

Supreme Power Equip.

17 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Supreme Power Equipment Ltd hosted by Kiran Advisors Private Limited. I would now hand the conference over to Mr. Parth Acharya from Kiran Advisors Private Limited. Thank you and over to you, sir.

Operator: Thank you. Good afternoon, everyone. On behalf of Kiran Advisors, I welcome you all to the conference call of Supreme Power Equipment Ltd. From the management team, we have Mr. V. Rajmohan, Chairman and Managing Director of the company. With that, I now hand over the call to Mr. V. Rajmohan for the opening remarks. Over to you, sir.

V. Rajmohan – Chairman and Managing Director: Thank you. Good afternoon, everyone. On behalf of Supreme Power Equipment Ltd, I extend a warm welcome to everyone joining us today for our Q1 FY27 earnings conference call. Thank you for taking the time to be with us and for your continued interest in the company.

Before discussing the quarter's performance, I would like to briefly introduce Supreme Power Equipment Ltd. SPEL is a transformer manufacturing company with over three decades of experience delivering solutions across the power generation, transmission, distribution, and renewable energy segments. With an expanded manufacturing capacity of approximately 9,000 MVA and capabilities of up to 200 MVA and 220 kV, we are well positioned to address larger and high-value opportunities across India's evolving power infrastructure landscape.

Coming to our financial performance for the quarter, we have started FY27 on an encouraging note, supported by healthy execution momentum and sustained demand for our transformer solutions. During Q1 FY27, our total income stood at 48.31 crore, registering growth of 37.33% year-on-year. EBITDA stood at 8.89 crore, growing 32.02% year-on-year, with an EBITDA margin of 18.4%. Net profit stood at 4.9 crore, registering growth of 10.04% year-on-year, with a net margin of 10.14%. EPS for the quarter stood at 1.96, growing 10.11% year-on-year.

While margins witnessed some moderation during the quarter, profitability remained healthy. We continue to maintain a disciplined approach towards pricing, procurement, and operational efficiency. As the scale of operations increases, our focus remains on improving execution efficiency and delivering greater operating leverage from our expanded manufacturing capabilities.

Coming to our operational performance, order inflows remained strong during the quarter. We secured 10 orders aggregating 195.64 crore during Q1 FY27, with execution timelines ranging between 7 months and 17 months. We also expanded our geographical presence into Maharashtra, further broadening our presence across key markets. Our order book stands at 590.06 crore as of August 13, 2026, providing healthy execution visibility over the coming quarters.

In terms of customer mix, government orders stand at 177.66 crores, representing approximately 30.10% of the total order book, while non-government orders stand at 412.46 crores, representing approximately 69.9%. From the product perspective, power transformers constitute the largest share of the order book at 453.83 crore, representing approximately 76.91%. This is followed by distribution transformers at 105.27 crore, representing 17.84%, and inverter duty transformers at 30.96 crore, representing 5.25%.

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The composition of our order book provides us with a healthy mix across government and non-government customers, while the strong contribution from power transformers reflects our increasing participation in larger and higher-value projects. I would also like to briefly touch upon our new Kannur manufacturing facility, which became operational during the previous quarter. The facility has strengthened our overall manufacturing capacity to approximately 9,000 MVA, with capabilities extending up to 200 MVA and 220 kV. The facility enhances our ability to manufacture high-voltage and larger power transformers, undertake larger projects, and cater to opportunities across transmission, data centers, and industrial applications. As utilization progressively ramps up, we expect it to support higher revenue potential and improved operating leverage.

Looking ahead, our immediate priorities remain the timely execution of our strong order book and the progressive ramp-up of our new manufacturing facility. At the same time, we will continue to pursue new opportunities across power transmission, distribution, renewable energy, industrial applications, and other emerging demand segments. With our expanded capacity, enhanced technical capabilities, strong order pipeline, and growing geographic presence, we believe we are well positioned to participate in the opportunities emerging across India's power infrastructure sector.

