected customers, we are giving credits because they are placing repeat orders, so we are not able to get payment upfront before delivering. And the repeat customers, we have to give credit for 60 days and sometimes they take 75 days also. So we are -- somewhere we have to flexible on that. So on an average, the receivable cycle is between 80 to 90 days.
- Paras Chheda:** Okay. All put together?
- Vee Rajmohan:** Put together.
- Paras Chheda:** Right, sir. So that situation has improved?
- Vee Rajmohan:** Yes, improved. Earlier, it was very high. And last year, we have drastically brought down from 210 to 80 days, we have brought it down. And we have improved the collection mechanism, and we have stopped giving credits to all customers. So now that is the reason because in the last



quarter, something around INR5 crores to INR10 crores material was live with us. And see, if you are very open to give credit, then the revenue will increase immediately.

**Paras Chheda:** But this market, given your capacity when there is strength, you should ideally capitalize in terms of receivable?

**Vee Rajmohan:** Correct. Yes, somewhere it gets stuck and it is getting delayed. So as a policy, we don't want to give any credit to customers. So it is also nice to play across.

**Paras Chheda:** Right. And sir, just last query. In terms of geographical diversification and the substation thing. So first, coming to the substation thing, that new work that you're getting into the substation work, how much can that scale? And what is the potential there, sir?

**Vee Rajmohan:** No. We took one order from Coimbatore-based company. And further, we have not taken any substation -- building substation because we got so many orders from -- for supply itself. So we are not concentrating much on substation building.

**Paras Chheda:** Okay. As of now, you're not concentrating on that?

**Vee Rajmohan:** I'm not concentrating on that, yes.

**Paras Chheda:** And sir, any -- and you mentioned that, that there is -- on export so far, there is not much progress, right? I mean we stand where we stand. But within India geographical diversification, moving out of the South, is there some sort of progress because eventually if we expand the next leg of capacity, we might need to look beyond, or will it be required? Or are we still okay with that?

**Vee Rajmohan:** No, no, no. It is required. We are moving on that also. We are moving on that.

**Paras Chheda:** So to set up some marketing offices probably?

**Vee Rajmohan:** Yes.

**Paras Chheda:** Fair enough, sir. I think the starting of the new capacity is a good news, sir. I mean hopefully, congratulations all the best, sir. for the stabilization.

**Moderator:** The next question is from the line of Gaurav Shukla from Finvestors.

**Gaurav Shukla:** Sir, some questions are regarding margin, last two quarters margin 14%, 15% and this quarter margin hit some focus?

**Vee Rajmohan:** See, actually, the revenue has dipped by INR4 crores when compared to last quarter because we are not able to get support from the customer, which the finished product are lying on our end, which has to be billed in the month of December. So it will be billed in this quarter. So that profit margin has not booked. So that is the reason there is a dip in revenue, dip in margin.



And in December, there is a fluctuation in the copper price. So now the copper price is stable and it is high and it is stable. Now it is okay now we can quote accordingly. So there was a little dip on margin. But it will be make over in the year-to-year in the March.

- Gaurav Shukla:** Okay. Sir, guidance -- FY '26 guidance is INR180 crores. Am I right?
- Vee Rajmohan:** Yes. FY '26, we believe that we will cross INR180 crores to INR200 crores.
- Gaurav Shukla:** So, sir, till three quarters we have done INR118.45 crores. So in this quarter, we have to do INR70-odd crores?
- Vee Rajmohan:** Yes. Last year, last quarter, we did up to INR60 crores. Last year, last quarter, we did up to INR60 crores. anyway, we will do it. And in this year, the new facility will also contribute.
- Gaurav Shukla:** Sir, what will be the margin in this quarter because only 50 days in this quarter is just so?
- Vee Rajmohan:** Yes, we have to find out, but it will be between 10% to 12%.
- Gaurav Shukla:** 10% to 12%. And sir, one thing I want to ask, any CRGO problem in transformer?
- Vee Rajmohan:** No. Earlier six months back, it was there, but now it is not there. Now there is a free-flowing material free flow is there.
- Gaurav Shukla:** No raw material problem, no CRGO problem?
- Vee Rajmohan:** No CRGO problem. Only the copper price is high, okay. When it is stable, then it is okay.
- Gaurav Shukla:** Okay, sir. And sir, any benefit from these 2 deals, which has happened just before U.S. India deal and EU India deal, some -- throw light on this new topics also.
- Vee Rajmohan:** Yes, it's good for our Indian market. You're talking about the tariff, right?
- Gaurav Shukla:** Yes, sir tariff and as EU India deal has happened, some benefit to our company, yes, in this sector, transformer sector.
- Vee Rajmohan:** Yes, it is applied to all the reduced tariff from 25% to 18%, it's a good sign. So Indian companies can start export. So especially to our company, we have to see, we have not yet exported significantly. So, when we start doing the export business, then it will be benefited to our company.
- Gaurav Shukla:** Okay sir. And next year, we will make INR300 plus?
- Vee Rajmohan:** Next year, yes.
- Gaurav Shukla:** With margin, sir?
- Vee Rajmohan:** Yes it should be --we believe it will maintain. It will sustain as the same.



