

RISHI LASER LIMITED

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To
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Corporate Relationship Department,
BSE Limited,
25th Floor, P. J. Towers, Dalal Street,
Mumbai-400001.

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Sub: Transcript of Analyst / Investor Conference Call of Q4/FY26

In terms of Regulation 30 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Analysts / Investors conference call held on 5th June, 2026 related to Q4/FY26 Earnings Call. The same is available on Company's website.

Please acknowledge and take the same on record.

Thanking You,

Yours Faithfully,

For Rishi Laser Limited

Vandana Patel
Company Secretary

Enclosed a/a

Rishi Laser Limited
Q4 & FY26 Earnings Conference Call
June 5, 2026

Moderator: Ladies and gentlemen, good evening and welcome to Rishi Laser Limited Q4 and FY26 Conference Call hosted by ConfideLeap Partners. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference may contain forward-looking statements about the company, which are based upon the beliefs, opinions, and expectations of the company as of the date of the call. These statements do not guarantee the future performance of the company, and they may involve risks and uncertainties that are difficult to predict. We represent the investor relations for Rishi Laser Limited. The company is represented by Mr Harshad Patel, who is the managing director, and Mr Ganesh Agrawal, the Chief Financial Officer of Rishi Laser. I would now like to hand over the call to Mr Harshad Patel for his opening remarks. Thank you, and over to you, Harshad sir.

Ganesh Agrawal: Good evening, everyone. This is Ganesh Agrawal, I'm CFO of Rishi Laser Limited. I'm joining this meeting from my Pune plant facility, and I'm reading this statement on behalf of the CMD, Mr. Harshad Patel.

Good evening, everyone and thank you for joining our annual stakeholder meeting. We are here today to review the results of the past year and the way forward. I want to begin by being completely direct with you: we failed to meet the sales target we established 12 months ago. We projected a specific aggressive growth trajectory tied to our Malur factory expansion, and we did not deliver the numbers. As the company's MD, I take full responsibility for this shortfall. FY26 revenue came in at ₹160 crore, which was a growth of 7%. Our PAT compressed to ₹3.67 crore, a 55% decline year-on-year. EBITDA margins reduced from 9.1% to 8.7%. These are not the numbers we promised you. I own that fully and without qualification. While our market strategy was sound, our execution was flawed.

There were two failures, both of which were execution, both were leadership failures. Neither was caused by the market, nor by our customers, nor by external factors we could not have anticipated. The first failure was in capital execution. We underestimated the complexity of commissioning the large-format fabrication machinery at the scale the new plant demanded. Setting up, calibrating and tooling equipment for the class to the precision tolerance of our customers required took materially longer than our project timeline assumed. The machinery was progressively operational but not fully productive for a substantial portion of the year. That is lost revenue, lost throughput, lost momentum.

The second failure was in human capital readiness. We built a facility designed to operate at a level significantly above our historical baseline. What we did not adequately plan for was that operating at that level required a different kind of workforce in terms of skill, experience and supervisory bandwidth. Our existing team, which has served this company totally and well, was not equipped to absorb that step change without significant training, restructuring and management intervention. We had to make difficult decisions about roles and responsibilities mid-year. That restructuring consumed leadership bandwidth that should have been deployed towards customer acquisition and revenue generation. We did not resource the human capital transition with the same rigour we applied to the capital expenditure. These two factors running concurrently compressed our productive output window for FY26. The financial results you see, the margin compressed, the PAT declined, the elevated employee and finance costs, are a direct consequence of these two root causes.

As of today, the Malur plant is fully operational. The tooling required for our target product mix, medium and heavy fabrication for the construction equipment segment, is in place and validated. Phase one of our in-house paint shop went operational this month, that is June '26. That is a capability we did not have before; it is a capability that directly improves our value proposition and our margin structure on finished assemblies. On the human capital side, the restructuring is complete. The team running Malur today is capable of operating the throughput and quality levels the facility was designed for. We are still climbing the learning curve; we haven't climbed it. The ramp-up costs are in our FY26 P&L. They will not repeat in FY27 at the same scale.

Our balance sheet reflects the investment we made. Total assets at ₹148.7 crore, property, plant and equipment at ₹94.7 crore, debt-to-equity at a disciplined 0.29x. The capital is deployed, the infrastructure is live, and the operating leverage is now available to us. The strategy to address the market has not changed. The markets we are targeting are, if anything, stronger than when we articulated this strategy. Construction equipment fabrication, which today represents 53% of our revenue, is growing. Our customers in this segment are expanding their capacity, and they need a fabrication partner who can handle large, more complex assemblies. Malur was built precisely for this. Our export contribution reached 14.2% of revenue in FY26, ₹22.83 crore. The Malur plant is designed to international export standards. The pathway to growing that number is now unobstructed. We are targeting ₹100 crore in revenue contribution from the Malur facility by FY29, against a total company revenue CAGR of approximately 20% over the next three years. These numbers are grounded in the capacity we now have, the customer relationship we are actively developing and the operational readiness I have just described to you. In FY27, you should expect to see the financial profile of a company that has absorbed its investment cost and is now converting capacity into revenue: higher throughput, improving margins as operating leverage kicks in. Finance and depreciation costs that are already fully loaded into our base; no further large-scale restructuring expense, no commissioning drag.

