

20<sup>th</sup> May 2026

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

To,  
BSE Limited  
Phiroze Jeejeebhoy  
Towers, Dalal Street,  
Fort, Mumbai – 400001

**NSE Symbol: QPOWER**

**BSE Scrip Code: 544367**

**ISIN: INE0SII01026**

Dear Sir/Madam,

**Sub.: Submission of the Transcript of Q4 FY26 Earnings Conference Call held on 14<sup>th</sup> May 2026.**

Pursuant to Regulation 30 and 46(2)(oa) read with Schedule III Part A Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of Q4 FY26 Earnings Conference Call that was organized with the Analysts/Investors on Thursday, May 14, 2026 at 12.00 P.M. (IST) on Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2026.

The aforementioned transcript of the 'Q4 FY26 Earnings Conference Call' is also uploaded on the Company's website i.e. [www.qualitypower.com](http://www.qualitypower.com).

We request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours faithfully,

**For Quality Power Electrical Equipments Limited**

**Deepak Ramchandra Suryavanshi**  
**Company Secretary & Compliance Officer**  
**ICSI Membership No.: A27641**  
**Place: Sangli**



“Quality Power Electrical Equipments Limited  
Q4 FY26 Earnings Conference Call”

May 14, 2026



**Asit C. Mehta**  
INVESTMENT INTERMEDIATES LTD.  
A Pantomath Group Company



**MANAGEMENT:** **MR. BHARANIDHARAN PANDYAN – JOINT MANAGING DIRECTOR**  
**MR. SANJOG MHATRE – CHIEF EXECUTIVE OFFICER**  
**MR. RAJESH JAYARAMAN – CHIEF FINANCIAL OFFICER**  
**MRS. SARIKA JADHAV – SENIOR VICE PRESIDENT, FINANCE**

**MODERATOR:** **MR. SIDDARTH BHAMRE – ASIT C. MEHTA INVESTMENT INTERMEDIATES**

**Moderator:** Ladies and gentlemen, good day and welcome to the Quality Power Electrical Equipments Limited Q4 FY26 Earnings Conference Call hosted by Asit C. Mehta Investment Intermediates. 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 Siddarth Bhamre from Asit C. Mehta Investment Intermediates. Thank you and over to you, sir.

**Siddarth Bhamre:** Thank you. Good afternoon, everyone. I once again thank all of you to join this conference call of Quality Power Electrical Equipments and we are discussing Q4 FY26 and FY26 numbers. We, Asit C. Mehta Investment Intermediates Limited, we are a Pantomath Group of company and we would like to congratulate the entire team of Quality Power in achieving 1,000 plus crores of total income in FY26.

Also, we would request management to emphasize on this rise in other expenses due to accounting entry as per AS 29, which factored in impact of hyperinflation on the balance sheet of its Turkish subsidiary. So today on call, we have with us Mr. Bharanidharan Pandyan, who is Joint Managing Director, Mr. Sanjog Mhatre, CEO, Mr. Rajesh Jayaraman, CFO and Mrs. Sarika Jadhav, Senior Vice President, Finance. Over to you, Bharanidharan.

**Bharanidharan Pandyan:** Siddarth. Good afternoon, everybody and thank you for joining our earnings call. On behalf of the management team, I would like to thank our shareholders, customers, employees and partners for their continued trust and support. On a personal note today, on the 12th of May we lost Dr. Radhakrishnan Pillai my Professor of Strategy at SPJIMR. He taught us that competition is a science through both Arthashastra and Art of War. Two ideas from his classroom have stayed with me and they have shaped how we have built Quality Power as a small technology company competing against far larger global names.

From the Arthashastra, Chanakya's council that a smaller state does not engage the larger one where it is the strongest. It builds its capability patiently, chooses its ground and competes only when its preparation gives it an edge. From Sun Tzu, the principle that a better general wins the battle before it is fought by choosing the terrain and the timing, rather than fighting harder on somebody else's ground.

Much of what we have done at Quality Power have been guided by these two ideas. My gratitude to him and my condolences to his family. On the opportunity ahead, the global energy transition, HVDC, FACTS investments, renewable integration, grid modernization and power quality requirements continue to create long-term opportunities for our sector.

We see healthy engagement across utilities, renewables, industry applications and data center infrastructure across multiple operating markets. To begin the call, I would like to have a few housekeeping remarks. First, on the enabling resolution for fundraising placed before shareholders. This is a long-term growth capital enabler available to the company as and when required.

It could support future expansion opportunities, including North America related growth initiatives or acquisitions, subject to a business plan and market comfort at an appropriate time. The funds will be called as and when required and not necessarily immediately.

Second, on the alignment. In light of the proposed fundraising, the promoters in the management have collectively decided to forgo any incremental salary for the second consecutive year and to forgo our share of dividend again this year. The intent is to preserve cash, strengthen the balance sheet and keep any future dilution as minimal as possible.

I would request that this not be read as a permanent posture or a forward-looking commitment beyond this context. It is a decision tied to the present fundraise. Third, a word on how we communicate on these calls. Our responsibility is not only to talk about the achievements, but equally to be open about risks, execution challenges and areas of caution that are often under-discussed in the normal course of business.

And finally on Siddarth question INR 25.7 crores hyperinflationary adjustment in Turkish subsidiary under IndAS 29. This, in all honesty, is the Duckworth-Lewis of our financial year. We executed the plan, we hit the numbers we said we would hit, the cash came in, the orders shipped, the bank account looked exactly as we had planned and then a formula in the audit room kindly explained that on paper the scoreboard read INR 25.7 crores lighter.

The good news is that this is a non-cash adjustment. The operating performance of the business and the cash it has generated are unaffected. As engineers, we would have scored the match differently. As a listed company, we report what the standard requires us to report and we have disclosed it accordingly.

On our results briefly, we have crossed for the first time INR 1,000 crores in total revenue with an EBITDA of INR 236 crores, in spite of the write-off adjustment that we had just spoken about. Q4 was our highest ever quarter at about INR 310 crores in total revenue. At the start of the year, we had guided to a revenue band of roughly INR 800 crores with EBITDA in margins between early teens and to 20%.

We have closed the year above that range on revenue and at approximately 23.8% margins. This has been possible in difficult supply chain conditions and I want to thank my colleagues, our partners and our customers for helping us deliver better than the guidance we had set for ourselves.

On Q4 profitability, the quarter includes one-time provisions related to the new Labor Codes across our Indian operations and subsidiaries. Within the subsidiary, Mehru has delivered around 20% EBITDA margins this quarter, a meaningful contribution and a sign of how well the integration is settling in.

A note on comparability. This is the first quarter of Endoks in our consolidated numbers for our last quarter. For a cleaner read, please look at Endoks on a YoY basis rather than a QoQ basis, since Endoks follows a January-December financial year and while in its final quarter when last quarter was reported, the bases are not directly comparable. We enter FY27 with an order book of over INR 1,400 crores, about 1.4x last year's revenue.

How we think about our growth and margin across our portfolio. We do not run Quality Power as a collection of independent businesses each chasing its own number. We run it as a team with a strategy. In any given year, the raw material environment in one product line or the customer mix in another will mean that one business needs support on growth while the other needs support on margin.