- Moderator:** The next question is from the line of Ramaiy Kapoor from Tillman Global Holdings. Please go ahead.
- Ramaiy Kapoor:** A good set of numbers. I think probably moving towards the higher MVA category. Would you be guiding for a higher margin, say, EBITDA margins of 14%, 15%? Do you feel your 10% to 12% will be on the overall categories we have?
- Vee Rajmohan:** I could not get your question.
- Ramaiy Kapoor:** Yes, sure, sir. We are moving to a higher MVA voltage class with the new capacity coming on stream. So the EBITDA margins typically are higher, sir, in these sort of power transformers?
- Vee Rajmohan:** Yes, yes. What you said is correct, but the overheads will also increase. Yes, we get good margin on that. But the same way, we have to increase our manufacturing skilled labour strength and -- yes. So we need to increase the overhead.
- Ramaiy Kapoor:** Over a period of time it will smoothen out?
- Vee Rajmohan:** Yes. Initially, it will take -- initial to extract the work, and we need to deploy more people for larger transformers. So it will increase. So that profit will -- that increase in margin will absorbed by, the appetite by the overheads. So I think it will maintain.
- Ramaiy Kapoor:** Sir, my next question, you mentioned about the 20% copper pass-through. So it applies to all of your orders, your private orders as well as the public orders, your government orders?
- Vee Rajmohan:** Yes, it is all combined of government order and as well as the private order.
- Ramaiy Kapoor:** Understood. Sir, any competition you're looking from Chinese companies now being allowed to bid for tenders or there's news regarding that?
- Vee Rajmohan:** No China. Generally, transformer local people, they prefer Indian manufacturers only.
- Ramaiy Kapoor:** Understood, sir. And congratulations on reducing the working capital cycle. We saved discounts, they generally look at longer retention cycle. So you have shortened the window down, which generally, like you mentioned, around 90 days receivables on an average?
- Vee Rajmohan:** Yes. 90 days as of now. Earlier it was very high, and we have improved our collection mechanism, and we have brought down to -- drastically, we have brought down to 90 days. was 110. Now it is between 80 to 90 days.
- Ramaiy Kapoor:** And the new plant, what is the planned of field sort of utilization of the same? When do you reach full utilization capacity? And with the orders we will have around INR300 crores right now, probably what is the mix between the current plant and the new plant in terms of servicing that order capacity?
- Vee Rajmohan:** See the new plant, the capacity -- full capacity, I think it can fetch up to INR600 crores to INR650 crores in the new plant. And here, we can go up to INR100 crores to INR110 crores in the existing plant. Yes. So all put together, maximum INR700 crores, we can go.



**Ramaiy Kapoor:** What about unless you plan a new facility which you are considering?

**Vee Rajmohan:** Sorry, sir?

**Ramaiy Kapoor:** I'm sorry. You are also considering a newer facility. So probably that will -- once this is full capacity utilization, you will look at moving to a newer facility as well?

**Vee Rajmohan:** Yes, yes. In two to three years, we will utilize the entire facility of the new company, new production facility. And we can. Yes. It will take minimum two to three years to utilize fully.

