

Rishabh Instruments

17 August 2026

Operator: 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 of the date of this call. These statements are not guarantees of future performance and may involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Dinesh Muslekar, MD and CEO, for his opening remarks. Thank you, and over to you, sir.

Dinesh Muslekar – MD & CEO: Thank you. 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, Strategy, Nishant Budhoria. The results and earnings presentation 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 Rs.1,983 million, up by 4.2% year-on-year, and achieved a consolidated EBITDA margin of 16.8% in Q1 FY27. Consolidated EBITDA stood at Rs.333 million, up by 17.3% year-on-year, and reported consolidated PAT stood at Rs.194 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 EI, remained the primary growth engine for the group in Q1 FY27, delivering robust year-on-year revenue growth of 34% while maintaining an EBITDA margin of approximately 24%, exceeding our initial guidelines. More importantly, adjusted EBITDA increased by 69.1% year-on-year to Rs.382 million, with margins expanding significantly to 24.8% from 19.6% for FY26, a 520-basis-point improvement. 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 EI's position as the group's primary growth and profitability engine.

The strength of the EI business is underpinned by a diversified product portfolio and a sustained focus on innovation. Over the past 2 years, we have successfully launched around 50 new products, with a further 15, 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 high-value, application-led products and leverage our expanding portfolio and global customer reach to drive sustainable and profitable growth.

The standalone India business continues to deliver strong momentum, supported by deeper customer engagement, healthy export demand, improving product mix, and an expanding distribution network. Rishabh India delivered 25.6% year-on-year revenue growth with a healthy

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EBITDA margin of 22.9%, reflecting sustained demand and disciplined execution.

Our international EI business also remained an important pillar of the group's growth strategy. Lumel SA delivered a strong performance despite a relatively subdued European industrial environment, supported by high-value electronics manufacturing, product diversification, and new customer wins. Revenue grew 39% year-on-year while EBITDA remained healthy at 24%, contributing 50% of our consolidated bottom line for Q1 FY27. Our businesses in the US, UK, and China continue to remain profitable and further strengthen the group's diversified global platform. The US and UK 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 continues to make meaningful progress during the quarter. Following the successful launch of our single-phase I-Umo 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 three-phase I-Neo inverter models up to 12 kilowatts, in addition to the single-phase I-Umo up to 5 kilowatts. Further development is underway for the next-generation range up to 50 kilowatts. We are also gearing ourselves to develop hybrid inverter solutions to address the growing demand for integrated and flexible renewable energy systems. Hybrid inverters are becoming increasingly important to manage peak 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, 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 discipline and remains at break-even at the operating level in Q1 FY27, although adjusted EBITDA remained at a negative 6.4% in Q1 FY27. I believe that we will be able to bring adjusted EBITDA to break-even for the full year by the end of FY27. At present, our focus is to progressively fill available capacity with high-value, profitable opportunities and rebuild a sustainable business. The RFQs for new projects that we quoted for last year are now progressing to advanced commercial negotiations, qualification, 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 HPTDC, 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 Nasik. This investment significantly enhances our manufacturing capacity and strengthens our ability to address growing demand 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 part of our market expansion strategy, we opened our first Rishabh T&I experience center for showcasing our test and measurement instruments. This center

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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. We have similar centers planned for Mumbai and Delhi, to be operational by the 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 industries increasingly digitize and modernize, we see significant opportunities emerging across AI-enabled data centers, grid modernization, energy efficiency, smart infrastructure, and renewable energy integration. Our products and technology roadmap 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 activity in Europe remains relatively moderate, we continue to see encouraging opportunities across the US, Middle East, Southeast Asia, and Africa. Our diversified geographical footprint enables us to participate across these growth markets while reducing dependency 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, 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 the localization of electronics provides a strong foundation for sustained demand. The country's renewable energy ambitions, alongside the accelerated global adoption of solar and distributed energy solutions, further strengthen our long-term business opportunities.

