



“RIR Power Electronics Limited
Earnings Conference Call”
May 30, 2025



MANAGEMENT: **DR. HARSHAD MEHTA – CHAIRMAN AND DIRECTOR –
RIR POWER ELECTRONICS LIMITED
MR. ANKIT SHAH – FINANCE CONTROLLER – RIR
POWER ELECTRONICS LIMITED**

MODERATOR: **MR. ARYAN RANA – VERITAS REPUTATION**

Moderator: Ladies and gentlemen, good day and welcome to Earnings Conference call of RIR Power Electronics Limited arranged by Veritas Reputation. At this moment, all participant lines are in the listen only mode. Later we will conduct a question-and-answer session. At that time, if you have a question, please press star and 1 on your touch screen keypad. Please note that this conference is being recorded. I now hand the conference over to Mr. Aryan Rana from Veritas Reputation. Thank you and over to you, Mr. Rana.

Aryan Rana: Thank you, Michelle. Good afternoon, everyone and a warm welcome to RIR Power Electronics Limited's Earnings Conference call for the fourth quarter and full year ended March 31, 2025. We thank you for joining us today to discuss the company's performance, strategic initiatives and growth outlook.

RIR Power Electronics Limited, established in 1969 and rebranded in 2023, is India's only manufacturer of silicon-based power semiconductor devices. The company is a pioneer in power electronics innovation with a fully integrated manufacturing facility in Halol, Gujarat and is currently setting up India's first silicon carbide fabrication plant in Odisha.

The company's products play a crucial role in across sectors including green hydrogen grid reliability, railways, defense and electrical vehicles. The company's financial results are available on the website and have also been filed with the stock exchange for your reference.

Before we begin, I would like to remind you that some of the statements made in today's discussion may be forward-looking in nature. These are based on the company's current expectations and assumptions and are subject to certain risks and uncertainties that would cause actual outcomes to differ materially.

We encourage you all to refer to the earnings materials for further details. Now let me introduce the participants from the management team of RIR Power Electronics Limited joining us on the call today. I welcome Dr. Harshad Mehta, Chairman and Director, Mr. Ankit Shah, Finance Controller.

Following the opening remarks and Q4 and FY25 financial performance overview by our management, we will open the floor for a Q&A session. Kindly keep your questions concise and relevant to follow broader participation.

With that, now I hand over the call to Dr. Harshad Mehta for his opening remarks. Over to you, sir. Thank you.

Harshad Mehta: Thank you, Aryan. Thank you, everyone, for joining our first conference call with the analyst and the investor community and a very good afternoon to you all. I am Dr. Harshad Mehta, Director and Chairman of RIR Power Electronics Limited. Welcome you all to discuss the operation and financial performance of the company for the fourth quarter and full year-end, March 31, 2025.

I will hand over to Ankit. He will take us through the quarterly and full year performance numbers.

Ankit Shah: Thank you, Mr. Mehta. At the outset, I'd like to clarify that we are discussing only historical numbers. Please do note that anything said on this call that reflects the outlook towards the future would be construed as a forward-looking statement. Having said that, now we'll just take you through the Q4 numbers followed by the full year numbers.

The total revenue figure for the quarter is around INR26.46 crores. And as far as the EBITDA number is concerned, this quarter we have done an EBITDA of around INR3.44 crores. Q4 PAT is INR2.55 crores and the EPS is INR3.45 per share. With reference to full year stand-alone numbers, the total revenue figure for FY25 is INR86.21 crores as against INR66.76 crores in the previous financial year.

As far as the EBITDA figure is concerned, we have done an EBITDA of around INR11.39 crores as against INR9.96 crores last year. PAT for the full year FY25 is INR8.28 crores as against INR7.96 crores in FY24. The EPS for the current year is INR11.48 per share which was more or less the same for FY24. These are the quarterly and full year stand-alone numbers.

Now I will hand over to Mr. Mehta to share some updates regarding our Odisha plant.

Harshad Mehta: So, for Odisha, we are focusing on silicon carbide components, total ecosystem for silicon carbide. Phase 1, we are at the moment currently setting up the clean room as well as related civil work facility for the first phase of the project. Phase 2, we will receive the approval for allotment of 6 acres of land from the government of Odisha.

Now we request all of you if you have any questions or queries, you can ask the same.

Moderator: Thank you very much, sir. The first question is from the line of CA Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

Garvit Goyal: So, my first question is on the capex part. What is the total amount of capex are we doing in this Odisha plant? And what is the timeline by which we expect it to be completed? And what kind of assets are we expecting from it?

Harshad Mehta: The capex for the Odisha plan is INR618 crores over two or two and a half years. And we expect to be beginning the plan beginning end of this year.

Garvit Goyal: And how much amount have we already incurred till now out of this INR618 crores?