Because our businesses do not necessarily share the same customers and raw materials, we can lean on one another in strategies. One carries the margin in a year while the other carries the growth and the next year it can flip. This year, given the raw material environment in our high voltage product business, we chose to chase growth in our power electronics business, accepting some margin sacrifice to do so.

The window to build scale and customer references in power electronics is now. As we scale, margins will follow and as the group pursues its ambition in energy storage, component prices should continue to ease with increased volume of orders. That easing also makes our future entry into the Indian storage market more viable as electronic component costs come closer to Chinese prices at volume.

Meanwhile, the high voltage product portfolio holds the margin line for the group. That is a team at work. Beyond the numbers, we have been broadening this company beyond a traditional high voltage equipment manufacturer. The PCS or power conversion system for grid-scale energy storage is an example.

It has been developed in-house by our own R&D and engineering team, the result of investments over several years in power electronics design, testing capability and engineering depth. We are setting up a dedicated PCS factory for BESS application to commercialize it at scale. Our 1,725 KW PCS inverter design is also underway and we expect to bring it to the market over the next few quarters.

GIS is another example of the same pattern. A category we have invested in patiently and one we expect will over time deliver the same kind of compounding contribution that our earlier R&D-led products have delivered. At Mehru, the development of 765 kV product category is the clearest signal that technology improvement is a way of life at Quality Power.

It is how we operate. Whether it is a 765 kV step at Mehru, the in-house PCS or our GIS build-out, what you are seeing is the same underlying habit: investing in capability ahead of demand, trusting our own R&D, and moving the technology bar one step at a time. While all this is happening, we continue to scale businesses, our capacities across product lines and geographies. These are not separate projects.

They are one effort, building a technology moat and a scale moat together. Technology earns us the right to participate in the most demanding tenders. Scale earns us the right to win them. Both remain our primary advantage in the market and we intend to keep investing in both. As the company grows in size and complexity, we are deepening our engagement with the academia and bringing in regular training from renowned external trainers and institutions.

The objective is to build the next layer of managers and engineers within Quality Power who can take this organization forward into a larger, more global and more technology-intensive future. On the external environment, geopolitical conditions across several corridors continue to make an already congested supply chain more difficult. These are industry-wide realities, and we are managing them through vertical integration, as I described earlier.

As a closing remark, we remain focused on disciplined execution, technology leadership and long-term value creation. There is much that remains to be built and we are clear-eyed about it. With that, I hand over the call to Mr. Sanjog Mhatre our CEO, for the business overview, following which we shall be happy to take your questions. Thank you. Jai Hind.

**Sanjog Mhatre:**

Thank you, Mr. Pandyan. Good noon to everyone joining us today and thank you for participating in our earnings call. The past quarter has been yet another important milestone in our growth journey. Despite a dynamic global business environment, we continued to demonstrate strong execution capabilities, operational discipline and growing customer confidence across international markets.

Over the last few years, Quality Power has evolved from a fast-growing engineering company into a more integrated, process-driven and globally competitive organization. One of the strongest indicators of the growth momentum is our historic order book position. Today, Quality Power has an order book exceeding INR 520 crores, while the overall group order book stands tall above INR 1,400 crores.

Our subsidiaries continue to perform strongly as well, with Mehru carrying an order book of approximately INR 430 crores and Endoks at nearly INR 450 crores. Importantly, during the last quarter alone, we have added over INR 600 crores of fresh orders, reflecting increasing customer confidence and strong market demand.

Our business pipeline remains highly encouraging as we currently pursue opportunities exceeding INR 1,100 crores for QP alone, including strong opportunities in FACTS systems, renewables and data center infrastructure. Demand visibility continues to remain robust across the Middle East, Europe, the United States and Australia, particularly in grid modernization, renewable integration, STATCOM applications and power quality solutions.

To support future growth, we continue investing in manufacturing infrastructure and technology capabilities. Our new factory is expected to commence operations around July-August 2026, alongside the commissioning of a new high-voltage test laboratory, which will significantly enhance our testing and execution capabilities too.

At Mehru, additional oven capacity is being added post-September 2026, along with the development of GIS manufacturing and testing infrastructure. The GIS product line is progressing well, with the first prototypes expected around July-August 2026. Endoks is also setting up a new BESS manufacturing facility based on in-house developed technology, underscoring our focus on innovation-led growth. Thus, we expect to launch the 1,725 KW PCS inverter within the next two quarters at Endoks, as Mr. Bharanidharan Pandyan just mentioned.

Operationally, we continue to strengthen the organization through recruitment of skilled manpower across engineering, manufacturing, projects, and leadership functions. Recently, we conducted a vision meet at Panhala Fort, involving nearly 95 senior and middle management members from across the Quality Power Group. This strategic exercise aligned all group companies around a common long-term vision, mission, and growth roadmap.

We believe one of the most encouraging developments today is that sustained growth, operational discipline, and cross-functional collaboration are increasingly becoming part of our organizational culture across all levels. At the same time, the global environment continues to remain dynamic. Geopolitical tensions, logistics disruptions, commodity volatility, and supply chain constraints continue to impact industries globally.

We are currently facing certain execution challenges related to insulators and winding conductors. However, mitigation initiatives are already underway, including our own cable manufacturing initiatives that will improve supply reliability going forward. Importantly, as the global shifts are accelerating the movement towards diversified and resilient sourcing strategies, positioning India as a preferred global manufacturing and engineering destination, we believe Quality Power is well-positioned to benefit from these structural opportunities.

Going forward, our priorities remain clear: expanding our global market presence, strengthening manufacturing and execution capabilities and supply chain resilience, investing in technology and digital systems, building scalable leadership and organizational depth, maintaining disciplined and sustainable growth.

To conclude, therefore, we are entering the next phase with stronger teams, improving infrastructure, historically a record order book, growing global visibility, and a long-term commitment towards building a globally competitive, strong organization. Thank you once again for your continued trust and support.

I now hand over the call to our CFO, Mr. Rajesh Jayaraman, who will walk you through the financial highlights for the quarter.

**Rajesh Jayaraman:**

Thank you, Bharani. Thank you, Sanjog. Good afternoon, everyone. It is a privilege to walk you through the financial highlights of what has happened, is an defining year for Quality Power. FY26 has closed comfortably ahead of every guidance milestone we set for ourselves at the start of the year.

We had originally guided the market to approximately INR 800 crores of consolidated revenue, which we subsequently revised upward to INR 900 crores with an EBITDA margin aspiration of around 22%. I am pleased to confirm that we have closed the year at a consolidated revenue of INR 1,007 crores, a growth of nearly 157% YoY, with a full-year EBITDA margin of 23.5%, comfortably above the revised guidance.

This is the first time in our history that we have crossed the INR 1,000 crores revenue mark, and we have done so while simultaneously expanding profitability. Full-year EBITDA stands at INR 236 crores, up by 98%. Profit before tax at INR 216 crores, up by 93%, and PAT at INR 185

crores, up by 85% YoY. Standalone performance was equally robust, with revenue of INR 227 crores and PAT of INR 55 crores.

