RISHABH INSTRUMENTS LIMITED

August 20, 2026

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

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street,
Mumbai – 400001
BSE Scrip Code: 543977

Dear Sir/Madam,

Sub: Earnings Conference Call Transcript for Q1 – FY 2026-27.

Please find enclosed herewith the copy of transcript of the Earnings Conference Call held on August 17, 2026 in respect of Unaudited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2026.

Kindly take the same on your records.

For Rishabh Instruments Limited

AJINKYA JOGLEKAR
Digitally signed by AJINKYA JOGLEKAR
Date: 2026.08.20 16:28:35 +05'30'

Ajinkya Joglekar
Company Secretary and Compliance Officer
ICSI Membership No.: A57272

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"Rishabh Instruments Limited

Q1 FY27 Earnings Conference Call"

August 17, 2026

Errors and Omissions Excepted (E&OE): This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 17th August 2026 will prevail.

MANAGEMENT: **MR. DINESH MUSALEKAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – RISHABH INSTRUMENTS LIMITED**
MR. VISHAL KULKARNI – CHIEF FINANCIAL OFFICER – RISHABH INSTRUMENTS LIMITED
MR. NISHANT DUDHORIA – ADD. GENERAL MANAGER STRATEGY – RISHABH INSTRUMENTS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Rishabh Instruments Limited Q1 FY27 Earnings Conference Call. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance, and it may involve risks and uncertainties that are difficult to predict.

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 this 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. Dinesh Musalekar, MD and CEO, for his opening remarks. Thank you, and over to you, sir.

Dineshkumar Musalekar: Okay. Good evening, ladies and gentlemen. A warm welcome to all participants joining us today for the Q1 FY27 earnings call of Rishabh Instruments Limited. I have with me our CFO, Vishal Kulkarni; and our General Manager of Strategy, Nishant Dudhoria. The results and earnings presentations for the quarter have been uploaded on the stock exchange and on the company's website, and I hope you had an opportunity to review them.

Q1 FY27 marks a positive beginning to the new financial year. We have reported consolidated revenue of INR1,983 million, up by 4.2% year-on-year and achieved a consolidated EBITDA margin of 16.8% in Q1 FY27. The consolidated EBITDA stood at INR 333 million, up by 17.3% year-on-year and the reported consolidated PAT stood at INR194 million in Q1 FY27.

While the global operating environment continues to be shaped by geopolitical uncertainties, tariff developments and supply chain volatility, Rishabh has remained resilient with a clear focus on profitable growth, operational excellence and technology-led expansion.

At the segment level, Electrical and Electronics Instrumentation, which we call as EEI, remains the primary growth engine for the group in Q1 FY27, delivering a robust 34% year-on-year revenue growth while maintaining an EBITDA margin of approximately 24%, exceeding our initial guidelines given.

More importantly, adjusted EBITDA increased by 69.1% year-on-year to INR382 million with margins expanding significantly to 24.8% from 19.6%, a 520 basis points improvement. The PAT margins improved to 16.4% in Q1 FY27 from 13.8% in Q1 FY26.

The performance reflects the benefits of operating leverage, improved product mix, procurement efficiencies and disciplined cost management, reinforcing EEI's position as group's primary growth and profitability engine.

The strength of EEI business is underpinned by a diversified product portfolio and a sustained focus on innovation. Over the past 2 years, we have successfully launched around 15 new products with further more than 15 products planned for FY27.

These initiatives are expected to create new revenue streams, broaden our addressable market and strengthen our presence across both domestic and international markets. Going forward, our strategy is to accelerate on high-value application-led products and leverage our expanding portfolio and global customer reach to drive sustainable and profitable growth.

The standalone India business continued to deliver strong momentum, supported by a deeper customer engagement, healthy export demand and improving product mix and an expanding distribution network. Rishabh India delivered 25.6% year-on-year revenue growth with a healthy EBITDA margin of 22.9%, reflecting sustained demand and disciplined execution.

Our international counterpart of EEI business also remained an important pillar of the group's growth strategy. Lumel S.A. delivered strong performance despite a relatively subdued European industrial environment, supported by high-value electronics manufacturing, product diversification and new customer wins.

The revenue grew 39% year-on-year, while EBITDA remained healthy 24%, contributing to 50% of our consolidated bottom line for Q1 FY27. Our business in the U.S., U.K. and China continued to remain profitable and further strengthened the group's diversified global platform.

The U.S. and U.K. businesses grew by over 40% year-on-year, while China delivered 20.3% growth during Q1 FY27. While these businesses currently operate on a relatively smaller base, the strong growth momentum provides a significant opportunity to scale our international presence and contribution to the group over the coming years.

Further, the solar inverter business continued to make meaningful progress during the quarter. Following the successful launch of our single-phase iUNO inverter series, the product has received encouraging market acceptance and enabled the business to achieve operational profitability.

