



RISHABH INSTRUMENTS LIMITED

June 3, 2025

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 Q4 – FY 2024-25.

Please find enclosed herewith the copy of transcript of the Earnings Conference Call held on May 27, 2025 in respect of Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2025.

Kindly take the same on your records.

For Rishabh Instruments Limited

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



Measure



Control



Record



Analyze



Optimize

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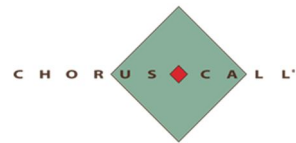
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“Rishabh Instruments Limited Q4 FY '25 Earnings Conference Call”

May 27, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 27th May 2025 will prevail.



MANAGEMENT: **MR. NARENDRA GOLIYA – EXECUTIVE CHAIRMAN – RISHABH INSTRUMENTS LIMITED**
MR. DINESHKUMAR MUSALEKAR – WHOLE-TIME DIRECTOR – RISHABH INSTRUMENTS LIMITED
MR. VISHAL KULKARNI – CHIEF FINANCIAL OFFICER – RISHABH INSTRUMENTS LIMITED
MR. ANAND LADDHA – FINANCE DIRECTOR – LUMEL
MR. NISHANT DUDHORIA – ADDITIONAL GENERAL MANAGER - STRATEGY, FINANCE AND PR – RISHABH INSTRUMENTS LIMITED

MODERATOR: **MS. BHOOMIKA NAIR – DAM CAPITAL**

Moderator:

Ladies and gentlemen, good day, and welcome to the Rishabh Instruments Q4 FY '25 Earnings Conference Call hosted by DAM Capital Advisors Limited. 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 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 the conference call, please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhoomika from DAM Capital. Thank you, and over to you, ma'am.

Bhoomika Nair:

Thanks. Good evening, everyone, and a warm welcome to the Q4 FY '25 Earnings Call of Rishabh Instruments Limited. We have the management today being represented by Mr. Narendra Goliya, Executive Chairman; Mr. Dineshkumar Musalekar, Whole-Time Director; and Mr. Vishal Kulkarni, CFO; and Mr. Anand Laddha, Finance Director, Lumel. At this point, I'll hand over the floor to Mr. Goliya for his initial remarks, post which we'll open up the floor for Q&A. Thank you, and over to you, sir.

Narendra Goliya:

Thank you, Bhoomika. Good evening, everybody. Thank you for joining this call and financial results of the full year as well as the investor presentations have already been uploaded to the stock exchanges and company's website. We hope you had an opportunity to review because then only this call will become more meaningful.

As we look back on the financial year 2025, we are proud of the resilience and adaptability demonstrated by Rishabh's team by navigating a complex and dynamic business environment. More importantly, FY '25 was also a year of innovation and long-term planning. While addressing immediate challenges, our teams remain focused on building for the future.

We made significant progress on the R&D front, culminating in the creation of a clear 5-year product road map and strategies for the next phase of growth for Rishabh. We all know, however, good you are today and if you don't innovate, if you don't develop new products for the future, then today's products cannot last you for more than a couple of years, and we are really involved in that.

In parallel, we undertook our organization changes aimed at strengthening leadership and improving strategic alignment. Notably, Mr. Dineshkumar Musalekar, who is on this call, transitioned from Group CEO to Whole-Time Director, and he will talk a little about the changes he has done.

Further key appointments were made across the management and senior leadership team, including a new Chief Operating Officer, a new Head of International Sales, a new Head of Solar business in India and Head of Procurement in China. Some of these positions have been newly created, and some of them are transitioning.

We also appointed Mr. Nishant Dudhoria as the Additional General Manager. His role will be to oversee business strategy, finance and public relation functions. All these new appointments are replacement appointments are intended to enhance professional depth and drive greater solidity across business units in different countries.

Speaking of our performance in the last quarter as well as the last financial year, we have continued to show resilience across our core businesses, our electronics business in Rishabh India and Lumel SA have delivered steady growth with reported EBITDA margins crossing 20% plus mark in Q4, underlining the strength of our core capabilities, which is the electronic business, product portfolio and cost efficiencies throughout.

Further, our Lumel Alucast division demonstrated commendable resilience achieving a notable improvement in adjusted EBITDA margin of 0.2% in Q4 FY '25 as compared to minus 3.7%. So we are on the right path, decisions which we are taking are giving us results, and I'm sure future will be much better than the past.

This is in spite of the underlying economic conditions of the European region, all people who are in this business know the turmoil, which is being created in Europe, especially with the American decision to put duties on imported cars. Many of the German automakers have stopped shipping to America.

And that is of a direct concern to us because the aluminum division supplies to most of the companies which are suppliers to these big brands. So the housing and other parts, which are supplied by Lumel Alucast will have a slowdown in the demand and especially the EV industry where China has really overtaken all the European people, both in competition and in quality, and that has a bearing on the EV parts that we supply to big companies like Valeo and others.

The consolidated revenue witnessed a modest growth of 4.5% in the last full complete financial year with adjusted consolidated EBITDA at 8.9%. The electronics business revenue at Rishabh India and Lumel SA grew at 9% with reported EBITDA margins of 15.5% post adjustment of ESOP costs for FY '25.

The aluminum die cast showed a dip in revenues to the tune of 2.7%, primarily on account of a conscious effort to reduce the low-margin automotive business. Because of the pressure on the automotive industry, they have put pressure on their vendors.

And therefore, it is not profitable to supply to the auto industry, and that is what we are seeing in reduction in turnover. This reduction is a conscious effort to curb losses from our legacy contracts signed before COVID pandemic. It never happened the kind of cost increases we saw in the last couple of quarters. And therefore, some of the contracts were signed before the COVID pandemic, and we have gradually withdrawn telling our customers to find other solutions.

And obviously, pandemic clauses had no escalation clauses, except on the raw material, which constrained our pricing flexibility and severely disrupted our operating margins. However, we are very, very confident about the future. And two new buildings are under construction, one at F-31, which will add about 67,000 square feet to the existing 98,000 square feet, and another at

C-6 which will add about 82,000 square feet to the existing 38,000 square feet, which is a 6-story building, giving an increase of 110% to the built-up area at the Nashik location.

This will really give you the kind of investments which are being made and the kind of confidence which we have in the coming future. We have established a state-of-the-art SMT lines at both our Rishabh and Lumel SA facilities. Now this really helps you to do the SMT business with far higher quality. SMT business itself is a quality business, electronics business, you cannot afford to -- people have started talking not parts per million, but even parts per billion. So these installations will enhance our production capacity and precision in electronic assembly.