While near-term geographical and macroeconomic uncertainties may persist, we remain confident in the underlying structural growth drivers of our industry and the opportunities they create for Rishabh over the medium to long term. As we move into FY27, our strategic priorities remain unchanged: accelerate profitable growth across our core EI 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; improve operational efficiencies and capital allocation; build a stronger pipeline of opportunities across renewable energy, automation, energy management, and medium-voltage products; and 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 solutions 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 years through investments in technology,

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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 of us and our ability to create sustainable, long-term value for our stakeholders.

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

Vishal Kulkarni – CFO: Thank you, sir. Good evening, all. Please note that all the numbers are in INR. I will describe the financial performance as follows. Consolidated revenue for Q1 FY27 stood at Rs.1,983 million, up by 4.2% year-on-year. Consolidated EBITDA stood at Rs.333 million for Q1 FY27, marking a 17.3% year-on-year increase.

Management: In Q1 FY27, consolidated EBITDA is after a provision of Rs.20 million on account of ESOP cost and stock appreciation rights. Consolidated PAT for Q1 FY27 stood at Rs.194 million, a decrease of 1.4% year-on-year. This is mainly on account of an increase in depreciation of Rs.20 million.

Standalone revenue stood at Rs.776 million in Q1 FY27, registering robust growth of 25.6% year-on-year. Standalone EBITDA for Q1 FY27 stood at Rs.178 million, up by 24.5% year-on-year, with EBITDA margins at 22.9%. It includes a provision of Rs.4 million towards ESOP cost. Standalone PAT for Q1 FY27 stood at Rs.119 million, up by 20.2% year-on-year.

Now for {? Luman ?} LSA, Q1 FY27 revenue stood at Rs.639 million, reflecting staggering growth of 39% year-on-year. Adjusted EBITDA for Q1 FY27 stood at Rs.153 million, up by 175.3% year-on-year. Adjusted EBITDA margins expanded to 24% in Q1 FY27, an improvement of 1,190 basis points. PAT for Q1 FY27 remained at Rs.115 million, up by 321.1% year-on-year.

For {? Luman ?} Alu-Cast, revenue for Q1 FY27 stood at Rs.443 million, reflecting a degrowth of negative 41.2% year-on-year. This is a planned decline, as communicated earlier by Dinesh. Adjusted EBITDA for Q1 FY27 remained at negative Rs.28 million, and adjusted EBITDA margins stood at negative 6.4%. We are at operating break-even in Q1 FY27 and expect to bring adjusted EBITDA to break-even by the end of FY27 as we fill the vacant capacity with new orders and the synergies take effect. PAT for Q1 FY27 remained at negative Rs.59 million.

At the consolidated level, we remain net debt-free with a strong balance sheet. Net cash and cash equivalents as of June 30, 2026, stood at Rs.1,606 million. With this, I shall now leave the floor open for the Q&A. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may please press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Dhvani Desai from Turtle Capital. Please proceed with your question.

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Dhwani Desai – Turtle Capital: Hi, good afternoon, everyone, and congratulations on a very strong set of numbers. Sir, on the EAI side, I think we have achieved fantastic growth of 34% while we had guided for 20–25% total growth. Could you elaborate on what is driving this growth? Is it a combination of new products and new geographies, or are we seeing certain products scaling up very well? Are there any kind of lumpiness built into the current numbers, which will eventually moderate? How should we think about the EAI business for the rest of the year?

Management: Mr. Desai, thank you for the question. It is really something that even the board was asking me. We are basically talking about the sustainability of the growth that we see in Q1. Obviously, it is not something that is lumpy in any quarter. We see the growth coming from multiple factors, actually, in {? Rishabh ?} India, where we saw 34% growth. This is coming from an increase in the current transformer business that is happening globally. This is also driven by the trend of growth in data centers, and solar is picking up; it has started to grow profitably and is growing. The MNI sector has also started to grow. We are, therefore, firing on multiple engines.