Harshad Mehta: So far, we have spent about 10% or so.

Garvit Goyal: And you are saying by the end of this financial year, we will be completing the entire capex?

Harshad Mehta: No, the total INR618 crores will be over two year period. But we would start revenue from first part of our ecosystem by end of this year.

Garvit Goyal: And what will be the amount of capex on that first phase?

Harshad Mehta: It is INR100 crores, I think.

- Garvit Goyal:** And what kind of revenue we can achieve in FY27, I think, at which stage will it get completed by this year. So the revenue will start in FY27, is that understanding, correct?
- Ankit Shah:** Right. So basically, the Odisha plan would start operation in phases. So, the first phase is expected to start somewhere in Q4 of FY26. And revenue expectation for the last quarter would be around INR10 crores to INR12 crores, since it would be only for one quarter.
- Garvit Goyal:** INR10 crores to INR12 crores. But I think just after the plan gets started, you can't ramp up 100% of the [inaudible 0:08:32], right?
- Ankit Shah:** Yes. So basically, what will happen is the first phase will start in the last quarter of FY26. And the next part of it, some part of it would get operational in July 26. And the full facility would start operating or functional from 2 years, 2.5 years from now. So basically, it is a phase-wise commercial production that would start for this particular facility.
- Garvit Goyal:** And what is the target revenue for FY26?
- Ankit Shah:** Target revenue for FY26, is it only from Odisha plant that we are talking?
- Garvit Goyal:** No, I am talking overall company revenue?
- Ankit Shah:** So from the existing plant, we expect INR100 crores and INR110 odd crores. And for Odisha, one quarter that we would be operational, we expect it to be around INR10 crores to INR12 crores.
- Garvit Goyal:** Got it. And secondly, on the product side, like we are going to manufacture silicon carbide, right? So, who are the potential customers? Can you name the few like who will be our customers and with whom, rather what kind of understanding are we having right now, whether they have [inaudible 0:10:15]? And are we committed as far as buying of our products?
- Harshad Mehta:** So, we have a letter of intent from many different sectors, leaders globally, not only in India, but also Europe and US. Our silicon carbide diode product would be out sooner. And we already have some orders as well. But the idea is that we make in India for global applications, global markets, all kinds of low, medium and high power semiconductor modules and systems if they need it.
- Garvit Goyal:** Got it. And so what is the rationale behind...
- Moderator:** Mr. Goyal, I'm sorry to interrupt you, sir. I would request you to rejoin the queue for follow-up questions, please. There are others who are waiting in this. Thank you so much, sir. We'll take the next question from the line of Sandeep Rao from Canara Bank Securities. Please go ahead.
- Sandeep Rao:** Thank you, Dr. Harshad Mehta. Sir, my first question is, earlier you had told about the appointment of CEO. And the progress has not happened. So what is the status about the appointment of the new CEO?
- Harshad Mehta:** We are in the process of shortlisting the potential CEO. And before that, we already hired Chief Marketing Officer, Global Marketing Officer, because of the fact two things are important. One,

having product. And second, being able to sell it. So, we already have Perry Schugart appointed as the Chief Marketing and Business Development Officer.

I'm in the meantime, being Chairman and managing the whole project. At the same time, shortlisting the right CEO candidate. I'm frugal. And I'm looking for frugal person.

Sandeep Rao: So number two is, why did Ramesh Kumar resign from the board? Any specific reason?

Harshad Mehta: Well, I think with the new job, he's more busy and traveling and so forth. So he's not able to provide full direction and guidance to the company. That's the reason he resigned.

Sandeep Rao: And number three, the bottlenecks in Halol, the last interaction with investors, you are told that bottlenecks in Halol will be tried to be removed. Any progress in that front?

Harshad Mehta: We have been making... I don't understand the question, but I understand you are talking about the bottlenecks in Halol. And if that's the case, we already have a few newer furnaces, so that our throughput is increasing. And we don't see any bottleneck from the manufacturing perspective.

Sandeep Rao: Next question is, subsidy from Odisha government, when can we expect to come back to the company? Any indication timeline you can give?

Harshad Mehta: I expect, I mean, I expected a year ago. But I think we should expect something before end of June.

Sandeep Rao: This 2025?

Harshad Mehta: Yes.

Sandeep Rao: Okay, okay. Sir my final question, why the company has gone for bonus and split of shares when we are in the process of putting up capex? Why both the things have been taken up simultaneously? Any reason why the bonus and split announced by the company?

Ankit Shah: So, bonus and split, they are non-cash events. And they do not have any impact on the cash flow of the company. And these corporate events are generally to reward the shareholders who have been associated with the company for so long. So, bonus and share split was basically to reward the shareholders. And just to reiterate, these are non-cash events. And they do not have any impact on the cash flows of the company.

