



“Supreme Power Equipment Limited
Q2 & H1 FY'26 Earnings Conference Call”

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

MODERATOR: MR. PARTH ACHARYA – KIRIN ADVISORS



Moderator: Ladies and gentlemen, good day and welcome to Supreme Power Equipment Limited Q2 and H1 FY26 Earnings Conference Call. 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 the 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. Parth Acharya from Kirin Advisors. Thank you and over to you, Mr. Acharya.

Parth Acharya: Thank you. Good afternoon, 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 afternoon, everyone. Thank you for joining us on the earnings call for H1 FY26. It is a pleasure to connect with you all and share an update on our financial and operational performance, the progress we have made in the past quarter.

At Supreme Power Equipment Limited, our journey continues to be shaped by steady improvement, a strong focus on quality and the trust of our customers. From beginnings in 1994, as a small partnership firm to becoming a company in 2005, we have grown into one of Tamil Nadu's respected manufacturers of power and distribution transformers. Over the years, we have earned a reputation of a dependable, high-efficiency product that met both Indian and international standards.

Our growth has been supported by a clear vision to serve the nation's expanding energy needs. We design and supply a wide range of transformers for state utilities, EPC contractors, renewable power developers and industrial plants. As India strengthens its power infrastructure, expands the renewable capacity and upgrades aging networks.

We are closely aligned with these industrial trends through investment in technology, capability and disciplined execution. Before moving to our performance, let me briefly touch upon the industrial environment. During the quarter, the power sector continued to see steady activity.

Several states have advanced projects for substation upgradation, transmission strengthening and renewable integration. Solar and hybrid projects have shown healthy movement, which is supporting demand for inverter duty transformers and higher capacity transformers. There has also been increased order, ordering from industries such as steel and other manufacturing, driven by the capacity expansion and modernization.

Overall, the environment remains supportive and provides good visibility for the transformer industry. Coming to our financial performance of H1-FY26, I am pleased to share that we have



delivered another period of consistent growth. For the first half of FY26, the total income was INR75.36 crores, registering a year-on-year growth of 28.58%. EBITDA was INR14.27 crores upon 18.63% year-on-year.

Net profit increased by 31.98% to INR9.41 crores. Net profit margin stood at 12.49%, improving 32 bps year-on-year. Earning per share for H1 was INR3.76. This performance reflects strong execution and a healthy order inflow and continued acceptance of our product across both utility and industrial segments.

Let me now highlight some of the key operational achievements during Q2. We strengthened our relationship with TANTRANSOCO through an order of INR4.15 crores for 50 MVA, 110 kV class power transformer. Through our subsidiary, Danya Electric Company, we secured INR4.48 crores from TN-PDCL for distribution of transformers, supporting our presence in the distribution segment also.

We entered the steel industry in Kerala with INR2.55 crores order for 31.5 MVA, same 110 kV class, equipped with NIFPS, this is Nitrogen Injected Fire Protection System. We reinforced our position in Kerala by receiving INR15.25 crores order from KSEB and for 5 numbers of 25 MVA, 110 kV class.

We strengthened our presence in renewable sector by securing INR9.03 crores order that includes 55 MVA and 85 MVA for a leading solar project developer. We widened our footprint in Karnataka through orders, totaling INR10.02 crores for 20 MVA with 66 kV and 110 kV class. We received order worth INR4.34 crores from a reputed EPC company in Karnataka and INR19.82 crores from a leading EPC client in Telangana for multiple transformers. Telangana marks an important expansion of our geographic reach in South India.

We would now like to share an update on capacity expansion program. We are in a final stage of developing our new manufacturing facility spread over 6 acres. The project is processing well and we are close to completion.

The plant is planned to be fully operational by December 2025, with the production beginning from January 2026. This expansion will increase our capacity from 2,500 MVA per year to 9,000 MVA per year and enable us to manufacture transformers up to 160 MVA at full capacity. The facility has the potential to support annual revenue of INR500 crores to INR550 crores. This marks an important milestone in our long-term growth journey.

To conclude, Q2, the first half of 2026 reflects our ability to deliver stable growth, expand our market reach and strengthen our position across utilities, renewables and industrial customers. The demand outlook remains healthy and with our upcoming capacity expansion, we are well placed to capture larger opportunity in the coming years.