FY26 was a year we paid for our ambitions in delays, in costs and in results that fell short of what we committed to. I have no interest in softening that reality for you, but I also will not allow it to define the company's trajectory. We built something real at Malur; the cost of building it is now behind us, and the return from it begins now. I thank you for your patience and continued confidence. We intend to earn it back through results, not through promises. Thank you very much. Over to you, Ameya

Moderator: Thank you, Ganesh sir. Participants are requested to raise their hand for their question. Also, one can request their questions in the question box. We will wait for two minutes for the queue to form. We have our first question from Mr. Dhwanil Desai. Sir, you may unmute and introduce yourself.

Dhwanil Desai: Hello? Am I audible?

Ganesh Agrawal: Yes, please.

Dhwanil Desai: Yeah. So, good afternoon everyone and first of all, I really appreciate a very candid overview of what happened in FY26. Not many managements do that, so real appreciation for that. Coming to questions, you know, now that our Malur plant is operational and all the commissioning challenges are behind us including the paint shop, we talked about ₹100 crore number in FY29, but how should we look at the trajectory for FY27 in terms of utilization, revenue generation and also in order to generate that revenue, do we have enough product approval in place from our largest client? I think that plant is largely dedicated to them. So if you can talk about that, how should we look at that number?

Ganesh Agrawal: FY27 in terms of revenue from that plant, we are looking at ₹60 crore for this year itself, and we want to ramp it up to ₹100 crore by FY29. Of course, that looks a little longer, but maybe we'll achieve that number before FY29 itself. All the products' approvals are in place, and the billing has started, which means invoicing from that plant has also started. We have started producing from that plant, and shipments have started from that plant to the largest customer.

Dhwanil Desai: Okay, so should we pencil in ₹50-60 crore from that plant this year itself?

Ganesh Agrawal: Yes, yes, this year itself.

Dhwanil Desai: Okay, and that is in addition to the ₹160 crore, right? Because earlier we were moving some of the projects from the existing facility to the Malur, should we do a simple addition of 160 plus 60, or will some part of the business go down in the existing Bangalore plant?

Ganesh Agrawal: No, actually, some of this business was also earlier part of, you know, ₹160 crore, okay. So it will not be a simple addition of 160 plus 60 kind of thing. Some part of it will go down.

Dhwanil Desai: So, sir, can you give us, you know, what is the overlap? Because we have no understanding or visibility of what business was already built into this, sir.

Ganesh Agrawal: See, earlier we were doing the entire supply to this customer from our earlier Bommasandra plant, okay. The earlier plant. Now we have shifted the entire thing to this place with an increased turnover, which means increased business visibility and all that. I think out of that 160, ₹25-30 crore we should take out for this year.

Dhwanil Desai: Got it, sir. So, sir, in terms of margins, I think last year we had all kinds of costs coming in and hitting us because of the new plant kind of getting capitalized, the costs getting higher. So, in terms of margins, is this the right way to look at it that whatever gross margins that we earn incrementally, costs below that will only grow at an inflation rate of, let's say, 6-7%? Is that a fair way to kind of arrive at the EBITDA margin that we will end up with?

Ganesh Agrawal: EBITDA margin, see EBITDA margin, what we are looking at is in the band of, you know, 9 to 11% kind of thing.

Dhwanil Desai: Okay. So, the question I'm asking, sir, we are currently at 48-50% kind of a gross margin, and operating leverage is very high, right? So generally, you know, that gives a very high delta when the capacity utilization starts ramping up, and the cost below that doesn't increase. So we are currently saying that we'll move from 8 to maybe a couple of basis percentage points, but is there a pathway from moving from 8-9% to let's say 13, 14, 15%, maybe not this year, but maybe a couple of years as we fully utilize the Malur plant?

Ganesh Agrawal: Very difficult for me to answer that, but what we are looking for is in the band of 8-11%.

Harshad Patel: Dhwanil, I would say that my way of looking at it is like this: that we are reasonably confident that our gross margins should remain at these levels. And that has been the challenge; fortunately, over the last three years, we have maintained these gross margins. So, I think based on that, if we keep on, if we increase 20-25% compounded as we have been talking about, definitely a good part of that should flow downwards as EBITDA. And one more thing is that we are going for large levels of automation in the new plant with robotics in place. So, we'll be able to do more volume without adding that many human resources going forward. So I think I would say that yes, it should add to the margins, but as Ganesh said, it's a little difficult to say what it would be.