A particular highlight has been the successful operational integration of Mehru Electrical and Mechanical Engineers, where margins have expanded to approximately 20% in Q4 and 15% within just one year of acquisition, supported by revenue stream expansion and deeper market penetration.

On the key business ratios, the trajectory is clearly improving across the board. Gross margin for FY26 stands at 43.7%, expanding to 47.7% in Q4, reflecting a richer product mix and a higher share of engineering content revenue. FY26 PBT margin has held firm at 21.5% and PAT margin at 18.4%. Return on equity has expanded materially. Finance costs remain contained at under 0.7% of revenue, and we continue to operate as an essentially debt-light enterprise with healthy interest coverage.

Earnings per share for the FY26 stands at INR 15.67 versus INR 9.10 in FY25. The order book exiting the year is in excess of INR 1,400 crores, approximately 1.4 times FY26 revenue, giving us strong forward visibility into FY27 and beyond. Now, allow me to address one important technical matter that materially affects the optics of our Q4 numbers. This is a nuanced accounting subject, and I would request your patient attention here so that there is absolutely no ambiguity. You will note that Q4 consolidated EBITDA margin appears at 19.1% against 27.9% in Q3, and Q4 PBT margin at 17.3% versus 26.1% in Q3.

This does not reflect any deterioration in underlying business performance, any cash cost, any operating shortfall, or any erosion of margins at the subsidiary level. Our Turkish step-down subsidiary, Endoks Energy, operates in an economy classified as hyperinflationary under Ind AS 29, which is financial reporting in hyperinflationary economies.

Under this standard, all non-monetary items on the subsidiary's balance sheet, such as property, plant and equipment, inventories, and equity, must be restated using a general price index to reflect the current measuring unit at the reporting date. Monetary items, such as cash, receivables, and payables, are not restated.

But because they lose purchasing power in a hyperinflationary environment, the net monetary position naturally erodes in real terms during inflationary periods. And this purchasing power loss is recognized through the profit and loss account, in our case classified under other expense.

For Q4 FY26 specifically, this restatement has resulted in a net monetary loss of approximately INR 25.7 crores. I would like analysts to clearly note four points. First, this is a purely accounting-driven, non-monetary, non-cash adjustment mandated by Ind AS 29. It does not flow into operating cash flow working capital, or any element of business performance. Second, the treatment is symmetric across quarters.

In earlier quarters of this year, similar conditions produced net monetary gains that were recognized under the same head. So QoQ optics will continue to fluctuate purely on index movements, not on business reality. Third, Endok's underlying operating margins continue to

remain north of 25%, and the business is delivering strongly on commercial milestones, including the new PCS facility at Nigde.

Fourth, and most importantly, normalized for this Ind AS 29 charge, our consolidated PAT for FY26 would have crossed INR 210 crores. I would strongly encourage analysts to model Endoks on an Ind AS 29 normalized basis when projecting forward, treating these monetary loss or gain entries as below-the-line non-operating items. Q4 figures additionally absorb one-time provisions related to the new Indian Labour Codes across our operations.

Beyond the headline numbers, the balance sheet continues to strengthen meaningfully. Consolidated total assets stand at INR 1,112 crores against INR 814 crores a year ago, and total equity has expanded to INR 774 crores. Cash and bank balances stand at INR 248 crores, and capital work-in-progress has scaled to INR 73 crores, reflecting active deployment across the Sangli global coil manufacturing facility, the HVDC, PCS, CTC, magnet wire facility on track for Q3 FY27 commissioning. Mehru's INR 17.2 crores capex program for GIS and high-voltage testing equipment, and the new Endoks PCS facility at Nigde targeted for December 2026.

On capital allocation, the board has recommended a final dividend of INR 1 per share, with promoters voluntarily waiving their entitlement to conserve cash ahead of growth investments. The board has also approved an enabling authorization to raise up to USD 75 million across permissible modes, strategic dry powder for international expansion, acquisitions, and technology investments. We exit FY26 stronger, deeper, and better positioned than ever before.

Thank you. Now I request the moderator to take on, and we are ready for question and answer.

**Moderator:** Thank you very much, sir. First question is from the line of Archit Shah from 360 One Capital. Please go ahead.

**Archit Shah:** Thank you for the opportunity, sir. This is Kunal. Just wanted to quickly, you know, understand about the BESS and the data center opportunity. We already got one large order on the BESS side. So how large this opportunity could be both on the BESS and the data center side over the next few years? And what are the key products, you know, that will go into this from our side?

**Bharanidharan Pandyan:** Good morning, Kunal. This is Bharani here. Talking about BESS, we have been consistently investing on this product line. The current order book at this moment stands at about US\$31 million. And we are expecting that we close another 30 to 50 million US dollars by the end of the year. Which means at about US\$80 million, we will be the largest PCS manufacturing company in our country, where the scale also helps us to increase significantly.

The reason why we have put the PCS factory in Turkey is because we have a better price realization in Turkey compared to India. To compete in India, we need to have cheaper prices, and that can only happen when we get semiconductors at a discount. So, we believe this year we should be targeting anywhere between US\$60 and US\$80 million in order, and it's a billion-dollar opportunity really to be realistic.

With regards to data center, we started with Microsoft in Finland last year. I think this time we have again got one of the big threes in the pocket in the US. It was I think a INR 49 crores order

that we bagged a couple of weeks back. I was in the US last week. I believe we should get a couple of projects or more in the next few quarters. There is a demand for eco-reactor for every large data center tie-up that is coming up in that part of the world.

It's a part of spec where the current problem we are having is, we are already booked out on deliveries. Most of these data centers come at a 6-7 months kind of a timeline. We are already booked out on HVDC and other projects, as my colleague Mr. Sanjog said.

We are almost north of INR 500 crores on the current order book. It's only when we take into the new facility we will be able to take more orders. But I believe the market size for just data center integration for reactors in the US market is about INR 1,500 crores per year.

**Archit Shah:** My next question sir, is on the Sangli plant. So now the commissioning we are targeting is around July, right?

**Bharanidharan Pandyan :** July end, August is what we are guiding in. The people have written back, the guys who had shortage of gas and operating problems during the start of the conflict. But I think we are at full swing. We are anticipating trial productions to start at that time. Yes.

**Archit Shah:** And sir thirdly, I don't know, maybe the line was bad. I'm not sure if you mentioned about the guidance for the year. If not, can you talk about the guidance for the year on top line and margins?

**Bharanidharan Pandyan :** The guidance would be, as of now, we have given the market an S-curve where this year we stabilize, where we have a lot of people that we will be taking across organizations, because a lot of factories are coming in. The guidance is around 15% and 20%. With regards to our traditional product line, I think we are happy with the margins where we are. Maybe a couple of points here and there because of the conflict and the related price increases.

With regards to BESS, I need to make it clear, whatever is the battery pass-through at this moment is about 2% or 3%. On the converter side, it's about 10% or 12%. As we scale up, we anticipate the 10% or 12% to be at about 17%-18% for the inverter. The batteries are being passed through the balance sheet because we are building the containers where the battery and the PCS go all together. As I said, this is a volume game.

The more that we are able to bring in the semiconductors, I think we will get cheaper. So, it's an investment mode at this moment. Otherwise, I think we should be happy at about 15%-20% more than what earnings what we are right now.