I would like to thank our investor, customers, partners and employees, our Supreme team for their continued support and their trust. We remain committed to creating long-term value for our stakeholders. With this, I now open the floor for questions. Thank you very much.



- Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Harsh with NV Alpha. Please go ahead.
- Harsh:** Yes. Sir, my first question is, can you give us the breakup of order book? We have INR230 crores order book in H1. What would be the breakup like government and non-government?
- Vee Rajmohan:** Yes, as of now, today, the order book value is around INR235 crores. Out of that, the government is around INR112 crores. This is inclusive of INR60 crores NLC order and non-government is around INR122 crores, you can say INR123 crores, that is 52%. This contributes with distribution transformer of INR53 crores, power transformer of INR105 crores and inverted duty transformer of INR76 crores.
- Harsh:** Then what would be the execution timeline of this INR235 crores order book?
- Vee Rajmohan:** See, out of that, 50 -- we are expecting 50% to 60% will be executed this year and balance will be passed on to the next year, this financial year.
- Harsh:** And sir, if you can help us with the bidding pipeline number for the upcoming order book?
- Vee Rajmohan:** Bidding pipeline is very high. We have post tenders and post offers more than INR600 crores. Everything is under pipeline.
- Harsh:** And sir, what would be our winning hit rate in this?
- Vee Rajmohan:** Generally, based on our past performance, our winning rate is between 10% to 15%.
- Harsh:** Okay, sir. And sir, my second question was on the NLC order which we got for inverted duty transformers in May 2025. So, previously, you mentioned that this was a six-month execution timeline order. So, are we in the concluding stage of this, completing this order or how that order is going on? And do we also have further visibility from NLC?
- Vee Rajmohan:** Yes. Actually, now it has started supplying that NLC orders where total numbers almost manufactured and it is some transformer has to be type tested, the prototype test, that process is going on. So, once that test is passed, then continuously the sales will be done.
- Harsh:** Okay, got it.
- Vee Rajmohan:** Next one and a half months, I think we believe that all the transformers will be dispatched.
- Harsh:** Okay. So, by -- in H2, we would be seeing the numbers from NLC, right?
- Vee Rajmohan:** Yes, yes, yes.
- Harsh:** And sir, my last question is when -- recently, we raised INR21 crores via warrants.
- Vee Rajmohan:** Yes.



- Harsh:** So, you mentioned in the document that object of the issue was for working capital and factory premise establishment. So, in this factory premise establishment, will it be over and above that INR100 crores capex which we did for the capacity expansion?
- Vee Rajmohan:** Yes, yes, yes, yes. Not over and above, it is inclusive of INR100 crores.
- Harsh:** Including, okay.
- Vee Rajmohan:** Yes.
- Harsh:** Okay, sir.
- Moderator:** Next question comes from the line of Aditi Roy with Patel Advisors Private Limited. Please go ahead.
- Aditi Roy:** Good afternoon, sir. I have a couple of questions. First, I want to know that what is the demand outlook for transformers over the next three to five years?
- Vee Rajmohan:** The demand is very good, madam. Actually, the government, the union government and as well as the state governments are spending more and they are strengthening their power sector infrastructures and they are upgrading their old network, aged network. So, the demand is very good and so many projects, so many projects on renewable energy, especially in solar is coming up. So, the demand is very good.
- Aditi Roy:** Okay, sir. And my next question is, what is the expected demand contribution from solar, wind, transmission and the ESS?
- Vee Rajmohan:** Yes, as of now, we have an order book, for example, we have an order book of INR230 crores. Out of that, distribution we are having 22% and power transformer 45% and inverter duty which is used in solar is up to 33%.
- Aditi Roy:** Okay, sir. And so, how will company expand its presence beyond South India with the new capacity?
- Vee Rajmohan:** I could not get your question, madam. Can you come again?
- Aditi Roy:** Yes, yes. So, how we are expanding our presence beyond South India with the new capacity?
- Vee Rajmohan:** Yes, now we have entered the KPTCL. Already we got approval from KPTCL. Now, we have established our presence in KSEBL. So, we got order from KSEBL for a 25 MVA/ 110 KV Class. And now recently, we got order from Telangana. So, we are rapidly expanding our footprints geographically.
- Aditi Roy:** Okay, sir. And so, what is the strategy to balance growth between government and private sector customers?
- Vee Rajmohan:** Yes, we strategically control our exposure towards the government. It should be less than 50%. And 50% in government and balance 50% from private.