Further to the optimization of our manufacturing footprint, we are transferring electromechanical production including the current legacy Lumel SA plant. This strategy move consolidates operations and improves efficiency. These initiatives will augment our manufacturing and R&D capabilities to fuel the future growth.

Moreover, in line with our sustainability goals, we have commissioned a 1.5-megawatt solar plant at our Lumel Alucast plant. So again, it shows in the last 2 years, the energy costs have gone up substantially in Europe and especially in Poland. And therefore, we have taken this initiative to put a 1.5-megawatt solar plant.

Initiative reduces our carbon footprint, of course, and also supports our commitment to green energy. We are company -- if you remember last time I talked about our center for innovation in Green Energy, which we are establishing at IIT Jodhpur. And this is another step in the direction of using more and more green energy and less and less of black energy, as they call it.

We remain committed to our strategic direction to deliver sustainable long-term value for all stakeholders. We believe that there are significant opportunities ahead, particularly with the substantial investments being made in clean energy and infrastructure development by Rishabh and the Rishabh Group.

These trends are driving demand for our products, positioning us well to capitalize on the growth avenues. It is also pertinent to note that European automotive sector is experiencing intensified competition from Chinese EV manufacturing, I just mentioned, due to aggressive pricing strategies and rapid technologies, technological advancements by Chinese players, leading to a reduction in demand for locally sourced components.

This shift has resulted in increased pressure on our aluminum die-casting business. Despite these challenges, we are proactively adopting and focusing on high-value application and exploring new market opportunities to mitigate the impact of this competitive bid.

Other than automotive sector, also there is a big demand for aluminum components, and we are focusing more on that and less and less on auto business. FY '26 will be a year focused on scaling electronic business further along with the introduction of new products for the U.S. and European markets.

We are confident of delivering strong growth in our Electronics business segment in the coming years, driven by robust demand, operational readiness and a clear focus on execution. We have

got a lot of approvals, both for the European and the UL for the American markets to help us build scale on these businesses. On die-casting business, we are strategically addressing changes by focusing on improving the profitability and operational efficiency.

We sincerely appreciate the continued trust and support of our investors, employees, customers and all partners that we deal with. Your confidence in our vision and execution is invaluable as we navigate the evolving market landscape. With a clear focus on innovation, operational excellence and stakeholder engagement, we are proud and we are poised to achieve enduring success and create meaningful value in the years to come.

With this, I will hand over to Dinesh Musalekar to take you through the operational highlights for the Q4 and financial year ended March '25. Over to you, Dinesh.

Dineshkumar Musalekar: Thank you, sir, for that rounded summary of the year that we just completed. And good evening, ladies and gentlemen. We are pleased to report the consolidated revenue as Mr. Goliya has just now suggested, of 4.4% in financial year '25 on a year-on-year basis and 5.4% in consolidated revenue for Q4 FY '25 on a year-on-year basis.

The consolidated adjusted EBITDA margin stood at a decent 8.9% in FY '25. Our stand-alone revenue at Rishabh India saw a robust growth in excess of 15% in Q4 FY '25, both on a quarter-to-quarter basis and year-on-year basis. The annual stand-alone revenue grew by 6.5% with our stand-alone adjusted EBITDA margin at 16.8% in financial year '25. We had robust growth of 19% in India for Rishabh domestic sales in FY '25.

We are confident that in the immense growth potential of our business in India, driven by governmental infrastructure development initiatives. In the last union budget, as you know, the Government of India allocated INR 11.1 lakh crores for capital expenditure, emphasizing a significant focus on infrastructure development.

Our expanding product portfolio positions us well to capitalize on these opportunities, particularly in sectors such as renewable energy, transportation and industrial automation. As infrastructure projects progress, we anticipate increased demand for our products, which will directly contribute to our performance and growth in the near future.

Further, our Lumel SA business continues to perform exceptionally well with a significant growth in both revenue and EBITDA margins. The revenue for the financial year '25 grew by 14% year-on-year basis and reported EBITDA of 20.4%.

This success is driven by strong demand in industrial automation sector and ongoing investments in innovation and capacity expansion. And I would also like to highlight that we won three prestigious awards for our performance over the last 3 years in Poland, one of them being Forbes. Another one is for Lubuskie Innovation Award for the best innovative company in Lubuskie region in Poland. And the third one for Gazeta Lubuska which is for the performance of top 50 companies in Poland.

So all our efforts have been recognized and rewarded as well. So the strong performance underscores the robust demand for our industrial automation devices, particularly from the manufacturing sector in Europe, which will help them to optimize their energy and efficiency.

So all our industrial automation products are really helping to overcome the cost challenges that the companies are facing in Europe. And the other sector, which we are growing is our electronics manufacturing services, EMS. So we have put this additional -- we have total four SMT lines, two of them are relatively new, which support EMS business.

One of them has been installed just a few weeks ago, which Mr. Goliya talked about during his speech. So this has given 100% year-on-year growth in the last financial year. Even though we have a challenging time in Europe generally for all the industries, including ours, we have outperformed it by having a lot of mitigative strategies to have our eggs in different buckets.

Coming to Lumel Alucast, as you saw that on a year-on-year basis, we have a decline of 2.7% primarily due to our strategic decision to reduce exposure to legacy automotive contracts. Even though we had a possibility to increase by 20% of our sales turnover in financial year '25 because a lot of those automotive contracts were making losses, we went through a very long patch of 6 months very hard negotiation with our biggest automotive client, and successfully concluded all those contracts with price increases and limited supply contract.

So that's how we are focusing on improving the bottom line and optimizing the top line, even though we have reduced 2.7%, we have been able to increase our bottom line by 390 basis points on EBITDA from quarter-to-quarter basis.

So again, we are optimizing not only on the prices, but also, we are working very hard on optimizing our material cost and labor and other expenses, including the overheads. So further in Lumel Alucast, we have withholding tax assessment or Polish tax authorities, in line with our conservative financial reporting practices, we have classified the associated provisions as one-off item in our financial statements.

While the subject is still sub judice, our tax counsel advisers have suggested that the outcome may be favorable for us. So this is one-off expense, which we have provided for. Looking ahead, our strategy involves scaling down the automotive segment from approximately 40%, 45%, which is currently to about 20%, 25% of our aluminum die-casting portfolio.