We remain focused on scaling the business in a measured manner while maintaining execution discipline, operational efficiency, and our commitment towards sustainable and profitable growth over the medium to long term. Before concluding, I would like to sincerely thank our employees and our SPEL team for their dedication, commitment, and continued efforts. I would like to thank our shareholders, customers, investors, business partners, and all our stakeholders for their continued trust and support. Thank you once again to everyone for joining us today. With that, I would now like to open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Darshit Goyal from Canara Alpha. Please go ahead.

Darshit Goyal – Canara Alpha: Hello, am I audible?

V. Rajmohan – Chairman and Managing Director: Yes, sir, very much audible. Good afternoon.

Darshit Goyal – Canara Alpha: Good afternoon. Sir, my first question is on the margins front. If you look at the gross margins for this quarter, there has been a significant improvement. I just wanted to understand, despite the elevated cost, how did we manage that? That's my first question.

V. Rajmohan – Chairman and Managing Director: Are you asking about the cost price? How did we manage it? Are you talking about the gross profit margins?

Darshit Goyal – Canara Alpha: Yes. If you see, previously, in Q4 and Q1 last year, it was in the range of 23.80%, right? In this quarter, it is 28.82%. So is there some sort of inventory gain lying there?

V. Rajmohan – Chairman and Managing Director: I could not understand your question.

Darshit Goyal – Canara Alpha: Sir, I am just trying to understand that there has been an improvement in our gross profit margins, but at the EBITDA level we declined, whereas at the gross profit level there is an improvement in this quarter. I wanted to understand the reasons for that.

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V. Rajmohan – Chairman and Managing Director: Yes. Since we took orders mostly with a price variation clause, and although there were geopolitical issues, the resulting increase in raw material prices was absorbed because of the price variation clause that we received from our buyers. Therefore, we were able to maintain the margin, and the increase was absorbed and passed on.

Darshit Goyal – Canara Alpha: How should we look at these margins going forward in Q2, Q3, and Q4, specifically as the newer plant ramp-up continues to increase? What should be the margin trajectory for the rest of the year?

V. Rajmohan – Chairman and Managing Director: We believe it will be maintained or sustained between 10–12%.

Darshit Goyal – Canara Alpha: You are referring to net margins, right?

V. Rajmohan – Chairman and Managing Director: Yes, I am talking about PAT profit margin.

Darshit Goyal – Canara Alpha: My question was about operating leverage kicking in. If you look at the existing plant utilization, the new plant utilization is at a lower level, right?

V. Rajmohan – Chairman and Managing Director: Yes, I understand your question. It will be maintained between 18–20%.

Darshit Goyal – Canara Alpha: EBITDA margins will be maintained between 18–20%?

V. Rajmohan – Chairman and Managing Director: Yes, between 18–20%.

Darshit Goyal – Canara Alpha: Understood. From the point of view of the competitive landscape, while our order book is primarily in power transformers, which are more critical compared with distribution transformers and the capacity buildup we are seeing in renewable transformers, how should we look at the product mix going ahead and the kind of order inflow we are expecting for the rest of the year? How should we look at this mix?

V. Rajmohan – Chairman and Managing Director: As of now, we are holding an order book of 590 crores. Of that, the product mix is approximately 17–18% distribution transformers, approximately 18%; power transformers are almost 76%; and inverter duty transformers are almost 5 or, sorry—

Management: 5.6% or 5.25%. This is the product mix for the orders we have received. We are now focusing more on power transformers and larger power transformers.

Parash Chheda – Purple 1 Vertex Ventures LLP: How should we look at the order inflow expectations for the financial year? Can you give us a number regarding the amount of orders we can expect during the financial year?

Management: We are expecting another 300 to 500 crores of orders, for which we have already submitted quotations, and negotiations are at various stages. We are expecting another 300 to 500 crores of orders.

Parash Chheda – Purple 1 Vertex Ventures LLP: These orders will be closed during this financial year? Is that what you are saying?

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Management: Not exactly. We will receive the orders. This year, we will be able to complete approximately 250 to 300 crores, and the balance will be carried forward to next year.

Parash Chheda – Purple 1 Vertex Ventures LLP: Sorry, our top-line target for this year is 300 crore, right?