- Aditi Roy:** And sir, what are our top-line customers from private sector?
- Vee Rajmohan:** Yes, top-line customers, we have Ramon Energy, Renfro Energy, and Swellect Energy and Seshasayee Paper Mill. So, we have a set of customers, Renfro Energy.
- Aditi Roy:** Okay. And sir, how are you facing raw material cost pressures? I mean, sir, will higher raw material prices affect margin stability or bearing competitiveness?
- Vee Rajmohan:** Sorry? How do you buy?
- Aditi Roy:** I mean, sir, how are you facing raw material cost pressures? I mean, sir, if higher raw material prices affect margin stability or bearing competitiveness?
- Vee Rajmohan:** Yes, we have a very good set of procurement team. So, based on that, we used to buy raw materials at a competitive price than our peers. Sorry?
- Aditi Roy:** Yes, continue.
- Vee Rajmohan:** Yes. So, and we have a very good long relationship with our vendors. For the past three decades, we have strengthened our relationship with our suppliers. So, we don't find any difficulty in getting raw materials on time at a good price.
- Aditi Roy:** Okay. And we had one international order from Mexico, but it was cancelled, I think. So, any other opportunities over there?
- Vee Rajmohan:** We are trying to get an opportunity from UK, and recently we installed a stall, we opened a stall in a solar exhibition, and people over there showed interest on us, and the discussion is going on.
- Aditi Roy:** Okay, sir. And so, what is the current receivable cycle?
- Vee Rajmohan:** Current receivable cycle is between 85 to 100, 100 days.
- Moderator:** Thank you. Next question comes to the line of Pawandeep Bhatia with NV Alpha. Please go ahead.
- Pawandeep Bhatia:** Thank you, sir. Sir, I have a slightly long question. Since 2023 to 2025, our annual production capacity has been in the range of 760 MVA to 1250 MVA. Same period, we had a capacity of 2,500 MVA. Sir, the same period, the whole industry, till date, H1, FY '26, as we speak, has been in the range of 75% to 90% utilization. Sir, why has our capacity been traditionally very low? Also, this question makes a lot of sense now because from 2,500 MVA, we are going to 9,000 MVA. So, what is the reason for this, sir?
- Vee Rajmohan:** No, no. You are asking, since there is a spare capacity, why we are going for an expansion? Is that your question?
- Pawandeep Bhatia:** Also, that and plus, where the industry, the sector is at 75% to 90% utilization, why are we not able to block that kind of a utilization?



Vee Rajmohan: Correct. See, earlier, we were making smaller type transformers, that is up to 10 MVA. Maximum, product mix of power transformer will be less and distribution transformer will be high. And in that distribution type of transformer that is ranging from 250 KVA to 1,000 KVA, here, number of players are very high and we are more depending on, in those periods, more depending on TNPD orders, that is, utilities orders. So, now, we have focused more on larger power transformer. For that only, we have expanded the capacity to go up to 9,000 MVA.

So, we are more, now we are more concentrating on transformers above 25 MVA, that to up to 160 MVA, that is larger power transformer with extra high voltage. And as of now, the demand for lower capacity is there, but number of players are more in this region.

Pawandeep Bhatia: So, assuming we are going into higher KVA in this 6,500 expansion that we are doing, from 2,500 to 9,000, which is 6,500 MVA, where the competition is less and we are going into higher KVA, can we expect our utilization to reach 60% by 70% because of the changes that we have made in the new perspective?

Vee Rajmohan: Yes, definitely, because now itself, we have order worth about INR230 crores and MVA wise, I have not calculated, that also I can calculate and tell you. And now, the orders are in plenty, since our new capacity is at the verge of completion. So, we are expecting the production in the month of December, the next month, mid or in first week of January.

So, we are actually expecting more orders for this higher capacity transformers because their peers are fully booked and the delivery period are more than 12 months and 18 months. So, the order, we are expecting a huge order for extra, that is larger power transformers.

Pawandeep Bhatia: Sure, sir. Sir, one broader question. There was just a news article, there was some quote by some government minister, that there has been a lot of slowdown and the government is slowing on the 40 gigawatt solar intake for this year.

The target was 50 gigawatt because due to the lack of or absence of PPAs and connectivity for the evacuation of green power, which is your BESS. So, basically, they were talking about some slowdown over the next three to four quarters in solar. Are you getting such sense and feelers on the...