In Q1, we further strengthened the solar inverter portfolio with the addition of the next generation of 3-phase iNEO inverter models up to 12 kilowatts in addition to the single-phase iUNO up to 5 kilowatts.

A further development is underway for the next-generation range up to 50 kilowatts. Further, we are also gearing ourselves to develop hybrid inverters solutions to address the growing demand for integrated and flexible renewable energy system.

Hybrid inverters are becoming increasingly important to manage peaks and off-peak energy demand, optimize solar and battery utilization, reduce grid dependency and enhance overall energy reliability.

These initiatives will broaden our addressable market and position the solar inverter business for the next phase of growth and establish solar inverters as an increasingly meaningful growth pillar for the group.

Lumel Alucast continues to execute its transformation with the discipline and remained breakeven at operating level in Q1 FY27.

Although the adjusted EBITDA remains at a negative 6.4% in Q1 FY27, I believe that we would be able to breakeven the adjusted EBITDA for the full year by end of FY27. At present, our focus is to progressively fill available capacity with higher-value profitable opportunities and rebuild sustainable business.

The RFQs with the number of new projects that we floated in the last year is now progressing through advanced commercial negotiations, qualifications and customer approval stages. As these opportunities convert into production programs and available capacity gets progressively utilized, we see a clear pathway for Lumel Alucast to restore a double-digit EBITDA margin over the medium term.

At HPDC, our strategy remains clear, we are prioritizing value over volume and will not pursue growth at the expense of profitability.

Another important milestone has been the partial commissioning of our new manufacturing facility at Nashik. This investment significantly enhances our manufacturing capacity and strengthens our ability to address growing demands across both domestic and international markets.

The expanded facility also provides the platform to support new product introductions, larger export opportunities and evolving customer requirements across our portfolio. Further, during the last quarter, as a part of our market expansion strategy, we opened our first Rishabh TMI Experience Center for showcasing our test and measurement instruments.

This center is designed to bring our test and measurement instruments and solutions closer to customers and channel partners through live demonstrations, application-based interactions and technical engagements.

This initiative will help us strengthen customer relationships, improve product awareness and accelerate adoption of our expanding portfolio with similar centers planned for Mumbai and Delhi to be operational by end of this financial year.

In parallel, we continue to invest in automation, process excellence, advanced testing capabilities and R&D infrastructure to enhance our global competitiveness. As industry is increasingly digitized and modernized, we see significant opportunities emerging across AI-enabled data centers, grid modernization, energy efficiency, smart infrastructure and renewable energy integration.

Our products and technology road map are aligned with these structural trends, positioning Rishabh to capture these opportunities and drive sustainable growth over the coming years. The long-term industry outlook remains structurally attractive, supported by sustained global investments in electrification, energy efficiency, renewable energy integration, industrial automation, grid modernization and digital infrastructure.

While industrial activities in Europe remained relatively moderate, we continue to see encouraging opportunities across the U.S., Middle East, Southeast Asia and Africa. Our diversified geographical footprint enables us to participate across these growth markets while reducing dependencies on any single geography.

The rapid expansion of AI-driven data centers and increasingly energy-intensive digital infrastructure is creating an additional growth avenue for advanced energy measurement and power quality monitoring and energy management solutions, areas that align well with our evolving product portfolio and technology capabilities.

In India, continued policy support for manufacturing, power infrastructure, renewable energy, transformation, transportation modernization and localization of electronics provides a strong foundation for sustained demand.

The country's renewable energy ambitions alongside the accelerating global adoption of solar and distributed energy solutions further strengthen our long-term opportunities for our business. While near-term geographical and macroeconomic uncertainties may persist, we remain confident in the underlying structural growth drivers of our industry and opportunities we create for Rishabh over the medium to long term.

As we move into financial year '27, our strategic priorities remain unchanged, accelerate profitable growth across our core EEI business, expand our presence in high-growth international markets, continue strengthening our product portfolio through innovation and R&D, increase the contribution of software-enabled and solution-oriented offerings to improve operational efficiencies and capital allocation, build a stronger pipeline of opportunities across renewable energy, automation, energy management and medium-voltage products. Continue transforming Lumel Alucast into a profitable and sustainable business.

Our ambition remains clear to evolve Rishabh from a product-led organization into a globally recognized engineering and technology solution company. I would like to thank all our employees across the group, our customers, suppliers, channel partners and shareholders for their continued trust and support.

The progress we have achieved over the last few years is a reflection of the dedication of our team, the confidence of our customers and the support of our stakeholders. We believe the foundations we have built over the investments in technology, manufacturing, people and innovation position us strongly for the future.

With a clear strategy, expanding capabilities and growing global presence, we remain confident about the opportunities ahead and our ability to create sustainable long-term value for our stakeholders.