Management: Yes, 250 to 300 crore.

Parash Chheda – Purple 1 Vertex Ventures LLP: I think earlier you mentioned 300 crore, isn't it? Is there any specific reason for the change?

Management: No, I said between 250 and 300 crores.

Parash Chheda – Purple 1 Vertex Ventures LLP: These were my questions. I will join back the queue. Thank you very much.

Management: Yes, please.

Operator: Thank you. The next question is from the line of Pankaj from Alice Capital. Please go ahead.

Pankaj – Alice Capital: Very good afternoon. Firstly, congratulations on the good set of numbers, and thank you for giving me the opportunity. My first question is, what is our current capacity utilization, especially considering that the new plant has come into operation?

Management: The new plant's capacity utilization is currently approximately 20–25%. We are utilizing 20–25%.

Pankaj – Alice Capital: What is the expectation for FY27?

Management: We can go up to a maximum of 250 to 300 crores.

Pankaj – Alice Capital: What would be the capacity utilization in Q4 FY27?

Management: We will be between 30% and 50%.

Pankaj – Alice Capital: We have approximately 590 crore of order book in place. How much of this do we expect to deliver in FY27, and how much in FY28?

Management: Out of this 590 crore, as per the customers' delivery requirements, 377 crore should be completed before March, and 212 crore will be delivered after March next year. It will be carried forward to the next year.

Pankaj – Alice Capital: If we have to deliver approximately 377 crores in this financial year, how can our top line be in the range of 250 to 300 crores?

Management: Correct. The customers are placing orders one year in advance. There may be some delay in the project or in the progress of the project, and there may therefore be some lapse. So, cautiously, we are saying that we can achieve between 250 and 300 crores this year.

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Pankaj – Alice Capital: If I read it correctly, you are saying that on an optimistic note we can expect a top line of 377 crore or more, while on a cautious note we are saying 250 to 300 crore. Is that right?

Management: No. We cannot go up to 377 because all the customers will not take the transformer on the date of delivery. For 10-20% of the customers, there may be delays in taking the orders, or they may extend their delivery period. Depending on the requirements of the customers, we have to manufacture the transformers; otherwise, we have to keep the transformers at our facility. Therefore, we are cautiously estimating that 250 to 300 crores will be completed this year.

Pankaj – Alice Capital: Just one related question: with such a strong order book in hand, how are we looking at working capital, especially in terms of inventory and debtors?

Management: We have approached the banks for higher limits. We need to hold at least 2 to 2.5 months of inventory.

Pankaj – Alice Capital: What about debtors?

Management: The debtor cycle will be around 90 to 100 days, or 80 to 100 days.

Pankaj – Alice Capital: Okay. My last question is whether we are considering migration to the main board, considering that we will become eligible for migration in the next couple of quarters.

Management: Yes, we have a plan to migrate to the main board.

Pankaj – Alice Capital: Are you planning this in line with the time when it becomes due?

Management: We have a plan. At the appropriate time, we will definitely move to the main board.

Pankaj – Alice Capital: Thank you, and all the best.

Management: Thank you very much.

Operator: Thank you. The next question is from the line of Sanjeev Mittal, an individual investor. Please go ahead.

Sanjeev Mittal: Good afternoon, sir. How are you?

Management: Very good. Good afternoon, sir. I am fine. Welcome.

Sanjeev Mittal: Your performance and numbers are really good, and you have a good order book. However, I have seen that two expenses have grown multifold. One is the employee cost. Compared with Q1 FY26, in Q1 FY27 it has become approximately four times. Other expenses have also grown from 1.11 crore to 3.17 crore. What is the main reason for such high growth in these expenses?

Management: This increase in employee benefits is because, compared with the first quarter of last year, which was June 2025, we had not deployed any people for the new plant. The new plant came into operation in January, around the middle of January. We started full-fledged commercial trial

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production and commercial production in February. We have now deployed more people for the new unit, so employee benefits will naturally be higher.