This shift will allow us to focus more on non-automotive businesses which offer better profitability and more stable volumes and less turbulences are experienced over a long period of time on those industries which include industrial automation, electrical industry and lighting industry, etcetera.

So we anticipate that this transition will lead us to positive EBITDA by end of financial year '26. We are very actively engaged in increasing our non-automotive portfolio by adding new projects and customers. Our teams are diligently working to enhance profitability and operational efficiencies, demonstrating resilience and determination in navigating these transitions.

Overall, at a broader macroeconomic environment, the automotive sector in Europe remains under pressure. Mr. Goliya highlighted a lot of insights about that. Several OEMs have instigated product line cuts leading to a reduction in order volumes, a trend that may persist for next few months.

Adding to this uncertainty evolving on global trade environment, the recent policy shifts and potential tariff measures under the new U.S. administration. All these have introduced additional volatility and caution across global supply chain. Despite these challenges, we remain focused on strengthening our fundamentals of our business, improving our margin profile and driving long-term value creation. [inaudible 0:20:01].

We believe that our diversified customer base, strong product pipeline and growing demand from sectors like industrial automation, EMS will help us navigate these headwinds. We have significantly ramped up our capacity and strengthened our team on the ground to support our future growth. On the demand side, we are seeing encouraging signs.

Domestic sales in India are rapidly increasing and our international markets in many segments where we previously experienced a dip are now showing signs of recovery. Overall, I would say the momentum is positive, and we are optimistic about the year ahead. In particular, we expect a strong growth to be driven by EMS and solar sectors, both of which are seeing robust demand and align well with our product capabilities and long-term strategy.

So we are working on three segments, one is we are expanding our capacity. We are expanding our product basket. We are also making our team stronger. So that we have a long-term view and actions aligned to get us where we want to be.

And a little bit more on our other international subsidiary which are relatively smaller. Our operations in China has shown a healthy top line growth. We grew by 20% there. However, EBITDA performance remains near to breakeven. So we made investments in last 2 years there in R&D and other activities. So now from this year onwards, we will be having results coming out of that.

In U.S. market, we had a really good year with 60% revenue growth [inaudible 0:21:47] with very healthy margin. And we closed the year with US\$2 million revenue. Now this year, we have a much similar target, and we feel that for the coming few years, this kind of growth we can expect until we reach something like \$5 million to \$6 million there. And then U.K. business faced some challenges. The top line remained relatively flat. EBITDA, we had slightly negative.

But this year, this should be good. In order to offer more value add to our customers, we acquired 100% shares of MICROSYS, a Czech Republic based company. This is specialized in SCADA software development. This acquisition helps us to give our customers complete comprehensive solution along with our high-end products. And we acquired this company in August 2024.

We remain committed to strengthening our international presence and are optimistic about the growth prospects in these regions. For the past year, we have made significant strides in strengthening our organization through strategic team development initiatives. Mr. Goliya talked

a little bit about that. I will add more to what has been said, recognizing the importance of leadership in driving the next phase of growth.

We are focused and aligned our teams too and enhancing their capabilities to meet the evolving demands of our business. So these are some of the key appointments which we made. We appointed Chief Operating Officer for [inaudible 23:34] day-to-day activities and efficiency improvement and putting systems in place with more than two decades of really big EMS and electronics manufacturing experience.

Then we added quality head recently with, again, more than 2 decades of experience to get the quality systems and quality performance to the next level. Then we also added R&D head for electromechanical products with a professional who has got 3.5 decades of design experience and that he is to add more products in current transformer, voltage transformer and potential transformers targeting U.S. market and other markets and going from low voltage to mid-voltage product group.

So this is also a long-term plan, which we have. Then we have new head of international sales with a good experience of close to two decades and in international sales to make our international growth opportunities.

And then we also have hired new head of solar sales with experience from solar industry with 1.5 decades of experience and a lot of energy. So this is something which we are making. And then from the procurement side, we added a head of procurement in China to help purchase of electronics for the groups and some capex as well as some mechanical parts from China. So this also fits very well with our long-term strategy.

And then Nishant is attending this meeting also, has joined us as Additional GM to oversee, help me with our strategy, finance and PR activities. And then we added two seasoned sales professionals for supporting USA business to expand. So we are creating a robust team. This is creating a lot of bench strength for Tier 2 and Tier 3 level in the organization for future.

These -- as I said, these strategic appointments are designed to foster our management bandwidth and enhance ability to scale efficiency across geographies and different verticals. We are confident that these leaders will play a pivotal role in driving our continued success and long-term growth. Our commitment to innovation is further demonstrated by successful rollout of comprehensive 5-year road map.

We had this big one week workshop in Cyprus, getting all the R&D heads and sales heads together. And after that workshop, we created a strategic roadmap, projecting to generate incremental revenue equivalent to nearly 50% of our total electronic sales. I mean when all these products mature, so that's the kind of potential that these are having.

So this is a pipeline which we created for 5 years, but we already started working on the first 2 years. We also created a concept of center of excellence to optimize our R&D resources because we have five R&D centers for electronics manufacturing. So we have assigned different R&D centers as a center of excellence for TMI, for electromechanical, then for industrial automation, etcetera.

So the products will be rolled out from there, which will be global and local. So a lot of groundwork has been created for future. So I'll just list some of the upcoming launches which will be coming very soon. These are a few of the things which are coming out of that. One is Solar UNO, this is single phase inverter.

This will be rolled out of R&D from Rishabh. And in Q1 FY '26, we are expecting this to be rolling out. Then we also are coming with next generation of midrange inverters, solar inverters, NEO. So this will also be coming out of R&D from Rishabh. Then medium voltage current transformer and potential transformers will be rolled out in next 1 year [inaudible 0:28:19], will be coming from electromechanical R&D of Rishabh. Then advanced full class A power quality analyzer.

There are very few companies in the world who manufacture this. And this will be coming out of Lumel R&D. We call this product as ND50. This is expected by end of this financial year. Then we also have this chip, which is a medium voltage protection relay. Again, a very high-end product, very few companies in the world manufacture this.

So we are coming up with the next version, next revision of this chip 5. And for the innovation of this project, we have got this grant from European Union. Then we are also coming up with the next generation of test and measurement instruments from V&A China, both in electrical side and environmental side. And this V&A China and Mumbai R&D work in tandem to roll out TMI products, which are coming from China as well as from Rishabh in India.