And secondly, basically, the share split is to increase or maybe to overcome the illiquidity issue that the shareholders were facing. And we had received requests from various institutional investors that there is quite a lot of illiquidity in the volumes. And to address that particular issue, the share split was also announced.

Sandeep Rao: Yes, I agree with both the arguments. But my only request was the company could have done at least one of the things, either a split or a bonus, so that maybe next year or so, you could have kept the ammunition ready for further incentivising the shareholders. So, that was the only concern from my side. Thank you, Dr. Harshad Mehta and team. Thank you.

- Moderator:** Thank you. The next question is from the line of Rushabh from RBSA Investment Manager LLP. Please go ahead.
- Rushabh:** Yes, my question is related to the silicon carbide venture. Can you please tell me what is the maximum revenue potential from this facility, three to four years down the line?
- Moderator:** Sir, I'm sorry, his line has been disconnected. I would request Yash to please proceed with his question and introduce himself and proceed with the question.
- Yash:** Hi, I'm Yash. I'm from Alpha Hunter from Jaipur itself. So, basically, my question is that we have so many companies in semiconductors and NVIDIAs of the world. So, my question is that what is the one thing which is making us stand out of the crowd so that we can attain customers with a good speed? So, what is the one thing? I mean to say, what is the USP of our company?
- Harshad Mehta:** So, I would say semiconductor is a very broad universe. We specify or our core expertise are in power semiconductors, which if you look at... Sorry. So, our core sector is power semiconductors and the biggest USP is that we are vertically integrated. Our roots started from GE and Harris Corporation from the technologies that I purchased or acquired in 1998. And if you look at in terms of the sector that we are in, there has been no new startup in the last 100 years.
- You still have ABB, Siemens, Mitsubishi, and Toshiba. And we are the smallest of the smallest, but still, in terms of the breadth of the product, we are second to none in terms of technology as well as our ability to reach. We have installed products in China against the global competition and so forth. So, that's all. In India, there is no one who can, in terms of the scope, can provide the products and the experience and the reliability and the name brand that RIR can.
- Moderator:** Yes. Does that answer your question?
- Yash:** Yes, yes.
- Moderator:** Do you have any further questions?
- Yash:** No, that's it from my side.
- Moderator:** Thank you very much. We'll take the next question from the line of Rushabh from RBSA Investment Manager, LLP. Please go ahead.
- Rushabh:** Yes. My question is on the silicon carbide venture. I just want to know if you can share what is the potential maximum revenue that we can achieve from this facility and also the corresponding EBITDA margins?
- Harshad Mehta:** I expect, I mean, obviously, the potential, the growth of silicon carbide over the next 10 years is about at least 35% compounded annual growth rate. So I expect significant. Presently, the market globally is about \$4.5 billion. US, Indian market is small, but we are there to develop that Indian market.
- And if you look at the infrastructure investment that Government of India is planning in terms of renewables, in terms of high-speed railways, in terms of grid and transmission distribution,

silicon carbide will play a very big role in all of those applications. And at the same time, self-reliance policy, I think, would help us because we are the only one in that sector compared to other global sectors as well.

I expect EBITDA margins to be about 25% to 28%. And I think in about next five years, I'm not so sure what the regulations are in terms of the forward-looking statement, but I would lay that to Ankit and Bhavin.

Rushabh: Okay, and I just want to recently, there's some news flow that the Chinese have, they've increased the capacity so much in silicon carbide that prices have reduced significantly. So, is there anything -- is that a concern for you, for the export market?

Harshad Mehta: No, I think if anyone who has heard me before, I always said that I am not, my business model is premium, high reliability, medium and high-power market. So, if you look at where Chinese are, right now they are focusing 1,200 volts, which is for silicon carbide, supposed to be on a lower power category side.

If you go with a higher power, technology, expertise and experience is tremendously valuable than we have because of our roots starting from GE days and so forth. So, I'm not afraid about Chinese competition because we still have the core medium power and high-power technology, which offers premium, high reliability, high value products.

Rushabh: Okay, and just my last question. I believe there's one more company out of India planning to enter into silicon carbide and they also, I think, acquired land in Odisha only. So what is, how is that product profile different from theirs?

Harshad Mehta: I guess you are talking about SICSAM.

Rushabh: Yes, yes, yes.

Harshad Mehta: Yes, you can ask them the question. I feel we would be far ahead and we would be much superior. Okay, okay, thank you.

Moderator: We'll take the next question from the line of Navneet Singh, an individual investor. Please go ahead.

Navneet Singh: So, my first question is, what are the primary growth drivers for the company in the coming years and how do the recent leadership changes, such as appointment of Perry Schugart as CEO of Global Marketing and Business Development Executive, align with these drivers?