**Moderator:** Next question is from the line of Nemish Sundar from Elara Capital.

**Nemish Sundar:** Sir, just expanding a bit on the BESS. So you highlighted the opportunity pipeline. So just wanted to understand who will be our competitors here? Like, will we be competing with certain local players or would be competing with certain MNCs like ABB, Siemens, and Hitachi who are also supplying there? Or what would be the competitive landscape of BESS in the domestic and global?

**Bharanidharan Pandyan:** Good morning, Nimesh. The BESS is dominated by Chinese in most parts of the world. But fortunately, you have software and service support that helps you in Europe, which keeps the Chinese away. Also in the US and Australia, where they are not much preferred. In India, currently, only the EMS needs to be domesticated with a domestic supply. The power electronics, they still do not have a large manufacturing base and is currently being imported.

But with regards to, competition, I would say Chinese would be the largest competition. GE is a large player, but it is at a very high level on the pricing front. Our focus at this moment, is to bring in that US\$70 to US\$80 million of order this year and then grow into a billion dollar opportunity in the next few years. The competition will always be Chinese is where we are seeing as an Asian company. We are not competing GE in this product line yet because we are upstarts in the market.

**Nemish Sundar:** Okay, sir. On the data centers, we already got an order and you said we received another order. So on the current facility and the new facility, would we be in a position to cater to multiple data center orders as we scale up forward in India and globally?

**Bharanidharan Pandyan:** So, Nimesh, you have visited the facility. You know the kind of scale that we are building in. The story is not only our capability, it is also the raw material supply chain. We have always been blaming the insulator guys. So it is over a period of time that we will build in the capacity that is required to deliver. As I said, it is just not data center. We are delivering HVDC in Australia, HVDC in India. There is already one that we are likely to close by this year.

There is Barmer, which has also gone for a tender, which again we should come this year. All these are multi-million dollar orders. We are also exporting quite a bit to Europe, Middle East, Australia, Southeast Asia. So we are quite busy. So we cannot deliver to only one market and one product. We are just trying to ensure that we have flavor of everything. As and when our supply chain eases up, we will be able to take market shares.

**Moderator:** Next question is from the line of Lovish Soien from Burman Capital Management.

**Lovish Soien:** Yes, sir. I wanted to understand the TAM potential of reactors and transformers that we supply from our standalone business and Mehru business. So in India, for a typical project, HVDC project like our Bhadla-Fatehgarh corridor, which is a 6 GW project, I wanted to understand what is the total value of reactors and instrument transformers that will be used in that project? And also, what is the timeline for the supply of these components for that project?

**Bharanidharan Pandyan:** So to give you an idea, a classic 6 GW HVDC, which is, LCC technology, would entail anywhere between INR 200 to INR 300 crores of reactors alone. Another INR 50 to INR 70 crores of instrument transformers. At the moment, we are adding more products into the kitty. LCC is not a 6 GW link yet. It is normally a 2 GW link. It's much smaller in technology because they are basically trying to connect renewables.

And it's an IGBT converter at 6 GW level. It is still not operational yet. So we believe that would be about INR 70 to INR 100 crores approximately at this moment at the coil business side. With regards to transformers, I'm not sure, because standalone business, we also make transformers.

We have had opportunities in this quarter where we were bidding US\$80 to US\$100 million of transformers alone in the US market.

Unfortunately, we lost a lot. And I think we also as a strategy are unsure whether we have to scale up our transformer business because we do not know the sustainability of transformers with the kind of capacity that is being built across the world. So we are also looking at a lot of exposure of transformers.

We are currently engaged in multiple bids for transformers for data centers as we speak. But this is not something of a priority and at a lower margin than what we are operating, we are not intending to book the orders. With instrument transformers for the, yes.

**Lovish Soien:** Yes, sir, just to summarize the overall opportunity, let's say in a regular HVDC corridor currently would be somewhere around INR 350 to INR 400 crores for us, right?

**Bharanidharan Pandyan:** Assuming that we take the entire lot. But unfortunately, the current supply chain does not allow us to take the entire lot. Because once we book the supply chain and the factory, you cannot supply to other people. As of last quarter, our revenue for the year was about INR 230 crores, if I'm not wrong. And what we say the order book is already INR 500 crores. And if I open the corridors, we will get more. So execution is the key and not order.

**Lovish Soien:** Understood. And sir, if I look at just globally, what would be the market potential for our products of these reactor coils and the instrument transformers that we have?

**Bharanidharan Pandyan:** I would like to talk about peer-reviewed data rather than data that is, what we say off my hook. My largest competitor is a company called Trench Electric Limited, earlier owned by Siemens, now by a private equity. I think as of last December, they had EUR 1.5 billion in pending order book. For the instrument transformer, there is a listed company called Artech in the Spanish market, which is the nearest competitor to Mehru.

I think their revenues were slightly north of INR 3,500 crores. So I believe the opportunity size or the TAM is not a problem. We have enough to grow for the current markets. It's only the execution which is our challenges internally.

**Moderator:** Next question is from the line of Kartik Kohli from Kotak Institutional Equities.

**Kartik Kohli:** Hi, sir. Thanks for taking my question. I had two quick questions. One, I don't know if this was discussed previously. Can you shed more light on your BESS business? I would like to know more on the operating strategy of the business. What kind of customers you're looking at? And what is the advantage that you're offering versus competitors in the markets that you're looking at? And I'll come back with my second question.

**Bharanidharan Pandyan:** So Karthik, BESS is basically a high voltage, high power inverter, similar to the SVC and STATCOMs that we are already building in Turkey, medium voltage. Now, where the BESS is required, BESS has a variety of applications. In India, they are primarily used for peak power discharge. Most of the tenders in India is basically an O&M tender, whereas we are a manufacturer.

So in a BESS, we have three or four major components. First is the battery itself, which we never intend to get into because that is chemistry. Then you have the power electronic inverter, which is something that we are manufacturing. Then we have the software, that is the EMS that is connecting the BESS to the grid. And finally, we have the transformer, which is an in-house product for us. So this is the value chain.

At this current moment, we are selling to developers of large renewable energy projects. However, BESS also has a very large market in the data center, where most of the data centers in the US have 50 megawatt of steam turbines, which are paralleled together. So in case of contingency, they use BESS like an UPS, where the battery component is less than 1% and the converters are much larger. So these are evolving businesses.

We believe these will be multi-billion dollar businesses in a very few years. You can see that we would be talking about in excess of 2 GW of BESS projects every month in India alone. This year, we are targeting close to 500 to 600 MW of converter manufacturing, where we are integrating the battery, software into a converter shell and selling it to the team. We are not in an O&M model. We are just a manufacturer in this.

**Kartik Kohli:** Got it. Sorry, sir. I meant what kind of customers in what geographies is the was the question. Sorry?

**Bharanidharan Pandyan:** So the kind of customers is renewable energy developers. In India, if I would say that I would like to go to people like ACME or Avaada, but we are not going there. We are talking to similar counterparts in Europe. The geographies are again Europe because we have a slightly better prices there compared to India. This will help us scale the business and bring the volume of semiconductors for the pricing advantage before we launch in India. India is definitely in our plans.