In {? Luman ?} LSA in Poland, which is again the second major pillar for the EAI business, the growth is again coming from product spread. We are also part of the energy distribution upgrade that is happening in Germany. Obviously, we are not tier-1 or tier-2 suppliers; we are part of the entire supply ecosystem. That is also growing.

Some of the new products that we launched have also been picked up very well by the markets. We can also see that the US market is growing rapidly. We have been seeing 30–50% growth in the last 2–3 years, even though it is on a smaller base. Our 20-plus became 30, and 30-plus is expected to become 45. That is the scale of what is happening.

Again, we are introducing more products with UL certification and ANSI products into that market from both {? Rishabh ?} and {? Luman ?} factories. I would say that multiple engines are firing in terms of products and markets. It is not coming from 1 or 2 specific factors, which is good for us because the risk is spread and the growth is also spread.

Again, on a very conservative basis, or based on what we gave as a guideline, we will stand by that. The guidelines have been anywhere between 20% and 25% topline growth, with EBITDA growth of 20–22%. This quarter, we have delivered more than that in the EAI business, and it should be around that level or higher throughout the year. That is what we can say. It is sustainable.

Dhwani Desai – Turtle Capital: Understood, sir. On the US market, could you elaborate further? As you said, we are on a very small base. How do we scale up very quickly, given the opportunity and the capex happening there? I think that question also arose last time. Are there any plans to pursue inorganic growth to accelerate this and capture the larger market at a faster pace? Any thoughts on that?

Management: We are pursuing both organic and inorganic growth. On the organic side, we are adding more resources there. We have also added resources in Mexico, and we are looking at Canada and South America as well. That is the organic part of it.

On the inorganic side, we have a couple of opportunities that we are evaluating. If they materialize, we will announce them when appropriate. That is also part of our strategy.

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On the organic side, we are adding more products there. As I remember telling you in the last call, some of the products were traditionally designed for European and Asian markets. We have to redesign these products for the American market. That is another process that is proceeding in parallel to introduce more products into that market.

Dhwani Desai – Turtle Capital: Understood, sir. On this 30-crore number, do you think 100 crore is a fair number in a couple of years, or can we achieve that number through organic growth only?

Management: On the organic side, our target is to reach 100 crore in 2–3 years.

Dhwani Desai – Turtle Capital: Understood. My last question is on the Alu-Cast side. I think we had seen a recent scale-down from what was envisaged. In India, we had probably discussed a number of around 180 crore, and I think we had surpassed that number on a quarterly run rate. Next year, how is the pipeline filling up to get back to a number of around 220–230 crore? Do you have visibility for that number so that we can return to double-digit margins? Any elaboration there?

Management: As I tried to highlight in my speech, we have been submitting many RFQs and have completed many of these processes. We have a strong pipeline of RFQs that have already been submitted, and they are at different stages of qualification. Some of them have come close to the approval stage because this involves audits of the company, many contracts, and price negotiations. It is simply a slow process. After the project is awarded, ramping up production of the product also takes about 6 months.

We are closer to that stage. I would see a double-digit number in about 2 years once we achieve break-even and then start building from there. The pipeline is quite encouraging. What has happened is that, due to the many problems in the Union industry and the closure of many die-casting companies, the companies that have remained resilient are still there and are receiving projects from other companies. Many of these projects have also shifted to China, but not all of them. If you are the last man standing, there is still a consolidation of suppliers, and we will be part of that. That is the process happening globally.

I do not fear that this will go in a negative direction, but we are losing time. We are working on it. Our team is very committed. We have cut a lot of costs there, so we have made it very efficient now. Any addition to the topline will therefore reflect very quickly in the bottom line.

Dhwani Desai – Turtle Capital: Great, sir. Kudos to the entire team for the fantastic execution, and I wish you all the best.

Management: Thank you, Mr. Desai.

Operator: Thank you, sir. Ladies and gentlemen, to ask a question, please press star and one now. Participants who wish to ask questions may please press star and one at this time.