The plant is approximately 5–7 times bigger than the existing one. Earlier, in Unit 1, we had 60 to 80 people, whereas in the new plant we have deployed more than 250 people. Therefore, expenses and everything else will increase; only then can revenue be generated.

Sanjeev Mittal: What about other expenses?

Management: It is the same situation. All the expenses are increasing. The plant is 5–6 times bigger, or 6–7 times bigger, and we are aiming to nearly double the business this year. Therefore, expenses will also increase.

Sanjeev Mittal: I understand your point. With the new plant and its new capacities, will this enhance the margins of the business, or will margins remain the same?

Management: Since we are focusing more on power transformers, we believe we will get 1–2% higher margins. However, these higher margins will be absorbed by the overheads, including employee costs and other expenses. Therefore, we believe margins will sustain and remain the same.

Sanjeev Mittal: Understood. Thank you. All the best.

Management: Thank you for discussing this with me. Thank you. It was nice talking to you.

Operator: Thank you. The next question is from the line of Parash Chheda from Purple 1 Vertex Ventures LLP. Please go ahead.

Parash Chheda – Purple 1 Vertex Ventures LLP: Good afternoon, sir, and congratulations.

Management: Good afternoon.

Parash Chheda – Purple 1 Vertex Ventures LLP: You mentioned 250 to 300 crores for FY27. What would be our guidance for FY28? Do we still maintain a 10–12% PAT margin, or would that be somewhat higher as capacity ramp-up takes place?

Management: Once capacity ramps up, the PAT margin will also be maintained at the same level. There will be a minimum 30% year-on-year increase in revenue.

Parash Chheda – Purple 1 Vertex Ventures LLP: As peak revenue from both plants, what number would you estimate?

Management: It will be 600 to 650 crores.

Parash Chheda – Purple 1 Vertex Ventures LLP: Is that more likely to be achievable in FY29 or later?

Management: FY29. We believe we will reach it in FY29.

Parash Chheda – Purple 1 Vertex Ventures LLP: If I put the numbers forward for understanding, if you manage to achieve approximately 300 crores this year, then approximately 30% higher would

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be 400 crores for FY28. Then are we saying probably another 200 crores in FY29?

Management: Yes. Total revenue may come to 550 to 600 crores in FY29.

Parash Chheda – Purple 1 Vertex Ventures LLP: So, for FY29, we would then be executing approximately 550 to 600 crores, which would be incrementally about 150 to 200 crores more than what we would have executed in FY28.

Management: No.

Parash Chheda – Purple 1 Vertex Ventures LLP: We are saying 30%, which is 100 crores. I am asking whether 150 crores can be executed.

Management: Yes, there will definitely be a 30% increase.

Parash Chheda – Purple 1 Vertex Ventures LLP: Can we execute higher than that for FY28? I am trying to understand this because we are now ramping up and focusing more on execution. We have enough money, machines, space, technology, and orders. We are now focusing more on execution. We have to ramp up to achieve that revenue because the orders are already there.

Management: Can we increase the 30% to 40% or 50%? Even 50% would be only 150 crores, which would mean 450 crores for FY28. Is that possible?

Management: You can take 30% as the guideline. There will be a 30% year-on-year increase.

Parash Chheda – Purple 1 Vertex Ventures LLP: Understood. We currently have 590 crore of order book. Can we say that we will maintain a minimum order book of 500 crores going forward, given that we are also ramping up? At all times, even after execution, will we maintain approximately 500 crores of order book?

Management: Yes, it can be maintained.

Parash Chheda – Purple 1 Vertex Ventures LLP: We executed almost 200 crores in Q1.

Management: We believe it will definitely be maintained.

Parash Chheda – Purple 1 Vertex Ventures LLP: More than 500 crores?

Management: It will be maintained between 500 and 600 crores.

Parash Chheda – Purple 1 Vertex Ventures LLP: Understood. I have two more queries. Is there any breakthrough on the export side? Margins could be somewhat higher compared with domestic orders.

Management: Correct. As of now, direct exports are not significant, and the export figures are not material. Let us see over the next 4 years.