**Kartik Kohli:** Got it, sir. Just one last question. So from your order book of INR 1,400 crores, I'm assuming like a large part of this, about INR 150 crores is coming from BESS order. Is there a sizable portion of data centers in your order book which may not get executed this year?

**Bharanidharan Pandyan:** Mr. Sanjog Mhatre in his speech has spoken about the different order book of every entity. Quality Power is at this moment focusing on data centers, where we have an order book of about INR 520 crores. I think that is where we will be executing. I think the first data center order we will be executing is for the US this year. But there are more which may either be completed this year or next year. The Turkish guys are not focused on the data center. They are focused more on renewable energy integration and large steel factories. And the Mehru guys are focused on GIS, high voltage and AC substations. That's our focus. Different customers.

**Moderator:** Thank you. Next question is from the line of Hemaant Soni, who is a Self-Employed. Please go ahead.

**Hemaant Soni:** Sir, thank you for providing me the opportunity. And congratulations on beating the guidance. Sir, I think we have two expansions lined up, right? One at the Sangli plant and one at the Mehru plant. So what can be the incremental revenue from both the expansions?

**Bharanidharan Pandyan:** Sir, the Sangli factory, I think the peak revenue that we can go in is about INR 1,500 crores, subject to we completing our CTC cable expansion and clear out our insulator problems. With regards to Mehru, I think another 20%, 30% before they scale down, because the plant would then saturate.

But as we speak, we are also working out on a new expansion in Turkey. I believe we should have more data about it in the next quarter. The Turkish operations would cater to most of the global or the European load, whereas India would focus on India and near countries.

**Hemaant Soni:** Sir, can you please quantify in numbers for the Mehru plant?

**Bharanidharan Pandyan:** So as I said, last quarter, I think they did about INR 320 crores. Another 30% to 35% is what max I think the plant would saturate. Current plant.

**Hemaant Soni:** 30% to 35%?

**Bharanidharan Pandyan:** Yes, that is the saturation of that plant.

**Hemaant Soni:** And sir, I think we are also exploring a greenfield opportunity, right, in Mehru?

**Bharanidharan Pandyan:** Yes, but that is at Turkey, not in India.

**Hemaant Soni:** Okay, sir.

**Moderator:** Sorry to interrupt, Mr. Soni. May we please request you to rejoin the queue, sir? Thank you. Next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

**Pritesh Chheda:** Sir, one clarification on this PCS that you were talking of some factory expansion in Turkey. So that was not clear what exactly it is. Is it a new product line? And then you gave out that we are targeting some US\$60 million, US\$80 million of business. So, all those things were not clear. So you need to first tell us where is it? Is it a new line of business? What is this PCS that you were referring to? And some details would be easier.

**Bharanidharan Pandyan:** Very good morning, sir. Long time, no hear from you. But with regards to PCS, we have been talking in the last four con calls. We have been saying that we are executing battery storage projects. We have our own products already on trial. This is a product that has come from our investments in R&D over the few years. We have been speaking about it.

The orders are just picking up. So, once the orders are picking up, we are putting together the capacity expansion. PCS is basically the power converter that is required to ensure the energy stored in the battery is interconnected to the grid. The grid is at an AC supply and the battery is a DC supply. So, basically, you are converting high power DC to high power AC at a large power electronic base. That is what we call as the power conversion systems.

But while we are connecting the power conversion system, we also have a software interface because the battery is not, what we say, charged and discharged as and when it feels like, unlike a home inverter. This is charged and discharged at a forecast based on load demand and the pricing plan to the exchange.

So, the software is connected to the main grid. That is where the data security and software security comes into play where the Chinese are normally not allowed. So, that gives us some sweet spots in the US and European market. Even Indian market very recently ensured that software interconnection is only Indian. The power electronics is also ours. The battery will continue to either integrate or ask customers to directly buy. So, PCS and power electronics is a part of BESS projects everywhere.

**Pritesh Chheda:** So, it's basically an EMS product and you will land up supplying that or you will have to land up supplying the whole BESS. So, that will include a battery, an inverter and a PCS?

**Bharanidharan Pandyan:** So, at this moment, we are giving the entire container with our software, hardware and integrating batteries. However, we would be open to selling the converters standalone as a product line because we are a manufacturing company.

**Pritesh Chheda:** And is it currently made out of the Turkey units or how it is?

**Bharanidharan Pandyan:** Yes, because the center of competence for power electronics for us is Turkey.

**Pritesh Chheda:** Do you need to put any extra capacity there or it is made out of the existing?

**Bharanidharan Pandyan:** So, we have a lot of land banks there historically. So, about US\$2 million is what we are putting in. Construction is very fast in that part of the world. So, I think by the time we are coming in for execution, the raw material is kicking in, I think we should start it. We are expecting the first order that we are back to start billing by the first or last quarter this year. So, you could see a lot more revenue of that coming in the next financial year. The orders will come this year, revenues will follow next year.

**Pritesh Chheda:** What kind of orders do you expect this year?

**Bharanidharan Pandyan:** So, US\$31 million is already in the back. We believe another US\$50 million is our target internally. So, that would mean that at least \$80 million is what we carry forward next year from the production.

**Pritesh Chheda:** Sorry, 30 million in.

**Bharanidharan Pandyan:** In US dollars. The money is in US dollars.

**Pritesh Chheda:** Okay. And can you just tell one thing, sir, in Endoks, the size of the business, which is about INR 468 crores this year. So, in the last 2 years, there is material difference. So, that difference is from a new project or a new product or where the difference comes from?

**Bharanidharan Pandyan:** So, it is basically when you are grid integrating any component, whether it is a steel factory or renewable, you need power electronics for support. So, there is a lot more demand like all our other product lines for grid integration. It is just demand-supply.