Dhwanil Desai: No worries, sir, got it. And last question, sir, and then I'll come back in the queue. So, sir, in terms of, you know, customers other than Caterpillar, you know, we've been discussing with Volvo, scaling up, Emerson, Schneider. You know, if you can give some update on what is happening on the utilization side in terms of improving utilization on the Pune and Vadodara plant, you know, if you can throw some light on that.

Ganesh Agrawal: Yeah, on the Pune plant side, what we are looking at is Pune plant also last year, if you see, compared to FY25, last year the turnover was 12.5% more than what it was in FY24. That plant is also looking for, which means the traction there also is very high, and this year again we pull from customers like Emerson and some export customers, you know, other customers also look very, very high. So, the growth over here also looks very promising as far as the Pune plant is concerned. Vadodara, I don't see much of this thing has happened, okay, because one of the major customers there, their business has gone down like anything. So, Vadodara should be at the same level, that is my view.

Dhwanil Desai: And last bookkeeping question, sir, have we capitalized everything on Malur? Any more costs to come in from Malur in terms of depreciation, and you know, our finance cost has gone up, so do we expect finance cost to kind of gradually come down as we generate cash flows and repay the debt?

Ganesh Agrawal: A couple of crore rupees more we'll have to—the second phase of paint shop is still pending, okay, so that will involve ₹2 crore kind of investment there, max ₹3 crore of investment spending.

Dhwanil Desai: But a large part is capitalized, right? Is it already passed through P&L in Q4?

Ganesh Agrawal: No, it is not, it is not yet.

Dhwanil Desai: No, I'm not talking about the paint shop part, I'm saying the rest of the plant.

Ganesh Agrawal: Rest of the things, yes.

Dhwanil Desai: Yeah, got it, sir. And on the finance cost?

Ganesh Agrawal: Yeah, that should be, should be around the same level as it is in the Q4.

Dhwanil Desai: Okay, got it, sir. I have more questions, I'll come back in the queue. Thank you.

Ganesh Agrawal: Thank you.

Moderator: Thank you. We have a next question from Mr. Viraj Mehta. Sir, you may unmute and introduce yourself.

Viraj Mehta: Yeah, hello, sir, thanks for taking my question. Sir, I have a more philosophical question about the capital that we are using at the firm level. Sir, two of your plants are currently operating at relatively low utilization levels, particularly the Pune and Vadodara facilities. The Bangalore plant had reached a reasonably high level of utilization, yet the Company decided to establish a new plant. Going forward, products will be shifted from the existing Bangalore facility to the Malur plant, which may again reduce utilization at the older facility.

For a company of our size, with a revenue base of approximately ₹150–200 crore, we seem to be adding new plants continuously while the costs of the existing facilities remain. However, the utilization of those facilities is not improving. Therefore, it appears that something may not be working as intended. What is your view on this?

Ganesh Agrawal: No, sir. The sole reason for establishing the new plant in Bangalore was that the existing Bangalore facility was very small. If we wanted to increase business with Caterpillar or onboard other large customers, the existing facility neither had sufficient space nor the capacity to support such growth.

The customer had clearly indicated that additional business opportunities would not be possible unless we moved to a larger facility. Therefore, we established the new plant in Bangalore. Otherwise, we have not added any new plants elsewhere, nor are we currently planning to do so. In fact, we have not set up any new plants over the last three years apart from this.

Viraj Mehta: Sir, my understanding is that our existing facilities are already capable of supporting approximately ₹500 crore of revenue. What often happens is that companies build larger facilities, and as a result, despite having gross margins of around 50%, EBITDA margins remain constrained. Even now, the Company is guiding for only around a 10% EBITDA margin because operating costs are spread across multiple locations.

Further, the Company is planning to add a paint shop, which will involve additional expenditure and operating costs. As a long-term shareholder who has held shares for over two years, I still do not have clarity on when the benefits of all this spending will become visible. Even after generating significant revenue, if the Company achieves only a 10% EBITDA margin despite a 50% gross margin, it suggests an issue with the expenditure structure. That is my only concern.

Ganesh Agrawal: Sir, the paint shop is also a business requirement. We have not previously installed a paint shop at any of our facilities. However, customers are now requiring a paint shop and prefer all manufacturing processes to be available under one roof in order to conduct business with us. That is the reason for making this investment.

Viraj Mehta: But sir, we are not shutting down any of the existing facilities. We currently have six plants. You have indicated that significant growth is not expected from the Vadodara facility. My concern is that companies of our size often struggle to achieve strong EBITDA margins when they operate multiple plants, because each facility carries its own overhead and operating costs.