Vee Rajmohan: No, no. Really, we are not, we don't feel the impact and since we are getting new to the power, that is larger, higher, larger power transformer with extra high voltage, we are getting new area, enquiries from new areas and new customers. So, since the demand is very high, the transformer manufacturer is not able to fulfill the demand. This, I think, this will continue for next two to three years.

Pawandeep Bhatia: Sure, sir.

Vee Rajmohan: And even if we -- Supreme Power goes in full swing to achieve the full capacity, it will not achieve the market share of more than 2%. So, I think this will not make a big impact on us.

Pawandeep Bhatia: Sure, sir. Sure. Thank you, sir. Thank you for your time.



Vee Rajmohan: Thank you, sir. Welcome you.

Moderator: Thank you. Next question comes from the line of CA Arun with Nvest Analytics Advisory LLP. Please go ahead.

Arun: Good afternoon, sir. Sir, my question is on the guidance part first. We are targeting around INR200 crores for this year, right?

Vee Rajmohan: Correct, sir. Yes.

Arun: So, to achieve that number, what I am understanding is that existing capacity, we are almost running at full utilization, right?

Vee Rajmohan: Yes.

Arun: So, in 9 months, with the existing capacity, what we can do like somewhere around INR115 crores number. So, in the last quarter, we have to achieve INR85 crores to do the number of INR200 crores. You are saying the new plant will be coming in from the January onwards only, and it is having the annual capacity of INR500 crores per acre revenue.

So, if I take like one quarter maximum revenue can be INR125 crores. So, you are saying INR85 crores we have to do in Q4. So, does that mean like from the starting onwards itself, the capacity utilization will be like very much high?

Vee Rajmohan: In the new capacity, it will be increased stage-by-stage, phase-by-phase. Not all of the sudden cannot be increased to the high level. So, month-on-month, there will be increase of 15% to 20%. So, in next 2 to 3 years, we can achieve INR500 crores to INR600 crores.

Arun: So, what kind of utilization are you expecting in Q4 from the new capacity itself only, only from the new capacity?

Vee Rajmohan: Maybe 10% to 20%.

Arun: 10% to 20% means like it will be like INR25 crores kind of revenue, right?

Vee Rajmohan: No, no, I am talking about almost like 20% to 30%. Yes, that is correct.

Arun: Even if we are doing INR30 crores from the newer capacity, and our existing capacity is like contributing INR40 crores on quarterly basis. So, we will be like INR70 crores kind of number. So, I think in achieving INR200 crores, a little bit less, I think we are targeting. Is that understanding correct?

Vee Rajmohan: Yes, your understanding is correct, but I do not want to give a big commitment. But definitely, I think we believe that we can cross INR200 crores, because now only the new plant is we are getting it started. We have to acquire talent acquisition should be there, and everything has to be set right.



Though the building everything is over, almost over, 90% is over, machinery is all installed. Initially, there will be some teething problem, which has to come out. We have to come across that and we have to solve it. So, we are expecting INR200 crores this year, all put together the existing facility and the new facility all put together. I think this last quarter the new facility can contribute something.

Arun: So, but I am understanding...

Vee Rajmohan: We have to go for again, earlier we got all approvals for establishment. And now, after completing installation of machineries and other things, we need to go for consent to operate from all the departments. That already we are in the process. And we have to undergo...

Arun: We will be able to do like INR180 crores or INR190 crores kind of number this year, right?

Vee Rajmohan: Yes, definitely. I think we should cross INR200 crores.

Arun: Got it. And sir, regarding the output for next year, so what kind of target do we have in mind for next year considering the negotiations of the order pipeline? What do you think like where we will be reaching by the end of the FY '27 in terms of top line and the margin level? Because you mentioned we will be entering into the higher capacity. So, I think the margin should be higher on that side, isn't it?

Vee Rajmohan: Yes, of course, the margin should be higher, but naturally, when we are going, when we start doing the higher MVA transformers, we need talents to be acquired and the overheads will naturally will increase. So, I think the margin will sustain. This 10% to 12% margin will be sustained. So, we get more orders. Yes, the more orders we will get on higher MVA and voltage class transformers.

Arun: Okay, and what about the top line number for FY '27th, sir?

Vee Rajmohan: Yes, we are expecting 30% to 40% growth.