**Pritesh Chheda:** Okay. Thank you, sir.

**Bharanidharan Pandyan:** Thank you.

**Moderator:** Thank you. Next question is from the line of Aditi from Iwealth. Please go ahead.

- Aditi:** Hi, sir. Congratulations on a good set of numbers. Like I had just one question regarding the other expenses. Like as you mentioned that INR 25 crores is due to the hyperinflationary part from Turkey. But even if we subtract that, we still have INR 33 crores left in other expenses, which is proportionately high if you compare it to the past quarter. So, little clarity on that.
- Sarika Jadhav:** In other expenses, the net monetary gain loss of INR 25 crores has been categorized under other expenses and also the freight outward of INR 12 crores and LD of INR 5 crores. Because of that, that other expense has been increased during the last quarter.
- Aditi:** Understood. And should we see it going ahead like this would be the run rate or it would come back to the INR14 crores-INR20 crores that we were doing?
- Bharanidharan Pandyan :** The LD basically was from our subsidiary in Mehru, which has been curtailed. These are pre-acquisition hit. With regards to the hyperinflation formula, it is not in our control. It's indexation. As and when the inflation rate comes down, it will come down. These are just optics for us and not real cash flow.
- As of what I see in the balance sheet of Endoks last year, without any net monetary gain or forex gain loss in their Turkish balance sheet, last year they had an EBITDA margin of 32.01%. And this year they have 32.13% despite growing 150% in revenue. So, they are stable on the reporting currency. It's only the translation error that is showing these numbers.
- Aditi:** Understood, sir. Thank you very much.
- Moderator:** Thank you. Next question is from the line of Dev Gulwani from Care PMS. Please proceed.
- Dev Gulwani:** Thank you for the opportunity, sir. Just one question. In a standard battery energy storage system project, what percentage of the total project cost is attributable to PCS? If you have any idea, approximate number?
- Bharanidharan Pandyan:** So, at this current moment, it's between 40%-50% based on how much of battery storage the customer would like to have. In a data center application, the battery is about 5%. But the prices of battery being a commodity is expected to be at least half of what it is in the next 2 years. So, I believe the converters will become more expensive than the battery going for in the next 2 or 3 years. So, where we will have a lot more mode to play around.
- Moderator:** Thank you. Next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.
- Maitri Shah:** Hello. Good morning. A great set of numbers for this year. One clarification on the guidance you mentioned. We're looking at a 15% to 20% growth. Did I hear that correct?
- Bharanidharan Pandyan:** Ma'am, we started with a guidance of INR 800 crores and the base has shifted already to INR 1,000 crores. Our new factory is not ready yet. we have audits of 6 months. So, we will not be able to deliver much from the new facility. The main facility is also, you know, we are only getting it by September, the new ovens. So, that is also where it is. All the growth is being delivered from Endoks as we speak. So, that is why we are doing a muted guidance on growth. But order book would be different.

We will be picking up a lot more orders going forward in Q2, Q3 of this year, primarily to support the new capacities coming in. So, as I said, even in the last call, we are going through an S-shaped curve. So, this year is where we built together our team, where we are taking in maybe another 500 to 1,000 employees across the business segment and building the facility. And the next year, I think we should be going north of 50% again.

**Maitri Shah:** That is great. Secondly, you said the order book growth, we are expecting quite a big order inflow from Q3 and Q4 because the new facilities are coming in. Any sort of target on the console order inflow for FY27? And maybe what order book number you would like to enter FY28 with?

**Bharanidharan Pandyan:** I think we should be comfortable with the same kind of numbers that we have. But I think we should be targeting at least INR 1,500 crores to INR 1,800 crores of order book before the start of next year. But we have to also understand that order books are normally 12 months.

And if we are not able to deliver, we are not able to take in more orders. And most of our constraints right now, even if we ship the cables on time, there are insulators where the deliveries are already going 18 to 24 months. So, some of our projects are getting hurt because of some critical components.

**Maitri Shah:** Okay. So, there's a supply chain restriction also kind of capping in our growth right now. Is that correct?

**Bharanidharan Pandyan:** Yes, but we will do something to even clean that up. We have been focused more on order book and the factories at this moment. We have been able to cover the cable problems by vertically integrating. I'm sure the board is also deciding something on the insulator side of the thing. As and when is the right time, we will let the markets know.

**Maitri Shah:** Okay, that is great. And lastly, on the margins, we had a great jump in the gross margins for this quarter, even in such volatile conditions. So, do you see this 46% margin kind of continuing for next year? Or do you think it will kind of lower down because of the volatility in the West Asia?

**Bharanidharan Pandyan:** Sorry for the humor, but I think my friend Donald Trump has to answer this question because the prices are not being dictated by us at this moment. It is all related to geopolitical stuff and the dollar impact. Traditionally, the orders have been booked at the same or similar margins, all the companies, but the raw material prices have been highly volatile.

So, you know how the dollars are behaving, how the components are behaving. So, I cannot guide the same kind of numbers, but I can only guide that when we booked it, we booked it at similar or higher margins. We may have some small change in margins in the next one or two quarters, but that would be a short-term impact.

**Maitri Shah:** And we are able to pass on these kind of raw material costs with a lag or does it happen? Is there an escalation?

**Bharanidharan Pandyan:** It will be done with a lag. It will be done with a lag.

- Moderator:** To the next question from the line of Akshay from AK Investments. Please go ahead.
- Akshay:** Hi, sir. Thanks for giving me the opportunity. First of all, congratulations for the good set of numbers. Sir, we understand that the EBITDA due to one-time non-payment account is locked, but also the revenue in this quarter, on a QoQ basis, it is flat. So, generally the Q4 should be the highest quarter. So, can you put some light on that?
- Bharanidharan Pandyan:** I have already indicated in my speech that for quality power at Mehru, this has been the highest profit quarter because it is our Q4 in India. For Endoks, this is Q1. They are January, December, and in December of last year, they had the highest quarter on margins. This is Q1, where you normally expect a muted sale and muted margins. However, in spite of that, we have delivered the margins of close to 20%. So, I do not think we are comparing apples to apples here. For the Q4 of theirs, they have been highest. For Q4 of ours, we have been highest.
- Akshay:** Okay, sir. Understood. And so, my second question is currently we have around INR 1,400 crores of outstanding order book. So, you already said that 15% to 20% revenue growth, we can expect consolidates level in the FY27, right? So, currently, what type of order pipeline are we seeing in customer inquiry and all these things are going on, and how much order are we expecting in FY27 and FY28 also?
- Bharanidharan Pandyan:** So, in Sangli and Delhi, we have almost closed our order intake for the next quarter. I think we are no longer aggressively taking orders, primarily because of what we are able to deliver or not deliver. It is only strategic order that we are pulling in. I think at this moment, we are building data centers, we are building GIS, HVDC, we are building all the colors that would spark in what we can analyze. But because we are in a high technology area, almost every new technology we are participating.
- Moderator:** Next question is from the line of Pinaki Banerjee from AUM Capital Private Limited.
- Pinaki Banerjee:** And congrats for the good set of numbers. So, a couple of questions. Could you throw some light on your fundraising plans? What are the sources through which you are planning to raise, considering the fact that you are having a cash balance of almost INR 250 crores in your books now?
- Bharanidharan Pandyan:** Sir, thank you for again highlighting the elephant in the room. So, this is not something that we intend to raise. This is an enabling provision for us, which means as and when the management requires it, we will draw. We are not saying we will draw 25 million. We may draw much lower. Yes, we have what we say INR 250 crores, but some of our acquisitions that the BDNA committee are looking at are much larger in value than the cash in hand.
- And the cash in hand is also required for our own organic expansions and our own organic cash flow. So, we cannot empty out the bank for it. And as a group, we hardly leverage debt. We normally focus on zero debt. Even the INR 125 crores promoter debt that we had pledged to the company, we have been able to finish almost 80% of our factory without any debt from the promoters with our current cash flow.

We will continue to have a solid balance sheet. I know from a cash perspective, you would like to work on debt, but no, we do not like debt. So, we would always like to have the cash in hand.

**Pinaki Banerjee:** So, my next question regarding your INR 1,400 crores order books, can you quantify how much comes from renewable sources?

**Bharanidharan Pandyan:** Very difficult to quantify that way, sir, because an HVDC would classify as a transmission asset, but is actually integrating renewable. All the energy storage is renewable. Data center, even though the application of data center is being fed by renewable energy. So, today, if I look at the data of India alone, 50% of our generation is renewable, which means that what we say 50-50 is what I could say. But we are not in renewable or conventional, we are in grid interconnection. So, we do not care what is being connected.