Parash Chheda – Purple 1 Vertex Ventures LLP: Do we believe that even if copper prices were to rise, the margins would be passed through? We would not be affected in general from a medium-term perspective. A quarter may be affected somewhat, but more or less the

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pass-through arrangement is there.

Management: Most of our orders have a price variation clause. Almost 80–85% of the orders we are holding are covered by a price variation clause. Therefore, any increase in prices will be passed on to the buyer.

Parash Chheda – Purple 1 Vertex Ventures LLP: In terms of working capital, as we move towards 400 crores and 600 crores of revenue, can we reach peak revenue without a further equity raise, or will we require equity before that?

Management: We have not yet decided that. However, we have approached the banks, and they have provided adequate limits.

Parash Chheda – Purple 1 Vertex Ventures LLP: So, through bank borrowings—

Parash Chheda – Purple 1 Vertex Ventures LLP: The capital limit is there, but will we require a further equity raise to support the 600 crore revenue ambition?

Management: We will have to decide that next year only. There is no requirement for equity dilution this year. As you know, equity dilution is the costliest source of funds compared with bank borrowings.

Parash Chheda – Purple 1 Vertex Ventures LLP: Will we require an equity raise next year? I am asking even if we want to—

Management: We may require it in FY27–28.

Parash Chheda – Purple 1 Vertex Ventures LLP: Understood. On the main board, as soon as our window opens, would we be willing to migrate to the main board?

Management: Yes.

Parash Chheda – Purple 1 Vertex Ventures LLP: Understood. I will come back in the queue. Thank you.

Management: We are also planning to migrate to the main board.

Parash Chheda – Purple 1 Vertex Ventures LLP: Understood. Thank you.

Operator: Thank you. The next question is from the line of Manish from IC08 Ventures. Please go ahead.

Manish – IC08 Ventures: Good afternoon, sir. Am I audible?

Management: Yes, sir, very much audible.

Manish – IC08 Ventures: Most of the questions have already been answered. I have a couple of questions, if permitted.

Management: Please go ahead.

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Manish – IC08 Ventures: In the last conference call, we mentioned that some tank manufacturing capacities were to be established. Is there any update on that?

Management: Yes. We bought the land a year ago, and we have now applied for the statutory approvals. We are waiting for the approvals. There are approximately 6–7 departments that have to approve the project. I think we will receive the approvals before the end of next month, after which we can start construction. I think this facility will be completed before March.

Manish – IC08 Ventures: What capex are we likely to incur for this? What is the total amount of capex?

Management: It is around {? 20–22 crores ?}.

Manish – IC08 Ventures: Will we be raising term loans from the banks for that?

Management: Yes, we will be raising term loans for that.

Manish – IC08 Ventures: Combining both plants, what would our capacity utilization be for the whole of FY27?

Management: Unit 1 was fully utilized. For Unit 2, utilization will be 25–30% in FY27.

Manish – IC08 Ventures: Have we seen any order inflows from the data center segment so far?

Management: We have started approaching data centers. They are looking for larger transformers, whereas we need to provide a valid design validation certificate and a type test certificate. We have now received two {? 165 MVA ?} transformers from KPTCL. Based on that, those requirements can be fulfilled.

Manish – IC08 Ventures: We are ramping up the process. It is good that we have secured an order.

Management: Generally, we do not take secured orders without a price variation clause because there can be a large difference due to the size of the transformer, copper, and other factors.

Manish – IC08 Ventures: I also wanted to check about cast resin-type transformers. Even if it takes some time to enter the data center business, there are only two players acceptable in the data center industry. One might be SGB Transformers, and the second might be Voltamp or ABB. Do you have any plans in this area? It could be an easy breakthrough because you do not need a typical short-circuit test to obtain these approvals, which takes a lot of time. Sometimes, in Maharashtra or Bangalore, it takes 2–3 years to obtain those approvals. However, cast resin-type transformers, which are widely used in data centers, have no competition. Are you planning to enter this area because it could be an easy breakthrough for you to enter this type of transformer market?