Do we have any plans to consolidate or merge certain facilities? Every customer may request a facility in a specific location. Presumably, that is also how the Company ended up establishing plants in Vadodara, Pune, Bangalore and other locations. However, if utilization levels remain low and we continue adding new facilities, the associated costs will keep increasing.

As a result, capital may not be deployed efficiently, and the Company may continue operating at around a 10% EBITDA margin. As promoters, I believe it is important to evaluate whether continuously undertaking new capital expenditure while retaining all existing facilities is the most efficient use of capital. Without consolidation, neither overhead costs decline nor do we benefit from economies of scale.

Harshad Patel: Actually, Viraj, on a superficial level, what you are saying is correct, and the Vadodara plant investment is not really pulling down. Our biggest facility used to be at Pune, and Pune was a large facility that was not pulling its weight in. Now there are two issues here: plants are not being put just to show off that we have capacity, and you know, this particular plant has been put with a proper strategic reason, why this has been put, and the kind of facilities were put also to see that we could get new business for domestic as well as export. Now these kinds of facilities are not available at the other location, and neither can we, you know, supply from another location to this particular southern part of India. So, the crux of the problem which you have correctly identified is that the plants which are idle have either or rather which have idle capacity have to also improve their capacity utilization or they should not be there and they should be closed down. That is, I think the message you are giving and which is partly valid. Now, in that context, the Pune plant facility also we had been focusing on export over the last two years and it has been a long haul for that export business to fructify, but over the last 12-18 months a good customer base has been added. Those customers initially were giving much slower business and this year even the Pune facility utilization will be at a reasonably high level as much as maybe 80% or so. In fact, that plant is likely to be fully sort of busy and full capacity utilization by as early as third quarter of this year. So those assets which are idle, which should be sweated, your point is absolutely well taken, but it is not that we are having all kinds of assets and spending money without expecting any return. If you see our fixed assets to turnover ratio is also very good in comparison to the other industries because we have built capacity at a very, very low cost compared to the other companies within the space. So, it is not that what is particularly dragging this whole thing. The main point is that for the size at the capacity, this 150-160 crore is too little. And once you start crossing 200, 210 crore, you can start seeing the difference. The other point you're making is very correct that idle capacity is the biggest issue and that should not be sort of carried on for long, but that is not the problem now. Pune has also crossed the hurdle, and it is also going to contribute a reasonably good amount of contribution and profit. And there is one more thing about these capacities, though most of these, you know, equipments are the same, but the knowledge level in each factory and the type of work which is done, for example somewhere you may be doing heavy engineering, somewhere you may be doing light work, somewhere you are doing stainless steel work which requires certain different kinds of skills as well as certification, so that is also one of the reasons why these plants are in place. Otherwise, you know, we completely understand where you're coming from, but there is no frivolous Capex

which is being done which is adding to the burden. So I think those, and the tight management of finance you can see from the way the current assets are also maintained, the whole debt ratio, debt level for this kind of a size of operation—everything is fairly tightly managed. So, I think saying that company is not managing assets properly I think is a complete misunderstanding of what is happening in the company. I hope I could clear it, but I mean if you're not convinced there's nothing more I can say.

Viraj Mehta: Sure, sir. I understand. Thank you for your response. Sir, I have one final question. Earlier, you mentioned that the Malur plant would potentially generate around ₹60 crore of revenue, while approximately ₹30 crore of revenue from the existing Bangalore plant would be transferred there. In that case, moving from ₹160 crore to ₹190 crore of revenue is already accounted for by that additional ₹30 crore alone.

Further, if you are indicating that utilization at the Pune facility will also improve and is already operating at around 70–80%, then I believe our ambition for the year should be higher than ₹190 crore. In my view, the target should be closer to ₹225 crore. This is also assuming that the Bangalore business remains at current levels and does not generate any additional growth.

Ganesh Agrawal: Sir, based on those projections, it should indeed be achievable. However, we are maintaining a conservative outlook. As you are aware, there are geopolitical uncertainties and some volatility in raw material markets. We do not know how those factors may evolve going forward, and therefore we have adopted a relatively conservative target.

Viraj Mehta: Understood, sir. My final question relates to the recent increase in steel and other metal prices. How does the Company manage such price increases with customers? Is there an automatic pass-through mechanism with a one-quarter lag, or do we need to obtain customer approvals each time prices change? Could you please explain how this arrangement typically works across the majority of your customers?

Ganesh Agrawal: For the majority of our customers, there is a quarterly pass-through mechanism. If raw material prices fluctuate by more than ±5%, the change is passed through to customers. However, there is typically a one-quarter lag in the adjustment. For example, the average raw material price prevailing in the first quarter would generally begin to be reflected in customer pricing from the second quarter onwards.