The next question is from the line of Zakir Nasir, an individual investor. Please proceed with your question.

Zakir Nasir – Individual Investor: Sir, good afternoon, and Dinesh, congratulations to you and the team for a very strong set of numbers. Q1 is generally the weakest quarter of your 4 quarters, sir,

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and you have delivered 34–35% growth. Could we see this continuing quarter after quarter? If I have the numbers in front of me, you have grown from 115 to 154. Could we expect the same kind of trajectory from 137–138 and 147, sir?

Management: Zakir, that is the kind of plan and ambition we have, but we want to be very careful in giving out guidance. You are absolutely right: the kind of numbers we have delivered are normally achieved in Q4. This year's Q1 is almost comparable with Q4 of last year. There are many markets and many products, and things generally follow that trend, but not 100% of the time.

Our commitments are what we have already given, and we do not want to give guidance that is much higher than that. We will try to deliver more than that. That is what we can say. Your observation is absolutely right. People prefer pleasant surprises to unpleasant surprises, so we want to keep our guidelines, which are already aggressive, and beat them through performance rather than giving guidance that is somewhat risky.

Zakir Nasir – Individual Investor: How is the trajectory or traction for AI and data-center uptake developing in the domestic market, sir? Do you see traction for products in that space?

Management: Yes, absolutely. We have had good success with data centers. We started with 1 test, and after we made an announcement, we won another 3–4 data-center projects. We are quoting for another 10. The data-center boom in India is a story of which we are definitely a part.

Order bookings in the domestic market have been very good compared with last year. We had almost 20% upside in order bookings in Q1 compared with last year. Of course, our billing has not reflected that, so there is some backlog that we will be catching up on.

Gautam: What is your reading of Europe, sir? Europe appears to have bottomed out, and I think traction is beginning to appear there as well. You are closer to the market, so could you throw some light on that?

Management: This is a very difficult and unusual question to answer because, if you look at the growth of our individual company, {? Lumel Altea ?}, we have achieved 39% year-on-year growth, whereas you know how the European markets are performing. The only answer I can give you is that the market is very large, and the percentage of the business we get is very small. If you outperform your competition, you win new business, and then you have multiple revenue streams.

For example, {? Lumel Altea ?} has multiple revenue streams. It is not just our products that we sell; we also do radiation gates. Radiation gates are products that detect radioactive materials at airports, seaports, border-security locations, and so on. The sense of security in Europe is stronger, so we are involved in that area, which is a good opportunity for us.

There are opportunities in medium-voltage products, including medium-voltage protection relays or controllers, which are used in the upgrading of energy systems. We also do solar installations, where we get opportunities. The grid upgrade happening in Germany is another opportunity; we are a {? PLC/PS3 ?} supplier to that entire system. We won a 5 million, 50-crore order, followed by a 30-crore order, and we are now working with the same customer for a few more orders.

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There are multiple revenue streams for us, so we are not dependent only on selling products. We have more solution selling, and we are also part of EMS. There are many things taking place. Because we have multiple revenue streams, we are able to achieve growth even when the European economy is not performing very well, and that will continue because we now understand the market.

Gautam: You spoke about inorganic growth. What kind of funds would you deploy toward inorganic growth? I think we have 110 crores of cash on the books. What size of acquisition would you be looking at, if any?

Management: Typically, we look for acquisitions in the range of anywhere between 50 crores and approximately 150–200 crores, depending on how strategically they fit with our business and how much we can leverage from them. It should not be A plus B equal to A plus B; it should be more than A plus B. That is one of the things we look at.

Because we run companies in an ethical manner and operate clean businesses, our due-diligence process is somewhat lengthy, very precise, and thorough. We will look only at businesses that are strategically a good fit for us and companies that are also ethically sound. We are always looking at at least 4–5 opportunities. Our M&A and strategic activities are already keeping Nishant busy with many of these opportunities in India and outside India.

These things take time, and we are always on the lookout for them. That is the typical size we look at.