With that, I will now hand over to Vishal to give group's financial performance. So over to you, Vishal.

Vishal Kulkarni: Thank you, sir. Good evening, all. Please note that all the numbers are in INR. The financial performance, I will describe as follows. The consolidated revenue for Q1 FY27 stood at INR1,983 million, which is up by 4.2% on a year-on-year basis. The consolidated EBITDA stood at INR333 million for quarter 1 FY27, marking a 17.3% year-on-year increase.

In Q1 FY27, the consolidated EBITDA is after provision of INR20 million on account of ESOP costs and stock appreciation rights. The consolidated PAT for Q1 FY27 stood at INR194 million, decreased by 1.4% year-on-year. This is mainly on account of increase in depreciation by INR20 million.

The standalone revenue stood at INR776 million in Q1 FY27, registering a robust growth of 25.6% year-on-year. The standalone EBITDA for Q1 FY27 stood at INR178 million, up by 24.5% year-on-year with EBITDA margins at 22.9%. It includes the provision of INR4 million towards ESOP cost.

Standalone PAT for Q1 FY27 [inaudible 0:15:40] stood at INR119 million, which is up by 20.2% year-on-year. Now for Lumel S.A., the Q1 FY27 revenue stood at INR639 million, reflecting a staggering growth of 39% year-on-year. Adjusted EBITDA for Q1 FY27 stood at INR153 million, which is up by 175.3% year-on-year. The adjusted EBITDA margins expanded to 24% in Q1 FY27, an improvement of 1,190 basis points. The PAT for Q1 FY27 remained at INR115 million, up by 321.1% year-on-year.

For Lumel Alucast, the revenue for Q1 FY27 stood at INR443 million, reflecting a degrowth of negative 41.2% on a year-on-year basis. This is a planned decline as communicated earlier by Dinesh sir.

The adjusted EBITDA for Q1 FY27 remained at negative INR28 million and the adjusted EBITDA margins stood at negative 6.4%. We are at operating breakeven in Q1 FY27 and expect to breakeven the adjusted EBITDA by end of FY27 as we fill up the vacant capacities with new orders and operating leverage will start to just kick in.

The PAT for Q1 FY27 remained at negative INR59 million. On the consolidated level, we remain net debt-free with a strong balance sheet. Net cash and cash equivalents as on 30th of June 2026 stands at INR1,606 million.

With this, I shall now leave the floor open for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: Congratulations for a very strong set of numbers. Sir, on the EEI side, I think we have done a fantastic growth of 34%, while we have guided for 20% to 25% growth. So is it -- if you can elaborate on what is driving this growth? Is it the new products, new geography combination or we are seeing certain products scaling up very well?

And are there any kind of lumpiness which is kind of built into the current numbers and eventually it will moderate? How should we think about the EEI business for the rest of the year?

Dineshkumar Musalekar: Yes, Mr. Desai, thanks for the question, and it's really something which even the Board was asking me. We are basically talking about the sustainability of this growth which we see in Q1. Obviously, it's not something which is lumped up in any quarter or something. So we see the growth coming out of multiple factors actually.

In Rishabh India, we can see the growth which is coming from increase in current transformer business, which is happening globally. This is also driven from the fact that will grow into data centers and solar is picking up. That has started to grow profitably and growing. And EEI sector is also started to grow.

So we are -- it's kind of firing into multiple engines. And in Lumel S.A. in Poland, which is again second big pillar for EEI business, this is coming out of, again, product spread. And we also are part of energy distribution upgradation, which is happening in Germany. So obviously, we are not Tier 1, Tier 2 suppliers.

We are in that whole process of supply chain. So that also is coming up. And then some of the new products which are launched also are picked up by the markets very well. Then we can see that U.S. market is also growing rapidly.

So we have been having 30% to 50% growth in the last 2 to 3 years, even though it is on a smaller base. So our INR20 crores became INR30 crores and is expected to become INR45 crores now. So that's a scale of things which are happening.

Again, we are introducing more products with UL certification and ANSI products into that market from both Rishabh as well as Lumel factories. So this is all -- I mean, I would say it's firing -- it's like multiple engines firing in terms of product, in terms of market.

So it's not coming from 1 or 2 specific things, which is good for us. So the risk is spread. The growth is also spread. So again, on a very conservative or what we gave as a guideline, we stand by that. The guidelines have been anywhere between 20% to 25% top line -- around 20% top line growth and EBITDA of 20% to 22% we have said.

And this quarter, we have delivered more than that on the EEI business. And it will be around that or more throughout the year. That's what we can say. It's quite sustainable.