Viraj Mehta: Sure, sir. I understand. My only humble request is that there appears to be a significant gap between the commentary being provided and the numbers being discussed. While management is guiding for ₹190 crore of revenue, based on the factors you have mentioned, Pune reaching around 80% utilization, the incremental contribution from the new plant, and some growth in Bangalore, it seems to me that revenue of ₹210–220 crore should be achievable at a minimum.

Accordingly, I believe the Company's internal targets should also be aligned at that level, and management should be equally driven towards achieving them. The industry in which the Company operates currently offers substantial opportunities. Across sectors such as forging and fabrication, many European companies are actively seeking suppliers and alternative sourcing partners.

In my view, the Company's future performance will ultimately depend on the level of ambition and execution. The capability is already present within the organisation; what matters now is the hunger to capitalize on the opportunity ahead. Thank you very much, sir, and I wish you all the best.

Ganesh Agrawal: Thank you very much.

Moderator: Thank you, Viraj sir. So we have a next question from Mr Rahul Jain. Sir, you may unmute and introduce yourself.

Rahul Jain: Hello? Am I audible?

Ganesh Agrawal: Yes, yes.

Rahul Jain: Yeah. So first of all, sir, I really appreciate your initial commentary and initial statement, both Harshad sir and Ganesh sir, giving a very candid, you know, honest kind of response on what went wrong. And as one of the earlier participants mentioned, I have not come across management being so candid about not doing something or something going beyond their control. Coming to the questions part, sir, my first question is recent Caterpillar commentary has been quite good. Caterpillar reported good numbers for the first quarter of the CY26, and even their commentary seems to be quite strong on the construction business. And Caterpillar being our prime client, the number one client, major client, so what are our discussions with them in terms of increased now since your Malur plant is also operational and as you mentioned earlier that all the approvals are also in place, so do we understand that compared to say last two-three years when probably our largest customer also was compared to the situation last two years, this time the situation is much better with our major customer? So can we, you know, get the advantage of this and much increased business, what are the talks going on with Caterpillar as such?

Ganesh Agrawal: The talks are very positive and very promising, basically, okay, and all their verticals are talking about a good ramp-up for this year, at least for the first six months that we talk to them. So we should see a significant jump, you know, from Caterpillar in terms of business volume this year.

Rahul Jain: And what kind of increase can we see? So if you can share some numbers, what kind of increase can we see from Caterpillar itself compared to, say, FY26 in FY27 and FY28?

Ganesh Agrawal: My view should be 15 to 20% at least.

Rahul Jain: Okay. And sir, the power sector is also one of the sectors that we cater to. And you know, we've been hearing commentaries from other managements, seeing the situation on the ground. The kind of feedback that we are getting, you know, what did not happen in power in the last 10 years, things have really changed in the last 12 to 15 months, both globally as well as domestically, also in a large way. You know, commentary from BHEL, commentary from L&T, commentary from the transformer companies, the switchgear companies, the transmission companies, you know, a lot of activity is in there. So, power is one of the segments that we cater to. So, how do you look at this kind of opportunity? Is there some, you know, I'm talking about numbers, do you see some increased kind of pipeline or forecast or some customers who were doing X business ready to do say 50% more, 2X kind of business? How do we see this sector? Because it has come out after a long time, sir.

Harshad Patel: So, power, you know, you are right that the segment is in a boom just now, but it's a little bit of a mixed bag in the sense that there are some sectors, some parts of the power equipment, which are really booming, number one being transformers. And transformer is booming big time because of solar capacities coming on board, and therefore the distribution, the way it is done requires more and more transformers to be put so that it can handle this kind of power, which is intermittent, so during the daytime solar comes and at night there is no solar. So, for that, the distribution network and all need to be changed, which is where large investments are being made. Our number one customer in that segment is Schneider, and the other customers, which are smaller, are ABB and Siemens. But Schneider, who is our biggest customer in this sector, unfortunately, has gone down drastically from the last quarter of last year. I think the product that they supply, which is also medium voltage switchgear, and it's part of the distribution network, so I've been actually shocked at their low offtake from fourth quarter of last year, and we are not getting any proper explanation. What I feel is that they are not in certain sectors which are really booming, or rather, the segment to which we are supplying is not in those sectors. So we may not get much of a benefit as of now, I don't see the power sector growth as benefiting us much. But besides this, as far as you talked earlier about Caterpillar, see, I look at Caterpillar a little differently because in my opinion, you absolutely correctly pointed out that they've had a fantastic year in the US also, if you see it was a record year and their stock is also at an all-time high. And they are talking very big business even outside India. So the big opportunity in Caterpillar is to get into their global supply chain. Of course, the Indian business is also absolutely booming, and I think if some of these bigger items which we moved into now, initial orders are smaller, but if those click, I think the growth there will be far higher than 20 or 25% which Ganesh just mentioned. And in power, what is happening is that Caterpillar is now, Caterpillar makes engines, as you know and they've also bought over Perkins which was a British company also making engines, that plant is in Aurangabad. Because of this whole boom in data