**Ramaiy Kapoor:** So in terms of constraints, sir, now that the new plant is live, there will be lesser constraints. It's only probably working capital. The rest orders you're getting, you're also diversifying into other private players, you're also diversifying into other newer regions. So as for you, what are your top two or three sort of major focus areas now in terms of constraints?

**Vee Rajmohan:** Getting the manpower. That is a challenge.

**Ramaiy Kapoor:** I understood.

**Vee Rajmohan:** Yes, we are focusing on that.

**Moderator:** The next follow-up question is from the line of CA Garvit Goyal from Serene Alpha.

**Garvit Goyal:** Sir, what is the amount of order pipeline that we are having right now?

**Vee Rajmohan:** INR700 crores to INR800 crores we are having on the pipeline.

**Garvit Goyal:** And when do you expect the result of this order bidding, sir?

**Vee Rajmohan:** This is a continuous process. So month-on-month, we will be receiving orders. It is a continuous process.

**Garvit Goyal:** And out of this INR700 crores to INR800 crores, we are expecting maybe, we are confident 35% to 40% kind of?

**Vee Rajmohan:** No, no, 10% to 20%.

**Garvit Goyal:** 10% to 20%?

**Vee Rajmohan:** Yes, yes.

**Garvit Goyal:** Okay. And regarding the Q4, just a clarification on that. I mean what I am understanding is we are targeting INR70 crores to INR80 crores from next quarter, maybe INR55 crores from the existing capacity, INR10 crores is the deferment and INR45 crores is the new revenue from the existing capacity. And new capacity will be contributing INR15 crores to INR25 crores. Is that understanding correct?

**Vee Rajmohan:** You are talking about the current year?



**Garvit Goyal:** Q4 capacity. Yes.

**Vee Rajmohan:** Yes, it will be contributing -- new plant will be contributing something around INR40 crores.

**Garvit Goyal:** In a single quarter, you will get INR40 crores from new plant?

**Vee Rajmohan:** Yes. INR30 crores to INR40 crores.

**Garvit Goyal:** Sir, what is the reason for this faster ramp-up? Because you also mentioned we are yet to get environment clearance, isn't it?

**Vee Rajmohan:** Yes.

**Garvit Goyal:** So what is giving you the confidence, like this fast ramp-up will happen because almost 1.5 months is already gone?

**Vee Rajmohan:** Correct. No, you were asking about the environmental clearance, correct? Hello?

**Moderator:** Yes, sir. You're audible.

**Vee Rajmohan:** No, he's asking about the environmental clearance.

**Moderator:** The line for the participant has dropped. The next question is from the line of Majid Ahamed from PinPoint X Capital.

**Majid Ahamed:** Sir, the last participant asked you, I'm just repeating the similar question, like you were saying the new capacity will contribute INR30 crores to INR40 crores, right, by Q4?

**Vee Rajmohan:** Yes.

**Majid Ahamed:** So just trying to understand within 1.5 months, how fast can you ramp up?

**Vee Rajmohan:** Already we have -- trial production. So it's just to start commercial production, that's all. Materials have arrived, raw materials have arrived. So the entire factory is only the manpower we have to increase.

**Majid Ahamed:** And sir, any plans for conducting any plan visit for investors so that we can see the new plant?

**Vee Rajmohan:** Yes, yes. The inauguration, we have to fix the inauguration date. We are just waiting for the admin building to complete. So it will complete, I think, in a month or 45 days, I think we can complete that. Interior work, partition adaptation work are going on. So it will take another maximum 1 to 1.5 months. So after that, the official inauguration date will be announced. So by the time we can have a plant visit.

**Majid Ahamed:** But then before that already the capacity is going on before in terms of the different, production?

**Vee Rajmohan:** See, the factory building is separate and the admin building is separate. The factory building is fully completed, production capacity, fully, all machines are installed and 100% construction is over. Only that 5% work is going on and only in the admin building.



**Moderator:** Thank you. Ladies and gentlemen, we take that as the last question of the day. And now I would like to hand the conference over to Mr. Ganesh for closing comments.

**Ganesh:** Thank you, everyone, for joining the conference call of Supreme Power Equipment Limited. If you have any further queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you, everyone, for joining the conference. Thank you very much.

**Moderator:** On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.