And there are some strategic product developments which we have done [inaudible 29:34] Byram energy meters with LoRa communication. We are introducing these energy meters equipped with LoRa wireless communication technology designed to enhance remote metering capabilities. This integrates facilities, seamless data and transmission over long distance, ensuring efficient energy measurement. USA is the target market for this.

LoRa is absolutely technology in our industry, and we are one of the early adopters of that. So we are really, really very much pumped up with this new innovation. And this also is going to boost our growth, which we are projecting in U.S. market.

Second one is DIN meters. These are our new range of meters, which are available in three variants, 1U, 2U and 4U we call them as. And these are the for European market, they are DIN certified, so which enables them to be used as a energy meter in applications across the Europe. These are also very stringent standards, which we went through and these products are rolled out of Rishabh India R&D.

So these developments underscore our dedication to advancing our product portfolio and reinforcing our position in the global market. We are also pleased to report a significant advancement in our R&D initiatives this year, underscoring our commitment to innovation and long-term growth.

In summary, we are steadfastly advancing across all facets of our business, as I said, in all the three areas, whether it is product development, capacity announcement or the team development

to foster growth and fortify resilience. While we acknowledge that challenges persist in our external environment, we are confident that most challenging phase is behind us.

Our focus has now shifted from navigating headwind to capitalizing on emerging opportunities, be it through market discovery or operational enhancement or strategic initiatives. So we remain committed to sustainable growth, driven by innovation, robust execution and strengthened the leadership team with a solid foundations we have established and momentum we are beginning to witness.

We are optimistic about the long-term prospects of Rishabh Instruments. With this, I would like to hand over to Vishal Kulkarni, our CFO, to delve into financial performance of the group. And I sincerely thank for all of your continued support. Thank you. Vishal?

Vishal Kulkarni:

Thank you, sir, for the detailed overview. Good evening, everybody. Let me just give a brief snapshot on the financial performances. On the stand-alone Rishabh India, the revenue for Q4 FY '25 stood at INR 684 million compared to INR 591 million in the same period last year. So this has registered a year-on-year growth of 15.8%. For the full year FY '25, the revenue grew by 6.5% year-on-year, reaching to INR 2,392 million.

On the adjusted EBITDA front, the Q4 FY '25, the adjusted EBITDA was INR 149 million, reflecting a year-on-year growth of 8.6%. For the full year, adjusted EBITDA was INR 403 million, which shows a decline of 21% year-on-year. Here, I just want to note that adjusted EBITDA includes ESOP expense of INR 9 million for the quarter and INR 53 million for the year. On the EBITDA margin front, the adjusted EBITDA margins were 21.8% for Q4 FY '25 and 16.8% for the full year FY '25.

At the PAT level, we stood at INR 89 million for the quarter FY '25, marking a year-on-year growth of 109.7%. For full year FY '25, that was INR 234 million, representing a decline of 27.8% year-on-year. On the consolidated front, for the quarter end financial release, the revenue stood at INR 1,875 million for the quarter, reflecting a year-on-year growth of 5%. For the full year FY '25, revenue reached at INR 7,203 million, marking a 4% year-on-year increase.

The adjusted EBITDA for Q4 FY '25 was INR 221 million compared to INR 233 million in Q4 FY '24, showing a decline of 5.1% year-on-year. For the full year FY '25, the adjusted EBITDA stood at INR 640 million, down by 33% year-on-year from INR 955 million last year.

Here, I just want to make a note that adjusted EBITDA for Q4 FY '25 includes ESOP expense of INR 20 million and a withholding tax provision of INR 40 million. For the full year, the ESOP cost is INR 116 million, whereas the similar withholding tax provision of INR 40 million. On the margins front, the adjusted EBITDA margins were 11.8% for the quarter and 8.9% for full year FY '25. The decline in gross margin and EBITDA margins during the quarter and full year was primarily due to change in product mix and headwinds in the Lumel Alucast business.

Notably, the die casting division, which accounts for 36% of the consolidated revenue, operated at breakeven EBITDA, thereby impacting overall profitability. The profit after tax for quarter 4 FY '25 stood at INR 62 million, representing a year-on-year growth of 163% with PAT margins improving by 200 basis points to 3.3%. For the full year, PAT was INR 212 million, a 47% year-

on-year decline with PAT margins at 2.9%. For the Lumel SA, our electronics business in Poland, the revenue stood at INR 431 million, showing a modest year-on-year growth of 0.6%.

The EBITDA grew significantly by 74.2% year-on-year, reaching INR 99 million compared to INR 57 million in Q4 FY '24. EBITDA margins improved sharply by 971 basis points, reaching 23%, reflecting improved operating efficiency. The profit after tax stood at INR 73 million, a year-on-year increase of 108.9%, indicating strong bottom line growth. For the full year FY '24 -- '25, the revenue stood at INR 1,989 million, registering a solid year-on-year growth of 14% driven by steady demand for automation and energy efficient solutions across key European markets.

EBITDA for the year was INR 405 million, up by 22.3% year-on-year supported by operational leverage and cost efficiencies. The EBITDA margins expanded by 138 basis points, reaching to 20.4%. PAT came in at INR 350 million, marking a strong Y-o-Y growth of 47.5% compared to INR 238 million in FY '24.

For the die-casting business, our revenue stood at INR 745 inaudible 0:37:55 million, reflecting a year-on-year decline of 1.8%. Adjusted EBITDA was regionally positive at INR 2 million with breakeven margins of 0.2%, indicating early signs of stabilization.

Net loss for the quarter was INR 50 million, primarily due to continued challenges in the automotive segment. For the full year FY '25, the revenue for the year declined by 2.7% year-on-year, reaching to INR 2,636 million. The adjusted EBITDA was negative at INR 150 million, reflecting ongoing market pressure and subdued volumes.

Net loss for the financial year FY '25 stood at INR 252 million, underscoring the impact of strategic downsizing and restructuring efforts within the business. On the consolidated level, we remain net debt-free with a strong balance sheet. The net cash and cash equivalents as of 31st March 2025 stand at INR 1,022 million, a healthy cash flow from operations is INR 650 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 Prateek Giri from Subh Labh Research. Please proceed.

Prateek Giri: Mr. Musalekar my first question is on the EBITDA mathematics, which we have been alluding to, so if I look at INR 113 crores of revenue in electronics business, where we have seen around 20% EBITDA. So this gives us around INR 22 crores of EBITDA, whereas we have seen the aluminium die-casting business has also not made losses, probably some 0.2% EBITDA. But if you look at the console EBITDA, console EBITDA is around INR 16 crores. So I need some clarity in...