centres globally, Caterpillar is now hugely focused on energy on production of power using their engines. So their engine division globally is going to have the highest growth even higher than their yellow goods and earth moving. And something similar is also likely to happen here in India with their engine division with Perkins and their plant at Hosur. So we've started getting some initial inquiries from them, that division also, where we were hardly, I mean, we were not even doing any work till last year. So in power, I would say again the scope, if at all, I see it is more coming again from the engine division of Caterpillar rather than from the switchgear divisions of ABB, Siemens and Schneider, which we are supplying to. The switchgear, some of these divisions, medium voltage switchgear, primarily where we supply, that is not really booming to that extent. And power generation, also, there is not much of a boom coming. I think in the distribution sector, there is a major boom and I think primarily it is impacting the transformer industry, which is absolutely red hot, and everybody has order backlogs of you know anywhere between two to three years today, that's the kind of order backlog, and most of them are even getting very good export orders. But for us, in electrics, there is really nothing much happening in the sector that we are sort of engaged with.

Rahul Jain: Okay, got it. Sir, a couple of quantitative questions now. On the Pune plant, sir, see we have gone up from about ₹32 crore to ₹37-38 crore in the current year FY26. So, typically at 80%, what kind of revenue can we do, and what can be the optimum revenue from this plant?

Harshad Patel: That should be anywhere around, you know, ₹50-60 crore. Around ₹50 crore at least from last year's ₹36 crore, we should target at least ₹50 crore from Pune.

Rahul Jain: For the current year, FY27?

Harshad Patel: Yes.

Rahul Jain: And ₹50 crore would mean roughly 80% utilization?

Harshad Patel: Yeah, from 36 to 50 is what is being targeted. And there are some other new businesses in export in a completely different sector in construction, which are also in their early days, with two or three major MNCs with whom we are talking, and some initial trial orders have just come last month, but if they fructify, then that could start giving business somewhere around the third quarter of this year. Big business, small business will happen now in the second quarter, but we have to see from there where it goes. And that is not really included in this ₹40-50 crore, which we are talking about.

Rahul Jain: Sure, that's nice to hear. In your presentation, you have talked about exports going up to now, almost 14-15% at around ₹22 crore, and you have alluded to the fact that you know with Malur plant coming in, and now you are also talking about Pune, it looks like you can see a much better growth in exports. So, from about 15% or ₹22 crore absolute number, what kind of export number are we seeing? And also, I think in one of the previous calls you had mentioned about

export margins being better than the domestic margins. So given today's environment with regards to freight rates, with regards to the labor cost and everything, we continue to maintain that export margins are 3 to 5 percentage higher than the domestic margins?

Harshad Patel: I'm not sure, Ganesh you have anything on this? But my feeling is margins should remain, but you're right, freight cost is a little bit of a concern. But the other side of the story is that in the West, their costs have gone absolutely haywire, so as Viraj was earlier speaking, overseas people are looking for a lot of sourcing from here. So I think margins, in my opinion, should remain better than the domestic margin. It'll also depend a little bit on the complexity of the work. We've recently just last week or fortnight back we got our first export orders at our Vadodara plant, also, that's going to the US, but those are a little not very complicated products, so the margins there are, I mean, of course, higher than India but not very high. But if there are a little bit more complicated products, then the margins are very good for export.

Rahul Jain: What kind of revenue have we done in robotics in FY26? And what is the kind of pipeline, what is the kind of margin in the robotic business?

Harshad Patel: Last year, we would have done around ₹2 crore of business. Good part of that, I mean not this ₹2 crore, but the total business last year was very early days, and we were still trying to make penetration in the market. So, the first six months or so, there was hardly any business. Last five-six months we've done some business. But from March onwards the kind of inquiries in the pipeline has gone up by something like 300-400%, so our target was you know this year current year was to do about ₹5 crore of business, but I think very soon the way it is going if Q1 or let's say by June-July if all these orders which are in pipeline fructify then we may revise that target to about ₹10 crore this year in that business. As far as margins are concerned, earlier we were working mainly in the SME sector because we still had not got any breakthrough for bigger companies, but now we have received very serious inquiries from some good construction equipment companies, automotive tier-1 companies as well, and those are complex automation systems in which the margins are better. So I think margins there also would margins and volume both would increase as we go forward. I think this year in my opinion it is a year for I mean base to be established because from here if this year goes as per my expectation I would say that you know growth from here over the next five years can be spectacular which, and one of the things you may be also hearing in some of the concalls of even very good large companies about the shortage of manpower and how much big companies are struggling for their Tier-1 vendors to supply to them and they've lost output. And these are all problems which are very getting very serious as we go, and so I think an inflection point is coming in this current year in my opinion which will give very good traction going forward. So, I would say anywhere between ₹5 to ₹10 crore is our current year target.