Arun: Okay, 30% to 40% growth we are targeting. So, maybe we will be reaching around INR280 crores kind of number we are looking at...

Vee Rajmohan: Yes, yes, INR200 crores to INR280 crores.

Arun: In continuation with earlier participant, there is a question regarding the slowdown. Okay, slowdown in the order inflows, particularly on the renewable side. I just wanted to understand more on that side, because you mentioned from the inverted duty, we are doing like 33% kind of in order book.

So, I just wanted to understand like, is it really a threat going ahead? What's your ultimate take on that? Right now, maybe we are having the order book, that's fine, but regarding the potential order inflows, what do you think like, how is it going to be?

Vee Rajmohan: No, as per the market information, next to 3 to 5 years, the demand will be high, as per today's prevailing situation. So, a number of new projects are coming up and actually, globally, there is



a big demand for transformers. Directly or indirectly, that order comes to India, mostly. So, the demand is very high.

Arun: And you have given the number, I think I missed, on the bidding pipeline. So, what was that number, sir?

Vee Rajmohan: It's between INR600 crores to INR700 crores.

Arun: INR600 crores to INR700 crores, that is the pipeline we are having and you mentioned the subsidies, maybe like between 10 to 15...

Vee Rajmohan: Yes, yes, that we have to, that is, we have posted tenders and we have sent offers, quotations and everything, all put together comes around INR600 crores to INR700 crores. And the vending rate, as per our earlier performance, is around 10% to 15% will be the vending rate.

Arun: Understood. So, I just wanted to understand like, this INR600 crores to INR700 crores pipeline, what is the timeline, sir, within which we expect the order in close to come, or maybe the tender to be finalized?

Vee Rajmohan: That cannot, yes, that cannot be predicted, because most of the tenders, it depends upon their demand, they postpone and they process the tenders. And we are expecting more orders in next quarter itself, because once we got the vendor approvals for the new plant, then the order inflow will be very high.

Arun: Got it, got it. I think that is from my side, sir, and all the best for the future. Thank you very much.

Vee Rajmohan: Okay, sir. Okay. Thank you.

Moderator: Thank you. Next question comes from the line of Ishita Sen with Urban Sphere Consultant. Please go ahead.

Ishita Sen: So, like, first of all, thank you for this opportunity. And are you witnessing early inquiries from data centers for green hydrogen projects that require higher MVA solution?

Vee Rajmohan: As of now, we have not received any inquiries from data center, but Green Energy, the discussion has started, but not anything concluded.

Ishita Sen: Okay. Are you evaluating JV Technology Partnership for ultra-high voltage products?

Parth Acharya: As of now, no, madam.

Ishita Sen: Okay. With private sector orders increasing, do you expect blended EBITDA margins to structurally rise above the historical 18% to 20% band?

Vee Rajmohan: Yes. It will, the margin will sustain. We are, actually, we are choosing and we are losing some orders to restrict, to maintain the margin prescribed. And now, we are focusing more on larger power transformers. So, I think, it will -- the challenge will not be there.

- Ishita Sen:** Okay. So, how much of the current bid pipeline is for higher value, that is, with this INR20 crores plus power transformer projects?
- Vee Rajmohan:** It's around INR100 crores we have the power transformer, INR105 crores. And distribution is around INR53 crores. And inverter duty is around INR76 crores.
- Ishita Sen:** Okay. Thank you, sir. That's it from my side. Thank you for answering my question.
- Vee Rajmohan:** Thank you, madam. Thank you.
- Moderator:** Thank you. Next question comes from the line of Paras Chheda with Purpleone Vertex Ventures LLP. Please go ahead.
- Paras Chheda:** Thank you so much for the opportunity, sir. I just wanted to understand, sir, is there any progress in terms of export potential for us? Have we been able to get through there?
- Vee Rajmohan:** Yes, conversations are going on. Everything is on positive side. So, but nothing is concluded. So, we are focusing on that.
- Paras Chheda:** Okay. Okay. Secondly, I'm just trying to understand some sort of when you have new capacity, commercial production, will it commence, commercial production right away in January or you will require some sort of testing, etcetera, validation from customer?
- Vee Rajmohan:** No, no. We will, straight away, we can start from the month of January '26. So, commercial only thing is --Yes, commercial production for the capacity lesser than 25 MVA, 30 MVA. But for a higher capacity, we need to get vendor approval from bigger companies like KPTCL, this rural electrification, all these things we have to get approvals from big consumers.
- So, that will be another process. But the production we can start from January for the capacity lesser than 50 MA.
- Paras Chheda:** Right. But these approvals will take some time and therefore the commercial production gradually scales up or how will that be?
- Vee Rajmohan:** Yes, it has to be gradually increased. It should, we should accelerate it gradually. So, we have to get approvals from the vendors, suppliers, from the buyers for a higher capacity and we have to do type test, prototype test we have to do, these things. We have to get order and we have to get type test at CPRI. So, these are things which we have to do. But before getting that, we can do, we have a lot of orders with us, we can do that in the bigger plant also.
- Paras Chheda:** One thing that I was thinking about, that we have a situation where the capacity available is tight in the market, as you said yourself, the suppliers are basically locked in for 12 months, the capacity, about 12 months, 18 months, something like that. So, when the new capacity comes in, my only question and worry or thought was, whether it will be prudent to capitalize a large capacity of the new installment capacity in year one itself.