**Pinaki Banerjee:** And last question, sir, regarding this hypothetical one, regarding your Turkish operations. Actually, we know that the Middle East crisis and the political situation between India and Turkey is not very good at this point of time. So, are you apprehending any negative impact due to this?

**Bharanidharan Pandyan:** Sir, we have been operating in the country for 16 years. We have been in the last 10 years getting the best R&D company of the year from the government and from the Prime Minister. We are not alone, Tata's have a plant, if I'm not wrong, Mahindra, JSPL, Birla, lot of Indian multinationals have plants there. Turkey is a manufacturing hub for Europe, low-cost labour, a lot of labour, a lot of engineering talent at a much cheaper cost than India in some of the high-technology areas.

When we take decisions, geopolitical is a concern, but it is more on P&L. If you look at Turkey, they have a land border to Europe, which means to Germany in four days on road they go in. The raw material prices are more or less similar to India, if not lower than India in some of the key raw materials. The labour is about four times India, but the labour is not a very big cost in our scope of the business.

So, the key raw material being the same, the freight coming down and faster to the market is normally a good suggestion for being a competitive moat. And also towards the US, they are only 11 days on sea. So, it's a competitive mode. Geopolitically, we have been there for 16 years, we don't see problems.

**Moderator:** Next question is from the line of Archit Agrawal from Steptrade Capital.

**Archit Agrawal:** My one question is, can you give the revenue bifurcation for Mehru, Quality Power and Endoks?

**Bharanidharan Pandyan:** For the annual year, Quality Power equipments and projects put together is about INR 246 crores. Mehru is INR 318 crores and Endoks is INR 468 crores.

**Archit Agrawal:** And can you give the operating margin.

**Bharanidharan Pandyan:** I do not have with me the operating margin, but yes, I can give you an EBIT margin. The EBIT margin of Quality Power is 33% of Quality Power projects is 21% of Mehru annualized is 15%.

At Endoks, it is 23% taking into account that accounting anomaly. Without that, we are getting close to 29%-30%.

**Moderator:** Next question is from the line of Jainam Doshi from Kriis PMS.

**Jainam Doshi:** So just wanted to understand, like as you are setting up a new facility in Turkey, so as you are alluding upon, there is a difference between the semiconductor cost as a whole for if we source it from in India and if we source it in Turkey. So could you explain like what is the difference there?

**Bharanidharan Pandyan:** The semiconductors in India are not cheap. Semiconductors in India are still evolving. There are very few players and high power is still not being built. I think we are taking our baby steps into that sector. The largest semiconductors are available either from European, Japanese or Chinese players. The difference in discounts, say for \$100,000 and 10 million, can be as high as 50%.

So in your pricing of your product, if you are able to buy like a \$10 million or a \$50 million kind of a volume, you would at sometimes get 40%-50% discount. And that is what is a real mote. So when you start scaling up your purchase of semiconductors, your margins start coming in. So it is all the same, guys. It is Japanese, European and Chinese.

**Jainam Doshi:** Fair enough. And just if you could like provide the details on the order bid pipeline separately for Meru, Endoks and Quality so that would help us just understand.

**Bharanidharan Pandyan:** Sir, we don't have those data available offhand. I'm sorry, I don't have it, but I think it will be a few thousand crores. It's just bids.

**Moderator:** Next question is from the line of Aniket Jain from Yes Securities.

**Aniket Jain:** So one question is the other income has increased this quarter versus last quarter. So I thought that since Turkey's currency is largely stable now, so is there any hedging related income that came in this quarter or would that be going forward or what kind of numbers should we assume while forecasting the other income? So that is question one.

**Sarika Jadhav:** Sir, the other income includes interest from deposits and also the foreign exchange gain of INR 16 crores.

**Aniket Jain:** And second question is maybe a bookkeeping question only. You also have some associated income. So is that mainly related to the electric acquisition or has Nebeskie started giving us some revenues and what could be the run rate for future quarters?

**Bharanidharan Pandyan:** Sukrut we were able to only consolidate it about three months post-start takeover on Jan 5th. So it's a very small number at this moment. It will start scaling up in a couple of years. The guys in Nebeskie are still in technology sphere. The numbers are very small. It's less than a crore, but that is something that we are building upon. And with regards to your question on other income, we still have a lot of cash. So the cash generated income would keep turning up or that is on interest on deposits.

- Aniket Jain:** Understood, sir. And if I can squeeze in one more, I think we discussed on the margin that the pricing can take up a few months or maybe a quarter to stabilize. So since you do not have any kind of price variation clauses, so how you are managing the commodity cost inflation came up in the last couple of months. So is there a possibility that our Q1 margins can see some kind of depth.
- Bharanidharan Pandyan:** I believe the entire industry has not factored in, but I believe Q1, Q2 can be hit. But as I said, we are sitting at 33% margins in some of the high voltage product lines. So if there is a dip, it is not going to be very huge. The volume growth is still there. We have a lot of international orders in new emerging sectors, which are coming at also better margins.
- So we do not see a gloomy picture, a big gloomy picture. Yes, a couple of percentage here, there can be expected. We still do not know because the war is still not over and every day is a new story.
- Moderator:** Next question is from the line of Piyush from Sethi Family Office.
- Piyush:** Sir mostly my questions have been answered. I was just wondering in terms of, if my understanding is correct, FY27 is more of a 20% growth year for us, then '28 it is when we see more than like 50% type growth because we are following that S-curve journey. And there could be some near-term margin impact because of the shortages that we are seeing. Is that correct?
- Bharanidharan Pandyan:** Correct.
- Moderator:** Next question is from the line of Krupa Desai from Electrum Capital.
- Krupa Desai:** Sir my question was how are the margins on this power electronic converter side?
- Bharanidharan Pandyan:** I just told you we are starting off at this moment at the bid level between 10% and 12%. We anticipate it can go to 17% on volume. But also we have to understand the base at which we are talking 10% on say something like US\$14-\$15 million of converter. What we say it is sizable numbers as margins even at this moment because the volume is larger.
- Krupa Desai:** And sir this margins would be like including the software part also, right?
- Bharanidharan Pandyan:** Correct.
- Moderator:** Next question is from the line of Naman Parmar from Niveshaay Investments.
- Naman Parmar:** Firstly, I wanted to know the cash flow of the Mehru and Endoks if it's possible for the current quarter and FY26?
- Bharanidharan Pandyan:** Naman will park the question for a few minutes. Till we finish the question, my colleagues will try to get the data. Till then.
- Naman Parmar:** Secondly, how is the performance on the Sukrut overall after the acquisition and currently how it's going for the how much on that currently the Sukrut is going on?

**Bharanidharan Pandyan:** Sukrut, we have turned around. They have stopped losing money. Their losses compared to last year is half because we stopped losing money. We are anticipating at least about 70%-75% growth this year without losing money because we are building the team and technology out there. We will start scaling it up over the next two years. At this moment, it's a new transition, new management. We are allowing them to take the time to before they start scaling up aggressively. My colleague would like to answer the cash flow question.