Dineshkumar Musalekar: That is for the last quarter only. If you are comparing quarter to -- if you're comparing the whole year and 0.2% was for the quarter. So 0.2% EBITDA for Lumel Alucast for the quarter. So before that, we had negative EBITDA percentages and now this is -- with all the actions we have done, we will cross that 0, and now we have to build positive from there.

- Prateek Giri:** Mr. Musalekar, I am sorry to press again on this. But I am talking about the quarterly numbers itself, INR 113 crores revenue in electronics business, where we are seeing 20% EBITDA margin which gives us around INR 22 crores of EBITDA, whereas our consol EBITDA is only INR 16 crores, give or take. I mean, we can adjust for the ESOP charges, but give or take it's around INR 15, INR 16 crores only. So it's not adding up is what I am saying.
- Dineshkumar Musalekar:** The 20% is only for Lumel SA business, which is the EBITDA -- I mean, maybe I would leave our finance guys to explain you better maybe.
- Vishal Kulkarni:** Yes, the 20% EBITDA is for the electronics business basically. For the full year, the -- since there are losses for the -- in the die-casting business, that's why the consolidated EBITDA has been going down.
- Prateek Giri:** Mr. Kulkarni, I'll take it offline. I think it will waste time. Mr. Musalekar, I have a second question on the electronics business again. If you look the growth for this quarter is severely muted. So anything to read in between, I mean, is there any pressure we are feeling because if you look at the entire electrical infra and the company related to the infra has posted good growth in the quarter. So -- and why was [inaudible 42:33] for us?
- Dineshkumar Musalekar:** Electronics quarter-to-quarter you are talking because there's a lot of echo in what you are saying, so I just want to be sure about the question. Are you talking about the electronics business quarter-to-quarter top line?
- Prateek Giri:** No, sir. I'm talking year-on-year only. Last quarter, FY '24, I mean, Q4 FY '24, we did INR 107 crores of revenue, and this quarter, we had INR 113 crores. So I mean there's a 5% growth.
- Dineshkumar Musalekar:** Yes. So I'll tell you the two -- the electronics business for us comes from two big buckets. One is Rishabh India and the other one is Lumel SA in Poland. So Lumel SA Poland, if you are comparing quarter-to-quarter or year-to-year on the top line, it was flattish. So it was not a big growth.
- But whereas Rishabh India, we had more than 15% growth on top line, stemming out of lot of domestic sales both year-on-year and quarter-to-quarter basis. So to summarize that, in the electronics business, they are like 1/3, 1/3, 1/3 of the business, you can say, more or less 30%, 30%, 30%. And rest is all about 10% of the business.
- So 30% of the business of our total group and about 50% of our electronics business is from Rishabh India, which had a 15% growth quarter-to-quarter as well as year-to-year in the last quarter. Whereas the Lumel SA which is 50% of our electronics business around or 1/3 of our overall -- 30% of our overall group business was more flattish.
- But if you look at the overall yearly performance for the whole consolidated year, Lumel SA was 14% compared to last year. As of end of quarter 3, we were running 20% more than last year. YTD, as of end of Q3, in Lumel SA, we were in excess of 20%. But the last quarter, we are flat like last year.

So that 20% growth we are expecting brought down to 15% -- 14%, 15%. But we still -- with the modification of our 20% growth top line to 15%, we still achieve our EBITDA targets in Lumel SA, because the margins are really good and 20% we did, and that is only temporary because of slowdown, which is happening after the Trump and war situation and all those things, where some projects are going slow, but that's nothing to worry. It's just 1 quarter thing, and we will get back to the kind of 15% growth again.

Prateek Giri:

Just one follow up on this Mr. Musalekar, so you're saying the European electronics business is facing some growth challenges, is that understanding correct?

Dineshkumar Musalekar:

Generally, in Europe, there is a growth challenge for every business, including electronics. But during my speech and what we discussed, we are not only banking on our organic growth. We are doing a lot of things, like solar installations, we carry out. We do EMS businesses and giving complete automation solutions.

So we are doing a lot of those projects by which we are still having a growth. If you compare the companies which are in our kind of environment electronics businesses also, they are either flat or they have dropped at least by 10% to 15%, whereas we have registered 15% growth. So we are doing a lot of other things other than just depending on organic growth on the electronics business.

So I don't see any challenges on that. So it is -- like we still will have double-digit growth this year, but it's not with what we are doing. So we keep on doing other things other than our organic customers and products.

Prateek Giri:

Understood, very helpful. Just one last question from my side. Mr. Musalekar, your confidence on aluminium die-casting turnaround seems low this quarter. So is the trouble going to persist longer than we have anticipated or I mean, is the turnaround strategy exactly on the path as we had anticipated last quarter or last to last quarter?

Dineshkumar Musalekar:

I would say more or less, but I also want to be very open and very candid that there are challenges still open. So I'll tell you what -- we spoke about this in a few quarters. So we had -- in aluminium die-casting business, half of the business was connected with automotive industry and it was -- there was a big turmoil.

Everybody is closing down or shutting down, and in a vicinity of 50 kilometers from here, there are three die-casting plants, which are closed down. So it's a fact. It's a reality, if you are in touch with auto industry, what is happening in Europe, big, small, all companies are suffering. So we didn't want to get affected. As a strategy, we also had about 50% nonautomotive companies, which also had helped us bring pandemic COVID period.

So we didn't suffer like other companies. But having said that, we had the strategy to go back to our customers and meet with them and have some price corrections and continue with the business. So when we took up this with two large automotive customers, they were reluctant because they tried to pass on these costs to their customers, which were not ready.

So they had option because they were all watertight contracts, we could not be flexible. So there was a lot of pressure on closing. And we thought that we'll close them in 3 months' time. They took 6 to 9 months to have an agreement to close the contract. So amicably, we have done.

So what we have done is we have said them, okay, you have 1 year, you relocate your projects wherever you want to take it. If you want to supply for 1 year, give us price correction. So they have given. So that's where we have got this positive thing. Now this 1-year period, which we have, we are very, very aggressively going into the market to find out projects to launch non-automotive customers and launch of projects in die casting takes about 1 year.

So this is a transition which will happen. So one customer we agreed. The second one, partially, we had this price correction. Also, whenever we agreed to continue supply, we see again drop coming in there, where we did the price corrections and we had agreement to supply for long term.