Dhwanil Desai: Got it, sir. Very clear. Sir, on the U.S. market, you talked about, if you can elaborate more on -- as you said, we are on a very small base. So how do we scale up very fast given the opportunity and the capex happening there? I think this question asked last time also. And any plans to do inorganic thing to speed up things so that we can capture the larger market at a faster pace? Any thoughts on that?

Dineshkumar Musalekar: Yes. So we are doing both for organic as well as inorganic. On the organic side, we are adding more resources there. We also added resources in Mexico and we are looking at Canada, South America, all that. That's the organic part of it.

On inorganic, we have got a couple of opportunities which we are looking at. And we will -- if they materialize, we will announce them when it is appropriate. But that is also part of our strategy to look at inorganic side of it. On the other side, on the organic side, we are adding more products there.

So as I remember telling this in the last time, most of our products traditionally designed for European and Asian market. So we have to redesign those products for American market. That's another process which is parallelly ongoing to introduce more products to that market.

Dhwanil Desai: Got it, sir. So sir, this INR30 crores number, you think that INR100 crores is a fair number in a couple of years Or can we accept that number on organic?

Dineshkumar Musalekar: Yes. Yes. So on the organic side, our target is to get to INR100 crores in 2 to 3 years' time.

Dhwanil Desai: Got it. And sir, last question on Alucast side. I think we have seen a decent scale down as what envisaged. And I think this year, probably we had talked about INR180 crores kind of a number, and I think we have ballpark that number on a quarterly run rate.

So next year, how is the pipeline filling up to go back to that INR220 crores, INR230 crores kind of a number? Are you having the line of sight for that number so that we can go back to double-digit margins? Any elaboration on that?

Dineshkumar Musalekar: So as I tried to highlight it in my speech also, so we have been filling up a lot of RFQs and a lot of the discussions we have done. So we have a strong pipeline of RFQs and offers already submitted and they are at different stages of qualification.

So some of them come close to approval stage because this goes by audit of the company and a lot of contracts and price negotiations. It's a bit of a slow process. And then after it is also given the ramping up of the product also takes about 6 months after the project is awarded.

So we are closer to that. So I would see that double-digit number in about 2 years' time, once we have to have that breakeven and then we will be bidding. But the pipeline is quite encouraging. So what has happened is due to a lot of these problems that were there in EV industry and many die-casting companies closing down.

So the ones which were resilient are still there are getting those projects from other companies and many of them have shifted to China also, but not all of them. So we still have -- if you are a last man standing, then you have still consolidation of suppliers, and that's where we will be part of that.

That's the process which is going on broadly. So I don't fear anything that this is going to go the negative way, but we need time. So we are working on that. Our team is very much committed. We have cut down lots of, lots of costs there. So we have made it very efficient now. So any addition to the top line will very quickly reflect into the bottom line.

Moderator: The next question is from the line of Zaki Nasser an Individual Investor.

Zaki Nasser: Good afternoon, Dinesh-ji, congratulations to you and the team for a very, very strong set of numbers. Sir, Q1 is generally the weakest quarter in your 4 quarters, sir. And you've done a 34%, 35% growth. So could we see this carrying on quarter-to-quarter because if -- I have the numbers in front of me, from INR115 crores, you've done INR154 crores. So could we expect that from INR137 crores, INR138 crores and INR147 crores, sir, the same kind of growth trajectory?

Dineshkumar Musalekar: Yes. Zaki, that's kind of a plan and addition, but we want to be very careful in giving our projections. You're absolutely right. The kind of numbers that we have put are something which we normally get in Q4. So the Q1 this year is almost comparable with Q4 of last year.

So that – it will be because we have lots of markets, lots of products and things generally go in that trend, but not 100% all the time. But our commitments are what we have given, and we don't want to give a guideline which is much higher than that. So we will try to deliver more than that. That's what we can tell. So your observation is absolutely right.

And people like pleasant surprises and unpleasant surprises. So we want to keep our guidelines, which are already kind of aggressive, and we want to beat them by performance rather than giving guidelines which are a bit risky.

Zaki Nasser: And sir, what -- how is our trajectory or traction for AI and data-centric offtake coming on in domestic market, sir? Do you see traction for products in that space?

Dineshkumar Musalekar: Yes, yes, absolutely, absolutely. We have good success with the data centers. We started with one -- first one, we made some announcement also. After that, we had another 3, 4 which we won from data centers and another 10 we are quoting. So the data center boom in India is -- we are part of the story for sure.

And the order bookings in domestic markets have been really good compared to last year, we had almost about 20% upside on the bookings, order bookings in Q1 compared to last year. Of course, our billing has not reflected that. So there is a bit of a backlog, which we will be catching up. So -- but the booking has been very encouraging in domestic market this year.

Zaki Nasser: And what would -- how would you read Europe coming along, sir? Because I think Europe looks like having bottomed out and I think even their traction seems to be appearing, sir. So you are closer to the market. So you would -- could you throw some light on that?