Gautam: Thank you, sir. Best wishes for the year and the coming years.

Management: Thank you, Gautam, for remaining invested and increasing your portfolio as well. We highly appreciate your confidence in our company.

Gautam: Thank you, sir.

Operator: Thank you, sir. The next question is from the line of Ankur Gulati from GenUity Capital. Please proceed with your question.

Ankur Gulati – GenUity Capital: Thank you. Many congratulations on a great set of numbers. Could you quickly give me {? Lumel Altea ?} revenue, EBITDA, and PAT for this quarter, please?

Management: I could not hear you properly. Could you please repeat that, sir?

Ankur Gulati – GenUity Capital: {? Lumel Altea ?} revenue, EBITDA, and PAT.

Management: Revenue for {? Lumel Altea ?} for this quarter was Rs.639 million.

Ankur Gulati – GenUity Capital: PAT?

Management: EBITDA was Rs.153 million and PAT was Rs.115 million, 17.9%.

Ankur Gulati – GenUity Capital: Sorry, Rs.115 million.

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Management: Yes.

Ankur Gulati – GenUity Capital: If you could give us more details on your broader Americas market go-to-market strategy.

Management: In the American market, as you said, our organic growth ambitions are in the range of 30–40%, and that is what we have been delivering over the last couple of years. We were around 20 crores, which we increased to 30 crores in the last financial year. This year, we have a target of 45 crores plus. That is the rate at which we are planning to grow there.

The strategy has multiple elements. One of them is to introduce more products into that market. For that, we have to upgrade our products to suit the American market because American standards are different from those in Europe and Asia. We have to offer {? ANSI ?}-rated products there, and we also need UL certification to sell in the US. That is one process for adding more products from our existing portfolio. Our R&D team is constantly working on product modification and additions for that market.

The second element is market expansion. We are adding more resources in the American market in the form of additional sales managers. We are also focusing on North American operations, with Mexico and Canada receiving greater attention and resources. We will also be looking at Latin America as an emerging market. Adding resources and adding products is the general strategy.

As there was also a question from another investor about inorganic growth, that is another area we are evaluating. We want to reach approximately 100 crore in 2–3 years there.

Ankur Gulati – GenUity Capital: Could you repeat the last sentence?

Management: Our target is to reach 100 crore in 2–3 years.

Ankur Gulati – GenUity Capital: If I look at the presentation, does the “Others” segment represent the entire Americas, or are there other geographies as well? There are Asia, Europe, and “Others.” Does “Others” consist entirely of the Americas?

Management: Nishant or Vishal, can you answer that?

Vishal: “Others” represents other continents, including the US. It does not represent only the US. It includes different locations as well, including Africa and other parts.

Ankur Gulati – GenUity Capital: Understood. My next question is on your solar inverters. Have we reached the stage where we can start receiving production schedules from the brands, or not yet?

Management: There is a lot of noise in your voice. Could somebody repeat the question, or could you ask it once again?

Operator: Ankur, may we request that you use your handset and speak a little louder?

Ankur Gulati – GenUity Capital: Have we started receiving production schedules for solar inverters, or not yet?

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Management: Regarding solar inverters, we had the whole range up to 50 kilowatts in the older generation. We did not have a single-phase range, so we introduced single-phase inverters, which are all new-generation, very modern, and competitive in terms of price and performance. They are much better in terms of performance and are also competitively priced against Chinese products. We introduced these products and have now started selling them in the thousands; initially, we were selling them in the hundreds. That is the first milestone we achieved with solar inverters up to 5 kilowatts.

We also had three-phase inverters. The latest generation, which we call the {? i Neo ?}, was introduced this quarter. We launched the {? i Neo ?}, new-generation three-phase inverters, up to 12 kilowatts. That has already been completed. We will introduce the range up to 50 kilowatts by the end of this financial year.

Apart from that, we are also entering the hybrid inverter market. That is another product that our R&D team has started developing. By approximately the end of this financial year, these are the products we want to add.