There, the volumes are decreasing because of all the turbulence which is going on. For example, they wanted to pick up 6,000 parts a week, they said that from next week it's going to be 3,000 parts a week, so to summarize all of that, we have strategically decided not to have anything more than 20%, 25%, but we cannot walk away from that quickly. So we are doing price corrections. We are hunting for new projects, non-automotive, and we're doing that.

One upside and opportunity in all these risks that we have is, we have a similar situation with a lot of automotive -- I mean, die casting manufacturers. So they are closing down. So there is a consolidation of suppliers, which is going to happen. And we want to be part of that, if we sustain for some more time, which we are doing.

And after that, some of these supply chain will shift to China or Asia and some of it will come to Europe also. And if we stay strong, it will come. And then when it is coming, we can be very choosy on the terms and condition and which industry what we want to take. So this is a work in progress which is happening now.

Prateek Giri: Very useful, sir. I will join back the queue. Thank you.

Moderator: Thank you. The next question is from the line of Tanay Shah from DAM Capital. Please proceed.

Tanay Shah: Hi, sir.

Moderator: Sorry to interrupt Mr. Tanay. Could you please come closer to your device while asking a question?

Tanay Shah: Okay perfect. So I just wanted to understand, we are speaking about a recovery in the Alucast business, and we already spoke about how we've kind of negotiated contracts as well with our customers. But how do we see demand shaping up going forward into FY '26, given we spoke about the potential tariffs from U.S., the overall auto slowdown of exports to U.S. How do we expect volumes to grow to our vendors?

And at the same time, how do we expect to kind of turnaround our profitability in the Alucast business? And any sort of visibility on that given that you decided some contract negotiations with your customers? So that's my first question?

Dineshkumar Musalekar: Yes. So I will answer that in two parts. One is we have this 50% auto and 50% non-auto business. So non-auto business, which is not having those turbulences and challenges on profitability. That is something which we want to grow, with some organic growth, we can expect 4%, 5%, not more. That's one part.

So 50% of our business is intact. Now what we are trying to do is to go to these customers and for our auto customers, where we may be one of the many suppliers because they also manage dependency and capacity, etcetera. We are going to these customers and telling, yes, Mr. Customer, we have decided to go out of auto industry, so we have capacity, can I get more.

So -- and they are having some challenges from their other suppliers, and we are getting some business like that. We had some success stories already coming in the last quarter. So -- but it will take time to launch this project, 6 months to 1 year, which I said. So this is one activity which we're doing. Second thing is we are going to absolutely new customers.

We have a big customer base, about 20 giant groups like we are talking about Siemens, ABB, Endress+Hauser, these are kind of -- Danfoss. These are our customers. So we're going to them and trying to -- where we are registered, we have been supplying for decades, many decades. So we are trying to increase. These are all nonautomotive customers.

So this is one aspect which we have. Second thing is we are going to some industries like light industry or electrical industry, where aluminium die-casting is built to have this new customer, they will audit, they will go through this process of 6 months. And after that, you quote and then by launching the project, it will take about another 6 months or 1-year period. So this is something which we are working on.

The third thing is with the auto industry. So we still want to do business with them as long as the contracts are flexible. What we're saying to them is, okay, you want to supply, then here is our proposal. So we agree on the price. And material, of course, is passed on to them, material fluctuation. Energy, we have found a formula that we have any energy cost going up and down, we'll do it. Inflation, we can do it.

We want to limit the liabilities to the extent of what we have in our insurance policy, not to expose ourselves unlimited. So all these terms and conditions are there, and then we want to secure some margin. And then we want to go to these customers. And naturally, we are reducing with them, and some will want to work with us. So that's the overall strategy, which we have.

And in spite of a lot of supply chain shifting to -- auto industry shifting to China, there's also because of the distance that we have, if you have got -- we have seen that in the past also, there was supply chain from China. And then when they had quality issues, delivery issues, and they all started focusing on European development. Now with Chinese cars coming at a much lower price and EV launched in Europe, want to compete with the Chinese EV cars, which are very aggressively priced and also good in quality.

So they have no option but to depend on the EV supply chain from China. At the same time, policymakers in Europe also realize and understand that there's a lot of talks which are going on. So they want to go slow on green implementation because that has created a lot of unemployment in the country.

And there's a big debate happening in European Parliament and every country's parliament, so they can go slow on that. Here, people are happy to buy non-EV cars, combustion engine cars all the time. The only thing is the EV cars, when they are trying to make, they are almost 2x more expensive for the same range of cars.

So nobody is buying them. and Chinese can supply at the same price, which the combustion engine cars are being manufactured and supplied in Europe. So this is where the difference is coming. Now the EU regulations don't allow car manufacturers to produce more than x number of non-EV cars.

Otherwise, they are penalized heavily. This is all driven by the policies with some coming into picture, with all these tariffs, etcetera. So the European political group is seriously thinking about rolling back all those EV policies or green policies which they've had because they're having companies closing down, people being unemployed. And this may roll back and if that roll back, is another opportunity for companies like us.

So we still are in a kind of uncertainty. But whatever is in our control, we are able to do, we are trying to negotiate with the contracts. We are changing our portfolio, all that we are doing. So what will come out of these policymakers, it could be a bonus after it happens, if it happens in favor of industries.

Tanay Shah: Sure, sir. And what would -- this is a question to Vishal. What would the EBITDA for the die casting business be for FY '25? We did mention that we were almost on breakeven basis, but if you could give me the exact number, please?

Vishal Kulkarni: Yes, for Q4 it is at breakeven. For the full year, the EBITDA is minus 3.7%.

Tanay Shah: Minus 3.7 million?

Vishal Kulkarni: No, minus INR 150 million for the full year.

Tanay Shah: Sure. Got that. And sir, another question coming back to the piece, which is fairly resilient, which is the electronics business in India, the electricals business in India and Lumel SA. Could you highlight how that performance has been? And what is the outlook going forward? And also you emphasized on the EMS piece in your opening remarks.

If you could kind of even throw some color out there in terms of what are we doing in terms of EMS business as we have largely begun only for captive and now what different are we doing out there? Yes, that's it?

Dineshkumar Musalekar: So on the EMS business, one is capacity expansion, which we did. We have installed two state-of-the-art SMT lines, one in Nashik and one in Poland. So for example, in Nashik, we had a

couple of customers where we are doing this as an additional business apart from whatever capacity we had, apart from what we make for our own products.