I mean, when the capacity in India, etc., and globally is tight, why not potentially scale up significantly in the first year itself? And so, the guidance that you mentioned, which was about INR280 odd crores, I was just wondering, why INR300-INR350 crores in year one itself.

Vee Rajmohan: Yes, Yes, your point is correct. So, first we have to take commercial production in a good way. And next thing is, as we focus, we have to focus on larger power transformers, that is 100 ma, 75 ma, 100 ma, 160 ma. For that, we need to get approvals. And it is a process. We need to get approval, we need to get a type test certificate, we need to produce that.

Then we have to wait for a testing date from CPRI. So, it's a lengthy process. But anyhow, we have started the process now itself. So, we, Yes, so, as of now, I cannot assure you that we can go up to 500. Since the demand is there, demand is there, we have to increase parallelly all this production capacity, testing, and as well as the finance side, as well as the human resource.

All the five, four departments has to, parallelly we have to raise. Now, we have built the entire capacity that is there, then we have to gradually increase that, increase the other requirements.

Paras Chheda: So, for the next two to three years, at least you are confident of the demand side of the market, internationally as well as domestically. So, there is no worry on the demand side.

Vee Rajmohan: Yes, demand is there, the demand is very huge. We will not be able to cater that.

Paras Chheda: How long are you confident of the demand in terms of two to three years or three to five years, you would put?

Vee Rajmohan: No, no, the next 10 years, the demand is there. Globally, demand is there for next 10 years.

Paras Chheda: Okay. Are you confident for a medium to long-term demand tightness itself?

Vee Rajmohan: Yes, yes.

Paras Chheda: But there is a bit of capacity that is also coming up, I mean, in general. So, would you be worried about that or would you be rather, yreasonably confident?

Vee Rajmohan: No, if it goes well, then we have to go for the next level of expansion. I think it should happen in the next 10 years.

Paras Chheda: And that could come in probably next year itself, the decision, because that will take the time for another 12 months to implement.

Vee Rajmohan: Correct. So, based on this 2027 business and 2028, we have to take a decision on that.

Paras Chheda: Any early thoughts in terms of what kind of extra capacity that will come up at some point?

Vee Rajmohan: No, no, no, no, we have not discussed anything about that. But as a discussion with you, Yes, I have...

Paras Chheda: And land etc. is available, sir?