Rahul Jain: Sure. And one last thing, sir, with regards to margins. See on the side of gross margins, we have actually done a very good job. If I look at the numbers, our last three years' gross margins have moved up in the last three years from about 44-45% to roughly 49% from March '24 to March '26. And within that, our operating margins are down, and that is majorly because of the labour cost. Even other expenses have not moved up that sharply compared to the labour cost. So the employee cost, which was roughly about ₹20 crore in March '23, went up to ₹23 crore in March '24, and from ₹23 crore in March '23, it is currently at ₹33 crore for the current year ended, and the previous quarter by the exit quarter was roughly around ₹9.5-10 crore. So, in the last two years, what has been the reason for this sharp increase in employee cost and how much of it is front-loaded with regard to our new plant at Malur? And how do we see the employee cost going ahead? Is it now that this ₹9.5-10 crore will be the quarterly run rate for the year FY27?

Harshad Patel: I may not be able to tell you in percentage-wise, but definitely last two quarters of last year employee cost has gone up disproportionately because of duplication of work where some work was being done in the older plant and also new plant where people had to be employed and lot of new systems that we are trying to put up, those employees were in place and output from that was also not in place. So last year, employee costs were disproportionately higher than normal. But on the other side, I have to say that employee cost control is going to be one of the biggest challenges for us going forward because some of the states, like for example Karnataka, are looking at increasing minimum wages by as much as 30%, and that is really huge. Other states are still not moving in that direction, but wages is going to be one of the it is going to be an area of concern and that is some that is going to be a big challenge and that is the reason why it is going to be very imperative that this automation work that we have taken up and the aggression with which we are investing in robotics in our own company, I think the only way I feel this challenge can be sort of handled. So, we ourselves would have, I think, installed something like five or six robots, and this year it will be you know more than another eight or ten robots across our facilities. So of course, a robot is only a partial solution, but a lot more work needs to be done in planning and many other ways, by which you know you don't have idle people sitting around. One of the other reasons why labor costs sometimes go up drastically is that if the flow of business is not regular. So, you know you have people there and many some of these people are not fungible in the sense that I cannot move those people from one particular manufacturing cell to another because of the skills that they have or the type of work that they're doing. So if the workflow is not regular, the employee cost tends to rise. And last year also that was one of the reasons, but I think going forward that doesn't appear to be, I think going forward workflow seems to me much better now at least now the next this current month and the next five-six months we have enough in the pipeline to ensure that all the divisions are I mean not divisions but within a factory the different cells are all working to its proper capacity. So, the people cost is a big challenge, and one will have to work on that seriously. If I have to say the number one

challenge today in our business, I will put it as having the right quality people and being able to manage that cost; that is the number one challenge in my opinion. So the target is to make that percentage to sale lower than what it was last year, obviously. Last year was an aberration; it was much higher, but if we keep these costs the same and the turnover is increased by about 20-25% then I think personnel cost will not be that much higher, it will be manageable. But that has to be done.

Moderator: Sir, I would request you to join back the queue since we have limited time from the management, and I request participants to stick their questions to 2 questions at a time. We have our next question from Mr Manoj Dua. Sir, you may unmute and introduce yourself.

Manoj Dua: Good afternoon. Am I audible?

Harshad Patel: Yes.

Manoj Dua: Okay. So, according to your guidance, after three year would be around ₹285-300 crore sales. My question is a little bit of a longer perspective, and at that time, maybe export sales are around 20-25%, then around ₹50-60 crore is exports. How to think about what trend you need or what capability, you take more wallet share from the customer, so that we can go to ₹600 crore sales or exports of ₹200 or 250 crore, because ₹300 crore is also very less for the size of capabilities you have built, the kind of customer you have. So, give us a little bit longer path, how can we be a much bigger company from ₹300 crore? What is needed in terms of trends, what is needed in terms of your capabilities, and what is needed in terms of your customer acquisition?

Harshad Patel: So you're right. For us to go beyond this level, I think if the market, the commodity markets continue to boom as it is expected, and the kind of you know digging which is going to be required, the earthmoving industry where it is going to go, globally it is likely to be one of the biggest booming segments going forward. So, if we have to increase our market share, I would say exporting to that sector will have to be sort of focused on to be able to go much higher. In the case of the domestic market, I would not know whether this much larger growth takes place. Because my last 15 years of experience have been that it has always been up and down, and the cycles have been very short. Whereas the global cycles are much longer. So if we have to go to those levels, I think export share will have to be increased more; that's my feeling.

Manoj Dua: Okay. And do you believe that the kind of customers you have presently have the potential for a higher export from you?