Now we want to do this strategically. So we wanted to start at a high end. So rather than making simple electronics where there's a lot of competition, obviously. So we have started making, our line is capable of making PCBs for laptops, which is one of the very dense electronic component with 16 layers of PCB and many, many controllers and IGBTs, which we call them as.

So with that kind of a precision, we did a pilot batch of 200 parts after this new SMT line was installed and all 200 were successfully done. So technical capability we have proved. Now we have to take it with the box builders, which are basically buying in those PCBs from China now. So there's a shift of those supply chain from there to here.

We have to start; this is work in progress. This is big. So if we have this business, then one whole SMT line three shifts can be dedicated to one business and the volumes will be high. Obviously, margins are thin on this kind of business. We don't enjoy 50%, 60% gross margin like we have on our products, but it's a volume business with maybe 20%, 25% gross margin.

So the challenge is you again will be competing against China. So this is something which we are pretty sure we can do it because SMT line is the same, whether it is in China or here or in Japan or Europe. So we call this as components per hour. So this new line which we have can do 180,000 components per hour. So compare that with our two lines, which we have before put together could do 96,000 components per hour.

So we are talking about a line with such a capacity and precision. So the BGAs which are microchips which we have with multiple legs, which are very, very fine and so it's -- on the technology side, it's really high end. So we can have this business as an ongoing business. This is one change which we have.

And then in EMS business in Poland, we have some products like we call them like Ono, which is used for -- it's a co-driver. You can find this product on Amazon also. We make 2 million, 1 million of them every year. So this is entirely done for their brand, and we supply that right from PCB manufacturing to component assembly, boxes, everything.

So that's been happening for some time. So you can see the growth in Lumel SA, is also on account of that. We increased the our EMS business 100% in Lumel SA business. So this will continue. So it's going to be a mix of our product, high end with good margin. And also, we want to keep our capacity busy with low-margin, high-volume business.

So it evens out. And apart from that, we have project businesses which will be coming definitely and these are coming out of tender and some projects. So they are like -- they come like in spikes. So it evens out. So -- because the share market looks at things quarter-by-quarter, so we try to have at least one spike coming in every quarter makes a difference in electronics business.

Tanay Shah:

Got that, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Avinash Nahata from Parami Financial Services. Please proceed.

Avinash Nahata: Thank you for the opportunity. So I have a couple of questions. To start with, the first on the die-cast business. So what is our cost structure in the Poland as far as this die-cast business is considered? So what is our fixed cost and at what capacity utilization we do break even? So whether we are doing automotive or non-automotive tonnage, at what capacity utilization we break even? And what is the fixed cost structure over here?

Dineshkumar Musalekar: Yes, I would like to answer that question more in revenue than tonnage because tonnage is useful to measure when you are doing only casting and supplying because we have 20 processes in die-casting business. After casting, we do high precision [inaudible 63:47] and assembling of elements, etcetera.

So our revenue if it is around -- at the current cost base and current margin levels, which we have currently, I can talk from the last quarter's experience. So monthly, if our sales revenue are in the tune of PLN 8.5 million, which is like INR 16 crores to INR 17 crores monthly, we are breakeven.

So this is with the current margin structure and the cost base which we have. So our efforts are to get this to around INR 20 crores monthly with a similar cost base and do that. If our sales drop below PLN 7 million or PLN 6 million, which is around that because it's also a bit complex, cost of quality and a lot of other things come into picture.

So I'm giving you a ballpark figure. So if it drops to like INR 12 crores to, say, INR 14 crores -- INR 13 crores, INR 14 crores monthly, then you will be having the overhead cost and SG&A cost sitting into it. So this is kind of a pivotal point. So I'm very mindful of that. And we are driving around that keeping some safe distance.

Avinash Nahata: So when I meant the fixed cost structure, which means that even if we don't do anything, it will be INR 10 crores a month?

Dineshkumar Musalekar: Okay. So Anand, you are talking about monthly fixed cost?

Avinash Nahata: So I mean, it is -- I mean, conceptually, if we don't have contracts which are profitable and we choose not to do it, so what is our fixed cost at Poland die cast business?

Dineshkumar Musalekar: Yes. Anand, do you want to answer that question?

Anand Laddha: Sir, the moment, he asked, the call dropped so I just was trying to connect.

Dineshkumar Musalekar: Okay. I will repeat the question. The question is, what is the monthly fixed cost for Lumel Alucast? So if we drop all the non-profitable businesses, what would be the breakeven? I try to answer that in a different way and there is a follow-up question. So maybe you can try to answer that in numbers.

Anand Laddha: The monthly cost of -- the monthly fixed cost for Lumel Alucast is 1.5 million PLN. And with 18% gross margin, we need a turnover of roughly PLN 8 million, 8.5 million.

Dineshkumar Musalekar: Yes, that's what I was saying until...

Avinash Nahata: Yes, you mentioned PLN 9 million per month?

Dineshkumar Musalekar: Yes, that's the target. Yes. So around PLN 8 million is safe but also, it is not as straightforward as Anand said that this is a fixed cost because you have got a lot of other dimensions to that. The cost of quality, the production stabilization, extra transport, then your labor availability, whether you work in first shift, second shift, third shift or the weekends, a lot of factors come into that. So there is a kind of a buffer for that. So I think when we reach around PLN 7 million monthly, we have a problem, so which is INR 14 crores turnover.

Avinash Nahata: Understood. Okay. And there was a recent reset, I don't remember when exactly, the base wages. So our wages would be how much higher than the base wages, which are required by the state?

Dineshkumar Musalekar: The wages in this last year, the basic minimum wages were to be corrected about 7%, 8%. That was what was there. But only about, I would say, 5% of our employees were affected, and we corrected only for those in Lumel Alucast business. In Lumel SA, of course, we have better profits and we want to have that. So I would -- it's again -- here, the minimum wages is standard for white collar, blue collar and everything. So what really matters, again, there are so many skill grades there. So I don't know how to answer that.

If I take an average, that will be much higher than the base level because you have got -- that base level is the entry level for people at semi-skilled kind of this thing. So what happens is when that goes up by 20%, like it happened in the past, 20%, 30%, then this basic wage people come to a skilled people's level and then skilled people everything pushes up.

So it may not have a 20% effect on the overall organization, but it will have like 10%, 12% effect on the organization. This is what happened for 2 years when 20%-plus base wage revision was done two times.