**Sarika Jadhav:** Regarding Mehru cash flow, after operating profit, we have the INR 45 crores and after changes in operating activities, our net cash flow is INR 32 crores and cash flow from investing activity is we have expended INR 20 crores for the investment in PPE and the cash flow from financing activity is INR 13 crores. So, net cash and cash equivalents are INR 18 crores at Mehru level.

**Moderator:** Next question is from the line of Abhijeet Singh from Systematics. Please go ahead.

**Abhijeet Singh:** Thank you for the opportunity. First question is on the order inflow that we received in the last quarter of INR 600 crores. Could you give a breakup of the order inflow in terms of segments and geographies like HVDC, BESS, etcetera?

**Bharanidharan Pandyan:** So, the order inflow, I stand corrected, is about INR 870 crores last quarter and not INR 600 because we also executed INR 300 crores of orders last quarter. So, we had a fantastic quarter from the perspective of order intake. Most of the order intake came from Quality Power and Endoks.

Endoks gave it a larger order on energy storage and automation, whereas quality power delivered on HVDC and data center businesses. Mehru has been traditionally with the high voltage interconnecting substations at 400 and 220. This next few quarters is when their GIS product line would kick in. And the GIS, I would say monetization would start happening in about a year's time.

**Abhijeet Singh:** Right. And, sir, so this accounting entity that we built for Endoks of 2.57 million, sir, it obviously hits our other expense line items. Does it also hit any of the line items, let's say revenue or other income? Do we have an entry on revenue and other income as well from this quarter or only other expenses impacted because of that entry?

**Bharanidharan Pandyan:** I think to the best of my knowledge, it is only a provision adjustment under other income and nothing more.

**Abhijeet Singh:** And what about the last quarter? Did we have a similar Ind AS 21 related entry in the last quarter as well, which led to the bump up of the margin?

**Bharanidharan Pandyan:** Correct.

**Abhijeet Singh:** Okay.

**Bharanidharan Pandyan:** But if you look at it Abhijeet at a console level, these are just indexation numbers. At a console level, the EBITDA at Endoks stands at about 32% on stable currency terms. And all the money is hedged there. So we do not have any change in margins or profit profiles.

- Abhijeet Singh:** Right, sir., thanks a lot. And good to see such great progress on an annual basis. It was truly surprising for me when we applied. So, congratulations to the entire team for such good work.
- Bharanidharan Pandyan:** Thank you.
- Abhijeet Singh:** Thank you. Management, do you want to share the cash flow for Endoks?
- Bharanidharan Pandyan:** Just one minute, if you could take any other question. In dollar terms, I'm just telling you.
- Moderator:** Okay, sir. Next question is from the line of Nakul Gupta from Shikherjee Advisors. Please go ahead.
- Nakul Gupta:** Good afternoon, sir. Good afternoon, my name is. Congratulations on a great set of numbers. I have just one question. Do we have any plans to increase our stake in Endoks or Mehru going forward down the lane?
- Bharanidharan Pandyan:** I don't think with Endoks we have a certain plan at this moment. As and when things go ahead in the future, we may look into it. Our focus normally is to get hold of critical technologies where we can develop. I think our strategy has already been clear that if we have to transfer technology from one location to another location, it would be at a one or two percent royalty internally.
- So as long as we have access to technology, we do not intend to increase it. We would rather put money into newer technology areas which would incur much better growth for us than just increase the EPS at this moment. And for the Endoks, the cash flow for the Q4 is about INR 136 crores.
- Moderator:** Thank you. Next question is from the line of Nilesh Jain from Astute Investment Management Pvt. Ltd. Please go ahead.
- Nilesh Jain:** Hi, sir. Good afternoon and thank you for the opportunity. My first question is, given the recent visit to the plant and the number of challenges you all had in terms of logistic container shortage, so surprisingly you've seen a good number for Q4. I just wanted to understand how is the situation right now in terms of logistics and also otherwise supply chain?
- Bharanidharan Pandyan:** So, I think if the logistics had cleared up, we would have revenue more. So, at this moment, we have revenue less. That is why our inventories have increased. So all in good cause. So, I think we can have a good Q1 because of that. Sure.
- Nilesh Jain:** On Sangli plant, we had initial target of June to commission and now we've expanded to August slightly. How do you see in terms of audit approvals and all for the timeline for that? And should we expect then from next year only the entire capacity to be available or at the end of Q4 we should expect the new plant should be available?
- Bharanidharan Pandyan:** If I ask my project managers, they are still sticking to the December-January for starting. But I think we have far more customer pressure to be able to deliver faster. So, I think we are under pressure from the customer and project end. We would start trial production and start delivering at least something by the end of the year.

- Nilesh Jain:** Sure. And lastly, on the inorganic side, given you mentioned you're seeing larger devices, the only thing you can identify is probably geography and any new products if you're looking to identify?
- Bharanidharan Pandyan:** Power electronic battery storage is something. High voltage power products is second. Third is we are gung-ho about insulators because I believe that is becoming a critical bottleneck for us across the world.
- Nilesh Jain:** Any plans of doing a setting of a capacity for insulator or inorganic?
- Bharanidharan Pandyan:** All in good time.
- Nilesh Jain:** Sure. Thank you and all the best.
- Moderator:** Thank you. Ladies and gentlemen, due to paucity of time, we will take one last question from the line of Ashok Shah from Eklavya Invesco family office. Please go ahead.
- Ashok Shah:** Thanks for taking my question. Sir, can you just give some idea that how much competitive or cheaper compared to Hitachi and GE in international market?
- Bharanidharan Pandyan:** Sir, we believe in the business of reach. We normally do not compete Hitachi, Siemens or GE in our business plans. They are our customers or partners in different market. So, I do not have a story how much we are cheaper. I think we can say how good relationship we have with them. That is point one.
- Point two is the reason why we do that is our skills are much lower than them. And the products like say if I want to get into say high voltage transformer manufacturing for HVDC, the problem would happen is they themselves have the transformer factory. Why would they buy from outside?
- So, what we intend to do is create, develop or buy products which they do not manufacture so that we can package it together to them. So, we are complementary to them and not competing them on strategy and product lines.
- Ashok Shah:** None of the products we have competition with them?
- Bharanidharan Pandyan:** So mostly if I look at say coil products, Hitachi and Siemens do not make this product. GE has a very small factory in Brazil. But mostly for the Indian subcontinent, Asia and Europe, they buy from us. With regards to high voltage instrument transformers, I think Hitachi, Siemens and GE buy more from us in India than their own facilities because of the volume and scale what we are operating.
- On the battery energy storage, I think they are far, far more expensive and they are not in this kind of markets where we operate. Sometimes it is also the markets we operate and their factories being different. So, in some markets, they have a product line. We may not compete in other markets. We may be partners.

- Ashok Shah:** Are we getting a 30% business from this GE, Siemens, all this Hitachi and everything?
- Bharanidharan Pandyan:** No, sir. It is not 30%. The data we have as per DRHP around one year back is about top 10 customers make 35% of the business.
- Moderator:** I think we have lost the connection for Mr. Shah. Ladies and gentlemen, we will take this as the last question for the day. On behalf of Asit C. Mehta Investment Intermediates, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.