- Vee Rajmohan:** Land we have to procure.
- Paras Chheda:** It should be close to the vicinity of the current setup?
- Vee Rajmohan:** Yes, it should be. We are expecting that, but we do not know how the price will be and how it will be.
- Paras Chheda:** And sir, just last two queries, in terms of expanding outside the South, do you need, you know, probably to achieve a full capacity utilization, would you want, would you be sort of compelled to move out of the South towards the other markets in India or within this region you will be able to cater to that?
- Vee Rajmohan:** No, no, already we are gradually increasing. See, once the new facility started, we have to increase that. Now we have a very good marketing team. They are working very nicely. So now earlier we were, we got approval for KPTCL for supply of transformers up to 25 MVA long back. But we are not able to secure orders.
- But recently we are getting continuously, continuous orders from KPTCL, Karnataka. So, in the same way we are expanding to Telangana also. So, I think getting order will not be a challenge.
- Paras Chheda:** Understood. So, the full capacity utilization will not be a challenge even within the region itself?
- Vee Rajmohan:** Yes, not in terms of getting orders. The challenge may be on the human resource side, but we are focusing on that.
- Paras Chheda:** Right. And sir, in terms of backward integration, you are planning, some sort of backward integration, a while back. Is there any progress on that? I mean, any further thoughts on that?
- Vee Rajmohan:** Yes, it is very brave. It's in the green field. So that process will go long. We have an idea for backward integration for making tanks.
- Paras Chheda:** Right.
- Vee Rajmohan:** So as of now, not yet progressed, but it is on our plan.
- Paras Chheda:** Understood. And you are generally fairly confident of a 200 plus revenue for FY '26 at least? Because now that almost Q3 is almost give and take over. So you would probably have quite a good visibility now.
- Vee Rajmohan:** Yes, sir. Yes, sir.
- Paras Chheda:** Okay. Thank you so much, sir.
- Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. Next question comes to the line of Achut Prabhat with Active Investor. Please go ahead.



- Achut Prabhat:** Yes. Sir, I just wanted to know one thing. Like as we are already discussing, there is a huge demand for power. But solar is, I mean, there is some headwinds for solar in the coming quarter. So, as you have already said, currently we are making 30% revenue from solar transformers.
- So, I just wanted to know what is your reason going forward? Like you want to make more money from power transformers or you want to make more money from solar transformers?
- Vee Rajmohan:** Actually, we need, we will not be able to depend on one type of transformers. See, our business is of a mixed product from distribution, power transformer and inverter duty transformers. And for windmill also we are doing transformers. So, it should be a mix of, it is a of mixed product, product mix. So everywhere we are negotiating and get the orders, maybe 1% less or plus on the margin. So, we have to take, so we should be, we should be, have the presence in all the sectors. So it's like that.
- Achut Prabhat:** Okay. So, I mean, if we are able to utilize full capacity, can you give a breakdown, like how much percentage we are targeting in power and solar?
- Vee Rajmohan:** And majorly, majorly we are looking into once the new facility comes up. So we majorly focusing, looking at power transformers, larger power transformers.
- Achut Prabhat:** Okay. So even, even if there is some slowdown in solar in the coming years, like maybe in FY '27 and '28, it will not impact us much, right? Like I just wanted to understand that.
- Vee Rajmohan:** Yes. See, always we have opportunity to supply a distribution power and inverter to the transformers and windmill transformers. And now we are focusing more, sorry, since there is a very good demand for power transformer, we are more focusing on power transformers, larger power transformers with extra high voltage.
- Achut Prabhat:** Okay. And one last question, like once the capacity expansion completes, when can we expect the full revenue and how much we can expect?
- Vee Rajmohan:** See, this, we can start the commercial production -- start commercial production in the month of January 2026. And this full revenue, it will achieve, I think in next 2 to 3 years, we can achieve full capacity, full utilization. That is INR500 crores, INR500 crores to INR600 crores revenue we can achieve.
- Achut Prabhat:** So can we expect it in FY '28, sir?
- Vee Rajmohan:** '28, 29.
- Achut Prabhat:** Okay. Okay. Thank you so much.
- Moderator:** Thank you. Next question comes from the line of Janga Reddy with -- an Individual Investor. Please go ahead.
- Janga Reddy:** Hello, sir. I'm audible to you?
- Vee Rajmohan:** Yes. Your voice is very low, sir.



Moderator: Your voice is low. Can you come in the range and talk?

Janga Reddy: Sir, now?

Moderator: No, once again, can you come in the range and talk?

Janga Reddy: Just a second. Sir, now?

Moderator: Yes. Now we are loud and clear. Please go ahead.

Janga Reddy: Sir, I would like to know, currently you are on transformer segment, right, sir?

Vee Rajmohan: Correct, sir. Correct.

Janga Reddy: So, sir, are you, like, I would like to know whether companies planning for new business segments beyond transformers, like inverters and other things, sir?

Vee Rajmohan: Actually, we are not able to cater to the transformer itself. Now the transformer demand is very high and now we are at the verge of completion of our new facility. We are mainly focusing on transformers only. In next 2 years, we don't have any plan to do any other product other than transformers.

Janga Reddy: I would like to know about wind turbine electrical components, sir? So...

Vee Rajmohan: Yes, this transformer is also one of the wind turbine components for this project.