Harshad Patel: Uh, no, I don't think so. I think we need to be, as I said, we've been adding customers regularly, and we've added some more. Out of these, one of the one or two industries are really booming, but those companies so far it's little early days. But if those mature, then yes, that would give this kind of growth.

Manoj Dua: Okay. And we were talking about making tubes also, if I remember correctly, maybe some concalls back, what's the status of that?

Harshad Patel: Actually, we've kept that aside for the moment because you know last year we were struggling so much with our you know bandwidth of management with all these moving parts and projects, and we had to ramp up and do a lot more new customer work at Pune, this Malur shifting and all that. So that is a new industry and needed another set of team and other people. So we've just now, for the time being, kept it aside, and once things stabilize, then only we will start working on that. And one of the export industries I was telling you about with a lot of potential is also tied up to the tube industry. It is a sort of parallel to the tube business. So, as of today, we have started doing that business, but only from the welding side, not yet from the forming and other things which we were earlier planning to do. So to answer your question, I think for the next 12 months, we are not looking at anything from that front. It's only once these things stabilize, then we'll again take a re-look at whether we want to really push there or whether we have enough business, or there are other areas that we can focus and grow our business much more.

Manoj Dua: Thank you for the very good answer. My last question is, I know that you got it wrong in the guidance last year. But you have to understand from that point that even now, being conservative also won't serve the purpose through the information to the shareholder. If we are not getting to 13 and 14%, but as a shareholder, we all are good at math. So if that conservative also confuses us. So, in the long term if you are not able to achieve 13-14% EBITDA margin, what's the point of having the most esteemed clients and the most robotic facility? This confuses us. Can you okay we may go wrong and come back, okay, what was the problem, but I want to understand if I have to be a shareholder for five-seven years, I hold around 3.5-4% of the company, I have to understand where our path is to achieve at least 14% EBITDA margin. Otherwise, it becomes difficult to understand the capabilities of the company.

Harshad Patel: I agree with you, actually, on this, absolutely. Uh, you are absolutely correct, and I think both these things are tied together, the higher you know, because the last three years, if we see that there isn't, you know, a good kind of double-digit growth, which should have been coming, and that's the reason these EBITDA margins have remained at this level. But I completely agree with you that you know you must have those kinds of you must be in double-digit EBITDA levels, and there is definitely a possibility that that can happen and that we have to try and we have to make it happen. I tend to agree with you. And your other, your earlier point, is also correct, that because of having taken a beating last year, I think we've also become a little bit conservative in guidance. But you know, I mean, at the same time, it's not that there is no push being done to sort of go to the next level. And obviously, when having taken a bold decision to put such a large facility with a certain tactic and strategy in mind, we are obviously looking at that

kind of growth and margin. So yes, I agree with you that this is what we should look forward to. And if we don't do that, I would also treat it as a failure. I agree with you.

Manoj Dua: Yes, sir. Thank you.

Moderator: Thank you, Manoj Sir. Due to time constraints, we will now take questions from the Q&A box. So we have a question from Mr Ansh Khemavat. So his first question is what our strategy would be to tackle the human capital problem. And second question, in today's market, do we see any new opportunities that we are pushing for?

Harshad Patel: Yeah, so human capital, as I have already mentioned in my earlier talks, is also the biggest area of concern. Capital not just by way of cost, but by having trained kind of right kind of people. And also since we are getting into higher and different kinds of components, we needed different skills, uh and also automation level. So we are working very seriously on skill development. We have we are also investing a lot in training and good number of interns from last year we've started employing lots of interns straight out of college and passing them through the training programs and then getting them on board. And this year that is going to be ramped up still further. So I think that is what we are doing on the human capital side. New opportunities, uh, there is a big opportunity that appears to be in this construction industry where there is a lot of work going on in the scaffolding space, scaffolding, and this metal forming, I mean, where they make these aluminium forms into which the cement is poured. So that is an area which is doing very, very well in India, that is where some inroads have been made, and some new orders have come. So that is a new opportunity that is looking to come on board.

Moderator: Thank you. So as there are no further questions, I would now like the management to give the closing remarks.

Harshad Patel: Yes, uh, thank you so much for your patience in attending and then taking so much interest in the working. And yes, the concerns of some of y'all, it definitely are sort of understood and we have to work to see that those are overcome, and we will definitely work on that, and it will be done. I'm very positive for a couple of reasons. Number one being that in the last, you know, so many years, maybe post-COVID, I've not seen the kind of traction that is coming from some of our bigger customers. So that is a very positive point. And yes, there are some concerns about the cost of other things, but I would say on closing that I'm quite optimistic going forward. At least in the next short period, the next two to three years. And of course, we have to build for the long term, as you said. So, thanks very much.

Moderator: Thank you, everyone, for joining Rishi Laser Limited Q4 and FY26 conference call, hosted by ConfideLeap Partners. Participants may now sign off.