Dineshkumar Musalekar: So this is very funny and difficult question to answer because if you look at our individual company growth, Lumel S.A., we have about 39% year-on-year growth, whereas how the European markets are doing -- the only answer which I can give you is that the market is so huge. And what percentage of business we get is very small. And there's always -- if you beat your competition, you win new businesses and then you have multiple revenues. For example, Lumel S.A. has got multiple revenues.

It is not just our products that we sell, we do radiation gates. Radiation gates are projects which detect radioactive materials at airports and at junkyards and border securities, etcetera. So the sense of security in Europe is more so we are looking into that. So that's a good opportunity for us. Medium-voltage products, which are medium-voltage protection relays or controllers, which get into upgradation of energy system, there we have opportunity.

We do solar installations here, there we get opportunities. Then the grid upgradation, which is happening in Germany, we are Tier 2, Tier 3 supplier to that whole system. So we won that EUR5 million INR50 crore order and then INR30 crore order we won. And now again, we are working with the same customer for more -- a few more orders. So there are multiple streams of revenues for us.

So we have kind of not dependent on only selling the product. We have more solution selling and part of EMS also we do. So many things are there. So because we have got multiple revenue streams, so we are able to get the growth still when the economy is not doing so good in Europe. And that will continue to be there because we know the game now.

Zaki Nasser: You are talking of inorganic growth. So what kind of funds would you deploy in inorganic growth, sir? I think we have INR110 crores cash on books. So what size of acquisition would you be looking at, if any, sir?

Dineshkumar Musalekar: Yes. Typically, we look for acquisitions in the range of anywhere between INR50 crores to, say, about INR150 crores to INR200 crores based on how strategically it fits with our business, how much we can leverage out of that. It should not be A plus B is equal to A plus B. It should be more than A plus B, which is one of the things which we look at. And we look at -- because we run the companies very ethically, very clean businesses, our due diligence process is a bit lengthy and very neat and very thorough.

So we will only look at businesses which are strategically a good fit for us and also companies which are ethically also good. So we are looking -- I mean, at least about 4, 5, we are all the time looking at. Our M&A and strategy guy, Nishant, is already busy with many of those opportunities in India and also outside. But these things take time, and we are always on a lookout for that. That's the ticket size we look at.

Zaki Nasser: Best wishes for the year and the coming year.

Dineshkumar Musalekar: Yes. Thank you, Zaki for keeping invested and increasing your portfolio also. We really appreciate your confidence in our company.

Moderator: The next question is from the line of Ankur Gulati from Genuity Capital.

Ankur Gulati: Dinesh, congrats on a good set of numbers. Can you give me Lumel S.A.'s revenue and EBITDA and PAT for this quarter, please?

Dineshkumar Musalekar: I could not hear it very properly. Could you please repeat, sir?

Ankur Gulati: Lumel S.A. revenue, EBITDA and PAT.

Vishal Kulkarni: Yes. The revenue for Lumel S.A. for this quarter is INR639 million.

Ankur Gulati: Okay. EBITDA?

Vishal Kulkarni: EBITDA is INR153 million, and the PAT is INR115 million..

Ankur Gulati: Sorry. INR115 million?

Vishal Kulkarni: Yes.

Ankur Gulati: Okay. Fair enough. Sir, if you can give us more details on your broader Americas market go-to-market strategy, please?

Dineshkumar Musalekar: So on the American market, as we said, our growth -- organic growth ambitions are in the range of 30% to 40%, and that's what we have been delivering last couple of years. So we were around INR20 crores, which we brought it to INR30 crores in the last financial year. And this year, we have a target of INR45 crores there. So that's the rate at which we are planning to grow there. The strategy has been multiple poles.

One of them is to introduce more products to that market. So for that, we have to upgrade our products to suit the American market because American standards are different from Europe and Asia. So we have to have ANSI-rated products there. And also you have to have UL certification if you have to sell in U.S.A. So that's one process to add more products from our existing portfolio.

That's what our R&D keeps on doing product modification and adding there. And then second one is market expansion. So we are adding more resources in American market in terms of more sales managers. And also, we are looking at that operations as North American operations with Mexico, Canada getting into focus, more allocating resources there. And also, we will be looking at Latin America as an emerging market.

So adding resources, adding products is a general strategy. Then of course, as there was a question also from our investor about inorganic growth. So that's also another thing which we are looking at. So we want to go to a stage of around INR100 crores in 2 to 3 years' time there.

Ankur Gulati: Sorry, can you repeat the last sentence?

Dineshkumar Musalekar: So our first target is to get to INR100 crores, INR100 crores in 2 to 3 years' time.

Ankur Gulati: And if I look at the presentation, the other segment is entire Americas or is there other geographies in it? There is Asia, Europe and others. So others is entire only Americas.