We have now started selling them in the open market as well as through system integrators and EPC contractors. Large EPC contractors are also approaching us to enter into contracts because they were sourcing these products either directly from China or from someone assembling them in India using Chinese kits. That market has started facing some problems related to after-sales support, warranty support, and so on.

We see a very strong growth pattern for this business because our products are fully designed and manufactured here, so we have no technical dependency. There are many other people manufacturing inverters and putting them in the market, but they have a significant level of dependency on Chinese counterparts. They have realized this, and they are also approaching us. We therefore see substantial potential for this business in the coming years.

In the new facility, we have dedicated one large floor to this business, with automated manufacturing to achieve operational efficiency and scalability. A lot has been completed on this product line, and a lot is also in progress.

Ankur Gulati – GenUity Capital: On the inverter side, do you foresee that we will receive some kind of production schedule from some of these larger brands, or will you end up distributing more to smaller distributors?

Management: It will be both. We may enter the market through the distribution channel, which is one route to market. The second route is that we will supply some of these larger players that are executing EPC contracts for selling complete solar systems.

Ankur Gulati – GenUity Capital: My last question: can you give us an update on the plant side? How is the plant construction progressing?

Management: Both buildings are now complete, and we have also partially shifted operations there. They have also become partially operational. In approximately 1-2 months, everything should be completed.

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As we said, these facilities were built with a future plan for the next 4–5 years, to increase our production to more than 2.5 times the current level. With the kind of growth we are seeing, we were already running out of space in some areas of our existing old plant. This will not only increase our capacity, but will also enhance our quality and improve lead times because of the shifts we are making.

Ankur Gulati – GenUity Capital: Thank you, sir. All the best.

Management: Thank you.

Operator: Thank you, sir. The next question is from the line of Kiran from Table 3 Capital. Please proceed with your question.

Kiran – Table 3 Capital: Thank you very much for the opportunity, sir. My question is on {? Lumel Altea ?}. We have seen tremendous growth in {? Lumel Altea ?}.

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

Kiran – Table 3 Capital: It is not from my side, madam.

Management: Please hold for a minute. This is some siren that will stop. Kiran, you can go ahead.

Kiran – Table 3 Capital: We have seen tremendous growth in {? Lumel Altea ?}. How much of this growth is because of the large orders we received from one of our premier clients and the follow-up order we received? There was a 5 million euro order last year, followed by a 3 million euro order. How much of the growth is because of those 2 orders, and what is the prospect of scaling up this client to more than 10–15 million dollars or 10–15 million euros?

Management: The first 5 million order that we received was already executed, so it is not part of this performance. The second order, of approximately 3 million euros, is still ongoing and will continue until the end of this financial year. There are scheduled deliveries for that order. It is not a one-time order; it is spread over a period of time, and it will continue until the end of this financial year. I would not know the exact percentage, but it would be around 20–25% of the business.

This is my estimate because we have deliveries scheduled month after month. So yes, it is part of the performance. The good news is that we are still working with these customers, and the energy-grid upgrades in Germany are long-term projects with an additional 3 years of activity. We therefore have several opportunities because we have also enhanced the solutions for them.

The second solution we provided was better than the first, and the third one we are recommending is even better than the second. This is part of our business strategy. We are able to provide better solutions to the industry, and that is where we have an edge. This will continue.

Yes, it is a significant part of our EIG segment, but it is not the only factor. Grid rate, CT, and other products that I discussed, including CT and PT products and solar, will also contribute. Many things are working well for us.

In Europe, particularly because of its proximity to Russia and the conflict between Russia and Ukraine, there is an increased need for security. Grid upgrades are generating good projects for us.

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Some airports are being upgraded, along with other infrastructure. That is another strategy that is helping us.

Kiran – Table 3 Capital: Understood, sir. That commentary was very helpful. Thank you very much. My second question is regarding India growth. Could you tell us how much of this growth was due to solar inverters, since our margins have moderated slightly? How much of the growth was due to solar inverters, and how much was from white-labeling under the Rishabh brand?