Avinash Nahata: Right. So basically, whatever minimum base wages has been revised last year, so the current quarter wages captures that. And you are saying that only 5%, 6% of your overall entry-level employees were affected, which has been reset, correct?

Dineshkumar Musalekar: Yes, that has been done. And the wage correction here is also, they have a block for next 5 years, how the policy makers have done it, they have connected this with inflation. There is a formula. So when the inflation here was 15%, 17%, then you top it up 15% plus 5%, so like 20%, something like that. So this was driven.

Now the inflation in Europe is in control. So it's in like 4%, 5% around that, it's fluctuating. So this is a stable situation at the moment on the wages.

Avinash Nahata: Okay. And this -- you said for the full year, the loss was INR 3.7 crores for Alu die-cast business, correct? FY '25 full year EBITDA loss was INR 3.7 crores?

Anand Laddha: 5.7%.

Vishal Kulkarni: 5.7%.

- Avinash Nahata:** No, I'm talking about absolute, absolute EBITDA loss?
- Anand Laddha:** INR 150 million Adjusted EBITDA
- Vishal Kulkarni:** INR 15 crores Adjusted EBITDA
- Nishant Dudhoria:** INR 15 crores is Adjusted EBITDA
- Avinash Nahata:** And the net loss was INR 25 crores, is it?
- Nishant Dudhoria:** Right.
- Avinash Nahata:** Okay, INR 15 crores becomes INR25 crores because of some depreciation?
- Nishant Dudhoria:** Yes. Post Depreciation, withholding tax provision, finance costs and other adjustments.
- Vishal Kulkarni:** Withholding tax provision plus...
- Dinesh Musalekar:** Withholding tax provision was done which is sub-judiciary.
- Avinash Nahata:** Yes. So I heard that. Okay. So coming to the electronics business. So if I heard it correctly, you said 1/3, 30% each is the three pieces and 10% is rest. So India business is INR 240 crores FY '25, I mean, ballpark, and Lumel SA would be INR 230 crores?
- Dineshkumar Musalekar:** INR 200 crores, it was around INR 200 crores.
- Management:** Right.
- Avinash Nahata:** So INR 200 crores Lumel SA and India was INR 240 crores around?
- Dineshkumar Musalekar:** Yes. See, Lumel SA INR200 crores with 20% EBITDA. So you can say INR 40 crores there only if you are calculating EBITDA and Rishabh is around 16% EBITDA on INR240 crores. So again, it comes around the same. And then we lost money in Lumel Alucast, INR 15 crores. So this is how the equation is.
- For the next year, if we increase these two businesses, which we are damn sure for 15% to 20% on Lumel SA and this one with around 15% to 20% EBITDA. So we can generate about INR100 crores of EBITDA, this is quite achievable, possible. And the only thing is even if we arrest Lumel Alucast from not making any losses. So we should have a good year ahead. This is the summary. So that's what we are targeting at the moment.
- Avinash Nahata:** Okay. So based on the new SMT lines, so what is the business expectation, like you mentioned 15% to 20% increase in electronics business, which is India and Lumel SA. So what is the expectation on the India business?
- Dineshkumar Musalekar:** India business, Rishabh business, the expectation for domestic is about 20%, domestic I am saying, which is 50% of Rishabh's business. Export, I would say, about 12%, 13% because of what is going on in Europe, etcetera. And Lumel SA business, I would say, around 14%, 15%, again, based on what is going around.

Even though we did 20% last 2 years and this year we did 15%. Even those three quarters, we did 20% conservatively we can take 15% for Lumel SA for the next year. [inaudible 74:06].

Avinash Nahata: You are saying 20% for domestic India, Rishabh India and 12% for exports out of Rishabh India and 15% for Lumel SA, that's the growth you are expecting?

Dineshkumar Musalekar: Absolutely.

Avinash Nahata: And any change in margin profile due to whatever interventions you are doing in new SMT line or it is going to be like that?

Dineshkumar Musalekar: Not much, not much.

Avinash Nahata: Not much.

Dineshkumar Musalekar: Because what's happening is we are also introducing -- its a product mix because there the spread is too big, and we have control on the selling prices. Our products are absolutely accepted in the market, quality is good, delivery is good. So even if we increase 5%, 10% whenever it is needed on selected products, we are still growing our revenue.

So it's unlike aluminium die casting or even EMS business, where you are in control of somebody else who is calculating your cost-plus plus basis, the substantial part of our electronic businesses, our design, our product, our manufacturing, our pricing strategy, our marketing strategy. So we have much better control. And when your product is good, accepted in -- around the world for decades. So we are in a much bigger -- better situation there.

Avinash Nahata: And sir, what was the capex done for FY '25 in India, Lumel SA in the current year? And what is the capex you're targeting for the next year?

Dineshkumar Musalekar: So capex currently ongoing in Rishabh India, which Mr. Goliya explained, so we are building two buildings to the tune of about INR 50 crores, INR 60 crores to increase our production capacity. So that is what is happening there. And in Lumel, Alucast, we are not adding anything.

But in Lumel SA, we are adding this SMT line, which is also 40% supported by the innovation projects. So we are adding about, say, around INR 15 crores, INR 20 crores in this thing. So about INR 60 crores plus INR 20 crores, around INR 70 crores, INR 80 crores is the capex, which we can expect on the top line for the next 2 years.

Avinash Nahata: Okay. Understood. Thanks for all the queries and all the very best to the entire team.

Moderator: Thank you. Due to time constraints, ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management for closing comments. Over to you.

Dineshkumar Musalekar: I would like to take this opportunity to thank all our investors who have kept invested and had faith in the management team and in Mr. Narendra Goliya's vision. So I thank you, everyone, for this. And I would request Mr. Goliya to make his closing comments.

Narendra Goliya:

Yes. Thank you, Dinesh. See, we are very optimistic. This company has grown steadily over the last 30, 35 years. The times are even now better in spite of all the problems which people discuss, America and tariffs and Europe and auto industry and so many things. I am completely positive, things will improve. We have some challenges in the aluminium. We will sort it out. Electronics has never been a challenge.

The only thing is can we make the growth faster. 12%, 13%, 14%, 15%, we have always grown, but there are good years when we have grown more. Of course, it is uncertainty in the market, but it's also the effort of our people. They are all committed, all of them are experienced and they will come back to a good growth. And I hope that the coming year will be much better than the current year we have shown.

So let's all work together and support our industry and our government to do things which are even better than what we have done in the past. Thank you.

Dineshkumar Musalekar: Thank you.

Moderator:

On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.