Dineshkumar Musalekar: So Nishant or Vishal, can you answer that?

Nishant Dudhoria: Yes. Ankur, this is other continents, including U.S., just not the U.S. It has different places as well...

Ankur Gulati: Fair enough. Next one, if you can give us more color on solar inverters. Have we started -- have we reached a stage where we can start getting production schedules from the clients or not yet?

Dineshkumar Musalekar: I mean there's a lot pass in your voice, if somebody can repeat this question or maybe you can ask this question once again.

Moderator: Ankur, sir, may I request that, can you please use your handset and speak a little louder?

Ankur Gulati: Have we started getting production schedules on solar inverters or not yet?

Dineshkumar Musalekar: So on the solar inverters, see, we have -- we had this whole range up to 50 kilowatts, the older generation. Single phase we did not have. So single phase we introduced. These are all new generation, very modern, competitive with -- in terms of price and performance, of course, they are much better. And in terms of price also, they are competitive with the Chinese.

So this we introduced and we started selling them in thousands now. Initially, we were selling in hundreds. So that's the first milestone which we achieved with up to 5 kilowatt of solar inverters. Now we had this 3-phase inverters also. So the next latest generation, which we call as iNEO, that is something which we introduced this quarter, we launched up to 12 kilowatts of those iNEO new 3-phase inverter next generation.

So that's already done. And then up to 50, we will introduce them by end of this financial year. Apart from that, we are also going to get into hybrid inverter market also. That's another product which our R&D team has started to develop. So by almost end of this financial year, these are the products which we want to add.

So now we started selling them in open market as well as selling them through the system integrators or EPC contractors, the EPC contractors also are coming to us to make contracts because they were sourcing them from either China directly or somebody who is assembling them for -- in India, but Chinese is -- they are getting assembled and kind of giving that. So that market has started to have some problems because of aftersales support, warranty support, etcetera.

So we find very, very strong growth pattern for that because our products are totally designed and manufactured here. So we are in a -- there's no technical dependency for us. So the other -- there are so many other people who are making inverters and putting them in the market, but there is a large level of dependency with Chinese counterparts, which they realize and those are also coming.

So we see very huge potential for that in the coming years. And we -- in the new facility, we have dedicated one big floor for this with automated manufacturing and to have operational efficiency and also scalability. So a lot of things are done on that product line and are in progress also.

Ankur Gulati: So on the inverter side, do you foresee that we will end up getting some sort of a production schedule from some of these bigger brands or you will end up distributing more through smaller distributors?

Dineshkumar Musalekar: We will do both. We may do some -- we will get into the market through our distribution channel. This is one route to the market. Second one is also that we will do some supplies to these bigger players who are doing this EPC contracts of selling the solar as a full system.

Ankur Gulati: Okay. Last question, can you give us an update on the plant? How is the construction shaping up?

Dineshkumar Musalekar: Yes. Both the buildings are completed now. And partially -- so we have shifted and they've all been partially operational also. So in about a month or 2 months' time, everything should be finished. So again, as we said that these are made with the future plan for next 4 to 5 years to make our production more than 2.5x.

So now with the kind of growth which you see, we were already running out of space in some areas in our existing old plant. So this is going to not only increase our capacity also, it is going to enhance our quality and lead time also because of the shift which we are making.

Moderator: The next question is from the line of Kiran from TableTree Capital.

Kiran: Sir, my question is on Lumel S.A. You've had tremendous growth in Lumel...

Moderator: Sorry to interrupt, Kiran, sir. There is a lot of background noise coming from your side.

Kiran: Not my side, madam...

Management: If you can just hold for a minute. Please hold for a minute.

Dineshkumar Musalekar: Yes, yes, yes. This is some siren which is -- yes, Kiran, you can go ahead.

Kiran: Sure. So we've had tremendous growth in Lumel S.A. How much of this growth is because of the large order we had received from one of our premier clients, and we had got a follow-up order. So there was a EUR5 million order -- EUR5 million order last year and then we received a follow-on of a EUR3 million order. So how much of this is because of those 2 orders?

And what's the prospect to kind of scale up this client to more than $10 million, $15 million -- EUR10 million, EUR15 million?

Dineshkumar Musalekar: So the first EUR5 million order, which we had received that was already executed. That is not coming part of this thing. The second order, which we had about EUR3 million, this is still ongoing, and this is going to last until end of this financial year. So there is a scheduled deliveries of that. So it's not that it's one-time order, it's over a period of time.

So that will last until end of this financial year. So I would say I wouldn't know exact percentage, but it will be around 20%, 25% of the sales. That's my kind of an estimate because we have delivery scheduled for that month after month. So yes, it is part of that. But the good news is that we are still working with this customer and this energy grid upgradation in Germany are long term, 2, 3 years of additional project.