Management: Yes. Now is the time to break the barrier. We are trying to enter the data center segment. As of now, we have submitted quotations, but we have not received or secured any order from data centers.

Manish – IC08 Ventures: Power transformer companies such as Siemens, Bharat Bijlee, and Transformer and Rectifiers have lead times of more than 2 years for 300 MVA and 500 MVA

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transformers. If you can complete the short-circuit test and enter at least the Maharashtra market, where the data center industry is at its peak, and Hyderabad, there is more than 2 GW of data center requirement in Maharashtra and Hyderabad. Hyderabad has more than 1 GW, and Mumbai in Maharashtra has more than 2 GW of data center requirement underway.

If you try to obtain short-circuit test approvals up to 300 MVA, or at least 325 MVA rather than 500 MVA, and obtain approvals up to 300 MVA in these 2 states, then 90% of the data center business is secured for you. Rather than focusing on the South, Bangalore, Pune, and other regions, my only feedback is that you should focus on Hyderabad and Mumbai, which account for 90% of the data center business entering this industry.

Management: That suggestion is absolutely correct and well taken. Actually, our plant capacity at present is to manufacture up to 200 MVA and up to the 220 kV voltage class. To manufacture 300 MVA and 500 MVA transformers, we would need to enhance and expand our facility. As of now, our product range will be below 200 MVA. We do not have the manufacturing facility to manufacture up to 300 MVA. We can go up to 200 MVA.

Manish – IC08 Ventures: Understood. My only feedback is that you should not try to start with hyperscalers such as Amazon, Google, and Microsoft. Entering the data center business will be more difficult through them. Under them, there are colocation providers such as NTT, STT, CtrlS, Nextra, and Airtel, which provide services on a rental basis to these companies. Obtaining approvals from these companies is easier because they require India-specific approvals.

If you go to hyperscalers such as Microsoft and Amazon, it will be very difficult to obtain those approvals. They also build data centers and substations for hyperscalers, including 220 kV and 400 kV substations, where transformers typically have higher ratings of up to 300 MVA and 500 MVA. However, the lower rating at which you have capability is the 165 MVA transformer, for which you already have a facility in place. This could also be a single project worth 50 crore for you.

Therefore, it is easier for you to enter this industry where you have a good presence in Chennai. You could approach CtrlS and try to obtain these types of data center requirements. The mandatory requirement for this is that you should have local government approval for the short-circuit test. You need to put those approvals in place. Rather than approaching a large hyperscaler, it would be better to approach colocation providers because approvals are easier for them. You might obtain them within 1 month's time, which you would not obtain from large companies such as Amazon and Microsoft.

Management: Absolutely. The first thing is that we need to conduct the type test on the 165 MVA transformer so that we can secure orders for 50 MVA, 100 MVA, and 160 MVA transformers. Transformers above 100 MVA are mostly used in data centers. If we complete this 165 MVA type test, we can cater to data centers, at least from 100 MVA. We can manufacture transformers from 100 MVA to 160 MVA and up to 200 MVA. Once we obtain the type test, we will automatically be at par with other suppliers.

Manish – IC08 Ventures: Correct. For Mumbai, the approval would be from MSETCL, and for Hyderabad, it would be from TSTRANSCO. Focusing on these 2 approvals rather than Bangalore and other regions would be more helpful for you to grow the business faster.

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Management: Yes. We have already entered Telangana as well as Andhra Pradesh. We are in that position.

Manish – IC08 Ventures: That is good for your business. I am heavily invested in your company, and I have very good trust in the way you are growing. As a country, we are expanding into this particular category, and there is no competition because everybody is fully booked. Companies such as Siemens are running with more than 2 years of order book backlog and a P/E of more than 120.

It is a good opportunity for an Indian company with a very focused approach on power transformers to grow. My only request is that you focus on power transformers because all these orders are 100% protected by LME, and the longer lead time is the issue that the market is currently facing. If you focus on this and obtain your approvals on time, you will be able to secure and grow your business faster than anyone else because there is no competition in terms of lead time in this industry. Focus on power transformers rather than smaller-rating transformers. Thank you very much.