Management: If you look at this year and last year's numbers, not much has changed in terms of the composition. Solar remains less than 5% of the total. Last year, we did approximately 8–9 crores, and this year we want to achieve a moderate 24–25 crores of business, so we are still in the gearing-up phase.

From next year, we are looking at significant growth in the solar business, as part of the 250–300 crore business we are targeting. Solar is therefore not a very significant contributor to growth at present. I would say that growth is again coming from our traditional products. Solar still has to take off, and when it does, it will be a much larger growth driver for us.

Some of the growth is coming from EMS. EMS and solar are 2 products where we earn somewhat lower margins. However, even when we do white-labeling, it is our own product: we design it and do everything ourselves. The margins there are therefore comparable with what we earn on products that we sell in the market. It is not diluting our profits.

The only 2 factors that are lower than our average gross margins and profitability are solar and part of the EMS business. Otherwise, the rest of our products are at 60–70% at the gross-margin level and approximately 40–45% at the contribution level. This is what we have.

At the contribution level, solar and these EMS products will be around 15–20%. That is the product mix we are seeing. Some of our products have contribution levels of 65–75%. The entire basket averages approximately 45% at the contribution level for Rishabh. Lumel will have a 2% higher gross margin but will be comparable.

Kiran – Table 3 Capital: Understood, sir. Looking ahead, given the exceptional growth in the EIG business this year, particularly this quarter, are we still targeting 20–25% growth, as guided at the start of the year, or are we looking at significantly higher growth in the EIG business this year?

Kiran – Table 3 Capital: I will repeat my question, sir, as I do not know whether you heard it. We have grown tremendously in the EIG business this quarter. For the full year, we initially guided for 20–25% growth, and I think the guidance at the start of the year was 20%. Given this exceptional quarter, are we looking at significantly higher growth in the EIG business, close to 30% this year, or are we still saying that we will grow at 20% because a lot of front-loading has occurred this quarter?

Management: This is exactly what Mr. Vakharia also asked. We do not want to increase our guidance, but of course, we are doing better than what we promised, and we will try to continue doing that. Our guidance was approximately 20% topline growth and approximately 20–22% EBITDA growth for the EIG business. We will try to achieve that because there is also some seasonality.

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July and August are holiday months in Europe, and December and January also have some holidays in Europe, so business is somewhat lower. In India, there is also some seasonality during the Diwali period. If we compare all of that, we have performed well in Q1, and based on that logic, we should perform better as well.

There is no doubt that what we have been doing is producing good results, which means that we are moving in the right direction. However, we do not want to give much higher guidance. It could be 2–3% more, but we want to stick to the guidance we have projected. Last year, we delivered exactly what we said, and we want to repeat that for the second year as well. By any industry standard, the guidance we have given is very good and much higher than what the competition is achieving.

Kiran – Table 3 Capital: Perfect, sir. Congratulations, and all the best. Thank you.

Operator: Thank you, sir. Ladies and gentlemen, to ask a question, please press star and one now. Participants who wish to ask questions may please press star and one at this time. The next question is from the line of Bhulish Chawla from Shah and Chawla. Please proceed with your question.

Bhulish Chawla – Shah and Chawla: Thank you for taking my question, and congratulations, Dinesh and Vishal, on the excellent results. Most of the questions have been answered, but I would like to know more about current transformers. What is the capacity at our facilities? How is the traction? What is the capacity utilization? Are we planning any expansion in that area?

Second, we have PCB manufacturing lines. I think most of the PCBs are being used for captive consumption in our products. With the expanded capacity, are we going to supply PCBs to others? How is the traction there? What is the capacity utilization, and what kind of business can we generate from the PCB segment?

Similarly, there is another area where the government is also providing significant support: battery energy storage systems. Are we looking at expanding into that area, and are we seeing any traction there? These are my questions on the specific areas.