So we have a fair chance of -- because we have also enhanced the solution for them. So the second set which we gave was better than the first one. And the third one, which we are recommending is even better than the second one. So it's not like we are just manufacturers. We are able to provide better solution to the industry.

So that's where we have an edge, and this will continue. So yes, it is a big part of our -- significant part of our sales, but not only. So radiation gate and chip and other things which I talked about, our products and solar installation, a lot of things are working well for us. So in Europe, there is because of -- in Poland, particularly because of its vicinity to Russia and the conflicts going on between Russia and Ukraine, so there is a sense of increased security need and the radiation gates is something which we are getting good projects from airport. All these are being upgraded on orders, etcetera.

So that's also another growth strategy, which is helping us.

Kiran: Got it, sir. Got it. Very helpful commentary, sir. And second question, sir, in terms of our India growth, if you could just tell us how much of this growth was due to solar inverters because our margins have slightly moderated. So how much of this growth was due to solar inverters? And how much of this is more white labeling versus Rishabh brand?

Dineshkumar Musalekar: So if you look at this year, we plan to -- I mean, last year numbers, if you look at it, nothing much has changed in terms of the composition. So solar remains less than 5%, okay, in the total. So last year, we did about INR8 crores, INR9 crores. And this year, we want to do a moderate INR24 crores, INR25 crores of business. So we're still in the gearing-up stage.

And next year, we are looking at some real big growth in the solar business out of -- so INR250 crores to INR300 crores business, which we are looking at. So solar is not very significant growth. I would say the growth is again coming from our traditional products. Solar still has to kick in. And once it starts, it will be a much bigger growth for us.

EMS some part of it is coming. So EMS and solar are 2 products where we get a little lower margins. But even if we are doing the white labeling, it is our own product, we design, we do everything. So there also the margins are comparable with what we sell in the market. So that's not diluting our profits.

So the only 2 factors which are lower than our average gross margins and profitability are solar and part of EMS, which we do. Otherwise, rest are all at 60% to 70% at gross margin level and at contribution level, they are around 40%, 45%. So this is what we have. At contribution level, the solar and these EMS ones will not be -- they will be around 15% to 20% at contribution level. So that's the product mix you can say.

And there are also some products which we have contribution level 70% to -- 65% to 75%. So that whole basket averages out at about 45% contribution level for the -- similar numbers in Rishabh and Lumel. Lumel will be a few percentage -- notches up, but quite comparable.

Kiran: Got it, sir. And just from a looking ahead perspective, sir, given the growth tremendous in EEI business this year, this quarter, especially, are we still targeting 25% -- 20%, 25% growth that you have guided at the start of the year? Or are we looking at a much higher growth in EEI this year -- in the EEI business essentially….

Moderator: Ladies and gentlemen, the line for the management seems to have disconnected. Please hold while we reconnect them. Ladies and gentlemen, the line for the management has been reconnected. Thank you, and over to you, sir.

Kiran: So I'll repeat the question, I don't know if you heard my question...

Dineshkumar Musalekar: Yes. I did not...

Kiran: Perfect, perfect. I'll do that, sir. Basically, we have grown tremendously EEI business this quarter. For the full year, 20%, 25% is what we had initially guided. I think 20% is what we had guided at the start of the year.

Given the start of the stupendous quarter this time, are you looking at a much higher growth in EEI business, close to 30% this year? Or are we still saying that we'll grow at 20% because a lot of front-loading has happened this quarter?

Dineshkumar Musalekar: Yes. So this is exactly what Mr. Zaki also asked. So we really don't want to give -- upscale our guidelines. But of course, we are doing better than what we promised, and we want to -- we will try to do that.

So our guidelines around 20% on the top line and on the EBITDA about 20% to 22% for EEI business is what we had said, and we will try to have that because there is a bit of a seasonality also. In July, August in Europe is a holiday season. And then December, Jan also, there is a bit of holidays in Europe, so business is a little lower. And in India also during the Diwali time, there is a bit of a seasonality. So we -- obviously, if you counter all of that, so quarter 1 to quarter 1, we have done good.

And with that logic, we should be doing better also. And there is no -- absolutely, everything that we have been doing is producing good results. And that means that what we are doing is really on the right way, but I also don't want to give much higher rating. Of course, they can be 2%, 3% more. But we want to stick to the guidelines as we projected.

Last year also, we delivered what -- we overdelivered what we said, and we want to repeat that for the second year also. And by -- in our industry standards, what we have given as a guidelines are pretty good, much higher than what our competition is doing.

Kiran: Perfect, sir. Congratulations.

Moderator: The next question is from the line of Mulesh Savla from Shah & Savla.

Mulesh Savla: Congratulations, Dinesh-ji and Vishal-ji for excellent results. Sir, most of the questions are answered, but I would like to know a little more about the current transformer, what is the capacity at our place? How is the traction? What is the capacity utilization? And are we planning any expansion into that?

