



Supreme wins Rs 142 crore RGGVY orders

Venugopal Pillai , Monday, March 02, 2009, 11:52 Hrs [IST]

MAJOR BREAKTHROUGH FOR PROJECTS DIVISION

Kolkata-based Supreme & Company, India's largest manufacturer-exporter of overhead power transmission line products, has won two orders for rural electrification works in West Bengal. Worth Rs 142 crore, they were placed by West Bengal State Electricity Distribution Company Ltd, to be implemented under the Centrally-sponsored Rajiv Gandhi Grameen Vidyutikaran Yojana.

The new turnkey orders are seen as a major boost for the company's newly formed projects division. Supreme is also expected to enjoy synergy advantage as around 20 per cent of the products used in the turnkey orders will be manufactured in-house; another 20 per cent would come from associate companies.



Harish Agarwal, Chief Executive Officer, Supreme & Company, said that Supreme's thorough knowledge and long experience in the field of accessories would give it an enormous advantage in executing the new projects.

In an exclusive interaction with Projectmonitor, Rajesh Agarwal, President, Supreme & Company, explained that the RGGVY contracts would be executed in Burdwan district where 989 villages would be electrified and in Birbhum district where 489 villages would be illuminated. Both the orders will be completed within 18 months, and represent a major chunk of orders in Supreme's projects division that deals with both civil and electrical contracting. Supreme is already executing a civil engineering package for a coal-handling plant of Mahagenco's upcoming 500-mw Khaperkheda power plant near Nagpur.

'Industrial projects give more room for engineering content'

— **Rajesh Agarwal**, President, Supreme & Company

When was the projects division of Supreme & Company formed, and what are the major orders in hand?

The projects division of Supreme was formed in 2008 after the acquisition of National Contracting Concern which, post-acquisition, was merged with the parent company. Presently, these two RGGVY contracts constitute major part of the orders in hand for our projects division, and we have bid for a number of similar projects for which results are awaited.

How do you view prospects for more RGGVY orders?

We are present both in the manufacturing as well as the contracting space as far as the RGGVY projects are concerned, so we are in a unique position as we also happen to be the largest supplier of overhead line (OHL) fittings both domestically and internationally. To the best of our knowledge and understanding, Supreme is the only manufacturer of OHL accessories that is also active in the turnkey segment.

Although we have a healthy order book against domestic projects, some contractors are struggling to pay on time, but we are hopeful that this is a temporary problem and that our order book will continue to be strong both domestically and internationally.

Besides rural electrification, in which other areas within the power sector do you see business opportunities for the projects division?

Our approach is to have a balanced portfolio of supplies to various RGGVY contractors and turnkey projects preferably in eastern India. We also plan to enter the industrial projects segment as it gives room for higher engineering content and value addition. Even in our manufacturing business, we are focused on value-added products and services.

We understand that Supreme is executing civil engineering works for a coal-handling plant.

It is for a 500-mw thermal power station for Mahagenco at Khaperkheda near Nagpur. This happens to be our first civil engineering contract. The job is for a part of the wagon tippler plant, which we are executing as a sub-contractor for the main project contractor.

Supreme is India's largest exporter of OHL fittings. Elaborate on your capacity and expansion plans.

It is difficult to define capacity given our wide product range covering more than 2,000 items, and considering that 90 per cent of our production is customised. We are currently producing more than 1,000 tonnes per month of various products put together, and our exports during the current fiscal year will be around Rs 150 crore, made to over 40 countries. In terms of capacity expansion, it is an ongoing process. We have recently acquired an eight-acre site at Howrah for the purpose.

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