Janga Reddy: Yes. Sir, as you said that capex was ready, right, sir? 6 acres long?

Vee Rajmohan: Yes, it's almost ready.

Janga Reddy: So, sir, we are not getting, like, any updates, like, how it's getting ready. Like, we didn't get any photos that how manufacturing tank was getting ready, right?

Vee Rajmohan: Okay, I will upload it. Upload it in the exchange. We will upload it. Okay, we will upload it. Since, to get a full shape, we have not uploaded any photo on the exchange, but now almost it's almost 90% over. So, I think we can upload photos, pictures on exchange.

Janga Reddy: Actually, you are thinking that, like, we odd cousins were also thinking that, sir was telling that manufacturing plant was almost ready, but no photos were shared.

Vee Rajmohan: Okay, okay. Now, I will, I will say, I will, I try to give a, like, a short video or...

Janga Reddy: Share it in social media platform.

Vee Rajmohan: Yes, yes. First, I will put it in the exchange. Then, I will put it in the social media.

Janga Reddy: Okay, sir. Thank you, sir.

Vee Rajmohan: Thank you.



- Janga Reddy:** Thank you.
- Moderator:** Thank you. Next question comes from the line of CA Arun with Nvest Analytics Advisory LLP. Please go ahead.
- Arun:** Couple of follow up, sir. Sir, I just wanted to understand, like, currently we are doing transformer. Then, I understand, like, this is maybe quite early. So, we may not be having any plan.
- But I just wanted to understand, apart from the transformer, do we have anything in pipeline, maybe from the point of view of product diversification or anything like that, which we are currently planning and can at least share, like, the way or the area that we may be targeting from the product diversification side going ahead?
- Because I understand, right now, we are in -- transformer is a tailwind industry, right? But going ahead, there will be a time when the industry will not be going at this pace because everyone is bringing up the capacity. So, that supply-demand gap will not be there always, right? So, I just wanted to understand your view on that, sir.
- Vee Rajmohan:** As of now, we are mainly focusing on larger power transformers, higher capacity, that is, more than 50 MVA, up to 160 MVA. And as of Phase 2, we can go up to 315 MVA. So, this is our focus and this is our plan to do, plan to do and achieve. And we don't have any plan about products other than transformers and I think it's too early to talk about that.
- Arun:** Got it, got it. Thank you very much, sir.
- Vee Rajmohan:** Welcome, sir.
- Moderator:** Thank you. Next question comes on the line of Achuth Pabbath with Active Investor. Please go ahead.
- Achuth Pabbath:** Yes, hello, sir. I'm audible?
- Vee Rajmohan:** Yes, sir. Yes, sir.
- Achuth Pabbath:** Yes. Sir, I have a few more questions. Like, I just wanted to know, like, once we complete the expansion and when we are able to use full capacity utilization, I just wanted to know, can we expect some margin expansion or margins will be reduced? Like, what is your thought on that?
- Vee Rajmohan:** Actually, we will get more margin. More margin means maybe 1% or 2% more from the existing level, but that will be absorbed by the overheads. So, we believe that the margin will sustain.
- Achuth Pabbath:** Sustain?
- Vee Rajmohan:** The existing margin will sustain. And we get more orders and because there is a huge demand and less players are there and larger, so we get more orders on that. So, that is the advantage. So, I think the margin will sustain. The same 10% to 12% margin will sustain.



- Achuth Pabbath:** Okay. And, sir, one last question. Like, for this capacity expansion, we took loan or how we did that, sir?
- Vee Rajmohan:** Yes, we did with loan of INR35 crores, INR40 crores and IPO proceeds and internal accruals, all put together.
- Achuth Pabbath:** Okay. So, loan we took INR30 crores.
- Vee Rajmohan:** Sorry? Loan we took?
- Achuth Pabbath:** We took INR30 crores of loan, right?
- Vee Rajmohan:** INR30 crores, INR35 crores. As of now, INR40 crores are sanctioned. We have utilized only INR30 crores, another INR10 crores are yet to utilize.
- Achuth Pabbath:** Okay. Okay, sir. Thank you so much.
- Vee Rajmohan:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we have reached at the end of question and answer session. I would now like to hand the conference over to Mr. Parth Acharya for closing comments.
- Parth Acharya:** 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. Once again, thank you, everyone, for joining the conference.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.