Management: Correct. As you said, we are focusing more on power transformers. That is why we secured more than 75% of our order book in power transformers. We are also planning to manufacture higher-MVA and higher-kV transformers. As you suggested, we are looking into that. Thank you.

Manish – IC08 Ventures: Thank you, sir. Best of luck.

Management: Thank you.

Operator: Thank you. The next question is from the line of Garvit Goyal from Niveshaay Alpha. Please go ahead.

Garvit Goyal – Niveshaay Alpha: Hello, am I audible?

Management: Yes, very much audible. Welcome.

Garvit Goyal – Niveshaay Alpha: Thank you for taking the follow-up. Can you let us know how Q2 is currently progressing in terms of execution and margins? What kind of top line can we expect?

Management: For FY27, we can expect a top line between {? 250 to 300 crores ?}. The PAT margin will be around {? 9% to 12% ?}.

Garvit Goyal – Niveshaay Alpha: I am asking about Q2, the ongoing quarter. I do not need the number; I am just trying to understand how execution is progressing.

Management: It is going well. It will definitely be higher than Q1. The new facility is now ramping up, so the Q2 result will definitely be higher than the Q1 result.

Garvit Goyal – Niveshaay Alpha: Understood. Thank you.

Management: Okay.

Operator: Thank you. The next question is from the line of Jitesh K from Tata. Please go ahead.

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Jitesh K – Tata: I think you have already answered almost all the questions. However, I have one question regarding the new capacity in Kannur. I feel the scaling of operations is somewhat slow. Apart from the workforce, are you facing any other challenges? I have seen other transformer manufacturers scale up to 20% utilization in the first quarter and then go to 30% in the next quarter. Within 1 year, they reach 50–60% utilization. I feel there is some drag here. Are you facing any other challenges in terms of capacity utilization for the second plant?

Management: Actually, the challenge is the workforce and training. We are continuously training the people who work on the shop floor. Rather than hiring skilled or experienced workers from other companies, we have hired experienced people up to the manager and supervisor levels. We deployed approximately 20–25% skilled workers from Unit 1 at the new facility. We took the balance from the market as freshers. We have already provided training for the past 3–4 months, and the facility is ramping up. As we said, Q2 will definitely be higher than Q1. As of now, utilization is a little lower, but it will definitely improve in Q2.

Jitesh K – Tata: Are we currently eligible for main board migration, or will it take some more time?

Management: Regarding the main board, I think the window will open after December.

Jitesh K – Tata: Are we going next year, or will it be delayed?

Management: Yes, definitely next year.

Jitesh K – Tata: In that case, the paperwork must have already started, right?

Management: Yes, we have already started. For that reason, we have been continuously providing results quarter-on-quarter. It is not mandatory for an SME to provide quarterly results, but we want to develop a culture of providing quarterly results. When we move to the main board, we will also need to comply with all the requirements. We are working on that.

Jitesh K – Tata: So we are expecting to be on the main board by Q4 this year.

Management: Let us see.

Jitesh K – Tata: Thank you.

Operator: Thank you. The next follow-up question is from the line of Paras Chheda from Purple 1 Vortex Enterprise LLP. Please go ahead.

Paras Chheda – Purple 1 Vortex Enterprise LLP: Thank you. I wanted your perspective on the demand environment over the next 2–3 years.

Management: Demand is very high. As of now, our order book is 590 crores, or approximately 600 crores. We are going to execute approximately 300 to 350 crores this year, and we are already booked for next year.

Paras Chheda – Purple 1 Vortex Enterprise LLP: The demand is very good. The only thing is that we need to execute the orders.

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Management: We are now focusing on power transformers, especially larger power transformers. We believe margins there will be 1-2% higher. However, that increase will be absorbed by the overheads we are deploying now. We have deployed approximately 200 to 250-300 people. Therefore, there is a balance. That is why we are not able to increase margins above 9-12%.

Paras Chheda – Purple 1 Vortex Enterprise LLP: I thought you were planning for a 10-12% margin.

Management: Yes, correct.