Management: Chawla, thank you for the question. You asked very detailed questions, and I appreciate that.

On CTs, global demand has increased because of AI and because of the general way energy meters and digital or analog current transformers are developing. We are expanding not only in low voltage but also in medium voltage.

Our capacity today was approximately 5,000–6,000 low-voltage current transformers. As we speak, we are enhancing it to 8,000–10,000. This work is already in progress. Part of the capacity is coming from the expanded facility we have, and all the necessary additional machinery has also been ordered. This work is in progress.

On the CT side, we are therefore increasing our capacity and are almost doubling it, or coming close to doubling it. This work is in progress. We have a very strong global presence in low-voltage current transformers, and we will expand into medium voltage as well.

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The second point you mentioned was PCB manufacturing. We currently have 3 SMT lines. The latest one we acquired is a high-end SMT line. We have already started making PCBAs for some motherboards, including motherboards using Intel chips. This is high-end PCBA assembly, which we have already started.

When I referred to the EMS business, this is what I was referring to. We currently have some capacity that we are utilizing. When we fully utilize the capacity of these 3 SMT lines, and after we upgrade one of the older SMT lines, as we are doing now, we will be able to execute more complex projects as well.

Once all 3 SMT lines are operating at full capacity in 3 shifts, we will add the next line so that we continue to grow. This is also a positive area. We are undertaking CT manufacturing and PCBA manufacturing, so growth is coming from both.

Regarding battery energy systems, Rishabh will not be directly involved in them at present, but we will be involved indirectly. When we talk about hybrid inverters, hybrid inverters will form part of a battery energy system. When there are solar installations, hybrid inverters convert solar energy into electricity, which can either be used, stored, or sent back to the grid.

This is where the hybrid inverter comes into the picture, and we will be part of that. Battery manufacturing itself is a different activity. Of course, we will be involved in solutions around it because there are many things we can do in battery management. It is a form of automation, so we will be involved. However, we will not manufacture batteries ourselves. Anything around that will provide us with significant opportunities, and we will be part of them.

Bhulish Chawla – Shah and Chawla: So, essentially, we are already manufacturing CTs, we are trying to double the capacity, and we are seeing good traction there. You also discussed inorganic opportunities. Were you referring to the US, or were you referring to inorganic opportunities anywhere? Is there anything we are evaluating at present?

Management: We are discussing inorganic possibilities everywhere, including the US. That question was specifically about the US, where we are evaluating a couple of opportunities. We are also evaluating a few opportunities in Europe and a few opportunities in India.

Nothing is at a definitive stage yet, so we are exploring them. As I said, our process is very robust and we undertake strong due diligence. First, the opportunity has to make absolute strategic sense for us. We then conduct a strong due-diligence process, after which we move to the next step.

We are exploring those possibilities and will keep them open. Our organic growth is performing well. We want to grow inorganically, but we are not in a hurry.

Management: We do not have a target that says we have to achieve a particular amount this quarter or this year. It has to be the right fit. That is more important for us.

Bhulish Chawla – Shah and Chawla: Perfect, sir. I have one question for Vishal. Vishal, I think that by financial year 27, all our ESOP costs will be completed, right?

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Vishal: We granted some additional ESOPs last year, so that cost will continue for the next 3 years. However, the amount will not be as significant as it was earlier.

Bhulish Chawla – Shah and Chawla: All right, sir. Thank you very much for answering all my questions in detail. I wish you all the very best. Thank you.

Management: Thank you very much.

Operator: Thank you, sir. 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.

Management: Thank you very much for remaining invested in our company. Some of you may also have been considering investing and took the time to hear us out. We could see that the response to our results has been very positive in the market. We reached an all-time high today, which gives us tremendous strength and encouragement to do our job.

We thank all our employees and customers, as well as our shareholders, for their continued support. With this, I would like to close this meeting. Thank you once again to everyone.

Operator: 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.

Management: Thank you.

Management: Thank you.

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

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