That is one area. Another we have PCB manufacturing lines with us. I think most of PCBs we are using for our captive consumption for our products. But with the expanded capacity, are we going to supply PCB to others? How is the traction there?

What is the capacity utilization? And what kind of business we can generate from PCB segment also? And similarly, there is one -- another area where government is also pushing a lot of weight that is battery energy saving systems. So are we looking at expanding into that? And are we getting any traction on that area? These are my questions on the specific areas.

Dineshkumar Musalekar: Okay, okay. Savla-ji, thank you for listening and really very detailed question you asked. Hello? can you hear me?

Moderator: Yes, sir.

Dineshkumar Musalekar: So on the CT, yes, there is a global demand, which has increased because of AI and generally for which every energy meter or digital or analog current transformers go. So we are expanding that not only with the low voltage, also with medium voltage. So our capacity per day was around 5,000 to 6,000 low-voltage current transformers we were making. So as we speak, we are enhancing it to 8,000 to 10,000 now. This is a work in progress already.

Part of it is coming by the expanded facility we have and all the necessary machineries, additional machineries are also ordered for that. This is work in progress. So absolutely on the CT side, we are increasing our capacity. We're almost doubling our capacity, close to doubling our capacity. So this is work in progress.

And we have a very strong global presence for low-voltage current transformers, and we'll extend it for medium voltage also. So this is work in progress. Second point which you mentioned was about the PCB manufacturing. Yes, we have currently 3 SMT lines. The latest one which we took was really high-end SMT line.

We already started making PCBAs for some motherboards, including involving Intel chips. So this is really a high-end PCBA family, which we already started. So when I was referring to EMS business, this is what I was referring to. And currently, we have some capacity which we are utilizing when we fully utilize that capacity with these 3 assembly lines. And one of the old SMT lines we are upgrading also as we speak so that we are able to do more complex projects also with that.

And then once we reach 3 shifts, all the 3 SMT lines are full, then we'll add the next one so that we keep on growing. So this also is, I would say, positive. CT, yes, we are doing. PCB manufacturing also, yes, we are doing. So growth is coming from both of them.

And when it comes to battery energy systems, so this is a lot of emphasis. We will not be directly involved in that, but indirectly. When we talk about hybrid inverters, so hybrid inverters are going to be part of this battery energy system because when you have solar installations, then the hybrid inverters will convert that solar into electricity, either they can utilize or they can store or they can put it back on the grid. So this is where that hybrid inverter comes into picture. So we'll be part of that, but battery manufacturing itself is a different thing.

Of course, any solutions around that will be involved because battery management, there's a lot of things which we can do with that. It's the kind of an automation you can say. So we will be involved, but we will not be in the process of manufacturing batteries themselves. So anything around that, of course, this gives us a lot of opportunities. We'll be part of that.

Mulesh Savla: Great. Great. So basically, we are already manufacturing. We are trying to doubling the capacity, and you see good traction there. Sir, you also talked about some inorganic opportunity. So you were referring to U.S. area or you were referring to inorganic opportunity anywhere? And is there anything that we are evaluating right now?

Dineshkumar Musalekar: Yes. So we are talking about inorganic possibilities everywhere, including U.S.A. That question was specifically for U.S.A. U.S.A, a couple of opportunities we are looking at, a few opportunities in Europe also, we are looking at a few opportunities in India also we are looking at, but nothing is really at a stage where it is serious. So we are exploring, as I said, our process is very strong.

We go through a strong due diligence. First of all, it has to make absolute strategic sense for us. And then the strong due diligence process we do. And after that, the next steps will be there. So we are exploring those possibilities, and we'll keep that anyway open.

So anyway, our organic growth is doing good. Inorganic, we want to grow, but we are not really like -- we don't have any target like this quarter or this year, we have to have so much. So it has to be a right fit. This is more important for us.

Mulesh Savla: Perfect. Perfect, sir. And sir, one question to Vishal-ji. Vishal-ji, I think by financial year '27, all our ESOPs cost will be done away with, right?

Vishal Kulkarni: Yes. We have given some additional ESOPs last year. So that cost will be there for next 3 years, but the amount will be not so huge, which was there earlier.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments. Thank you, and over to you, sir.

Dineshkumar Musalekar: Yes. Thank you very much for keeping invested in our company. And also, some of you might have been potentially looking at investing and taking time to hear us out. And we could see that the response to our results has been very positive in the market also, we saw that we had all-time high today and which gives us tremendous strength and encouragement to do better. So we thank all our employees and customers as well as our shareholders for continued support. And with this, I would like to close this meeting, and thank you once again to everyone.

Moderator: Thank you, sir. On behalf of Rishabh Instruments Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.