Paras Chheda – Purple 1 Vortex Enterprise LLP: Do we maintain the 10-12% range, or is that range—

Management: It will be 10-12%. It may be 1% higher or lower, sir. We are planning to have higher margins. Let us hope for a better outcome.

Paras Chheda – Purple 1 Vortex Enterprise LLP: If we are positive on the medium-term demand environment and potentially plan new capacity expansion, what kind of capacity could we add? Is land available for that, and what kind of capex could be possible? I am not saying the plans are finalized as of now; I am asking tentatively about the possible capacity addition, capex, and land availability.

Management: The land at the Kannur facility is fully utilized. The 6 acres have been fully built up. Further expansion at that location is not possible, so we have to look for separate land. We are also considering buying land for our next capex. We are currently considering that.

Paras Chheda – Purple 1 Vortex Enterprise LLP: Our capacity is now 9,000 MVA. What kind of capacity addition could we tentatively consider?

Management: We have thought about increasing our capability to manufacture 300 MVA and 500 MVA transformers. We currently have the capability to manufacture 200 MVA and 220 kV transformers. We can increase that capability to 300 MVA, 400 MVA, and 500 MVA.

Paras Chheda – Purple 1 Vortex Enterprise LLP: I understand the category of transformers. What would the overall capacity addition be? Would it be approximately 3,000 MVA?

Management: We have not purchased any land, and we do not have a finalized plan. Once it is finalized, we will discuss it.

Paras Chheda – Purple 1 Vortex Enterprise LLP: Regarding the backward integration that you had planned to support and enhance margins, how is that working out?

Management: It is working well. We manufacture transformers below 500 kVA there. {? Sunil Electric Company ?} is providing backward integration support for distribution transformers.

Paras Chheda – Purple 1 Vortex Enterprise LLP: In general, do we have any visibility regarding an international order breakthrough? When can we enter the market?

Management: We have been trying to enter the international market directly for the last 1.5 years. Let us see when something positive happens. I will definitely inform you.

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Paras Chheda – Purple 1 Vortex Enterprise LLP: Thank you very much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Achut from Rockstar Equity Research. Please go ahead.

Achut – Rockstar Equity Research: In the previous call, you had guided to 60% growth in FY24–25, which should have come to approximately 275 crores. The minimum you had guided was 270 to 280 crores. Why has the doubt arisen now, and why are you guiding for 250 to 300 crores? What is the possibility that we could end up at 350 to 380 crores? The order book is very good, and you also have the capacity now. What would you need to do to achieve 350 crores instead of 280 crores?

Management: If I commit to a lower figure and we achieve something better, the investor will naturally be safeguarded. That is the first point. Giving a large figure and then not achieving it could affect the investor, so we should not do that. We have very good visibility to achieve revenue between 250 and 300 crores. It may cross 300 crores as well.

Achut – Rockstar Equity Research: What is the possibility of achieving 350 to 380 crores if you are giving 250 crores very conservatively?

Management: This year, I had committed to 200 to 225 crores. Sorry, I committed to 200 crores. Initially, I committed to 225 crores, and later, after Q2 and H1, I started committing to 200 crores. However, I ended at only 190 crores. I do not want to give a figure that could cause investors to have an incorrect understanding of the numbers.

Achut – Rockstar Equity Research: What is the expectation for the order book by the end of this year?

Management: As I said, even after execution, the order book will be maintained between 500 and 600 crores.

Achut – Rockstar Equity Research: What is the expectation for FY28? Do you have any number in mind regarding how much you want to achieve?

Management: There will be a 30% year-on-year increase. If we complete 300 crores this year, next year it will be around 400 crores. The increase will be 20–30%.

Achut – Rockstar Equity Research: Thank you very much.

Operator: Thank you. There are no further questions from the participants. I now hand the conference over to Mr. Padmanabha for closing comments. Over to you, sir.

Mr. Padmanabha: Thank you, everyone, for joining the conference call of Supreme Power Equipment Ltd. If you have any further queries, you can write to us at research@kiranadvisors.com. Once again, thank you, everyone, for joining the conference. Thank you very much.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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