Harshad Mehta: So we do expect one of the -- for the last 15-20 years, we were focusing on the technology. We are focusing on to be second to none globally in technology. One of our, and I was the first one to accept the weakness, and our weakness has been the resources, mostly, and also in marketing side.

And now I think it's a time where the global market application for silicon carbide, as well as the energy sector, is growing. I have known Perry for a long time. He worked for me as well, and he brings in significant experience where we plan to target the market in terms of energy,

railways, aerospace defense, and so forth. So, I think it would change significantly in terms of our ability to go after growing applications and key customers.

Navneet Singh: Understood. So how does our plan related to international footprint and what do we see from the revenue perspective going forward? How do we see our market, our revenue from international market?

Harshad Mehta: I definitely see initially on silicon carbide side, we would see more export, probably about 60-65% export. And we'll have to develop Indian markets for the application that we see our expertise in terms of great, we're already talking to Odisha, great people, and trying to identify a few opportunities where we can apply silicon carbide to improve the quality, reliability to Jindal Steel, and also increase the efficiency of the plant.

So being in a vertical integration, that gives us a significant advantage in terms of developing the application and be leader in it rather than following anyone.

Navneet Singh: And any colors on the operating profit margin from domestic market and from international market?

Harshad Mehta: We always, if you look at our operating margins, they are better than our competitors because of the fact that my business model focuses on performance, reliability, as well as not in terms of, we have significant barrier to entry in terms of our markets and our applications and our technology. So we expect to be at the leading edge in terms of the operating margins and net margins.

Navneet Singh: Understood. My last question is related to any product that we are working now and it will be coming in future, any new product?

Harshad Mehta: We always, innovation has been RIR's main forte. We spend about 10% of our revenue into research and development, and we continue to explore new and new applications for aerospace defense. I see railway and defense for India would be the applications that we see. We already have samples into those sectors and going to the final testing.

Navneet Singh: Thank you. So that is all from my end and all the best for future. Thank you.

Moderator: Thank you, sir. The next question is from the line of Meet Patel, an individual investor. Please go ahead.

Meet Patel: Good afternoon, sir. So my question is, what is the maximum revenue you can generate after running on full capacity utilization on a new plant?

Harshad Mehta: I would be conservative, but at the same time, I think in five years or so, once the plant is in a full capacity mature, I think we should be able to get from Odisha, silicon carbide plant about INR1,200 crores or so.

Meet Patel: And what can be the net profit margin?

Harshad Mehta: As we said, 25% to 28%, I think we expect it.

- Meet Patel:** Sir, my last question is that you are a very visionary person. So my question is, sir, do you have any plan for new capex in the near term or in two to three years?
- Harshad Mehta:** As far as I'm visionary, I'm also frugal and practical. So from both the perspectives, I would keep on looking at opportunities. And as long as the opportunity is there, we will keep on generating revenue and plan to make that happen.
- Meet Patel:** Okay, thank you very much, sir.
- Moderator:** Thank you. The next question is from the line of Suresh Chandra, an individual investor. Please go ahead.
- Suresh Chandra:** Yes, can you tell me what is the status of Odisha plant? When can we expect the revenues to start coming from the Odisha plant?
- Harshad Mehta:** Capex for Odisha plant is INR618 crores. We expect there is an ecosystem. We expect there are three parts where we can start generating revenue from AP, which will start in fourth quarter of FY26. That second will come from packaging. That would come about maybe end of 2026, second quarter. And then the final would be the device fabrication. That would be about two years from now.
- Suresh Chandra:** Okay, so out of this INR600 crores capex, how much is the government incentive from Odisha or the central government? And how much is the RIR capex?
- Harshad Mehta:** So the policy, as you know, for the government policy, the 50% from central government and 25% from state. We have some special incentives provided by Odisha because of the fact that we are unique in this technology globally. We have commitment of 50% from state of Odisha.
- Suresh Chandra:** Okay, so basically, it's like around INR200 crores will be from RIRs and around INR400 crores will be coming from the government, both state and central together.
- Harshad Mehta:** Yes, it depends on between 50% and 75%. So far we have commitment from Odisha. And if we get the central government commitment, then it will become 75%.
- Suresh Chandra:** Okay. Yes, thank you.
- Moderator:** Thank you. We'll take the next question from the line of Manan Vandur from Wallfort PMS. Please go ahead.
- Manan Vandur:** Yes, thank you for the opportunity. Even as you said that we currently have 50% commitment from the state and if we get central also 75. So, then the rest, which we still require of around 200, out of which INR60 crores we have done. Correct? So the remaining INR140 crores something. So how are we planning to get that in?
- Harshad Mehta:** So we have about the last quarter of the previous investment, it's remaining still. So we will do [inaudible 0:31:13] from that one. And, in the remaining part, we will distribute between equity and debt. We've been talking to a few banks because the subsidy part also includes subsidy on the interest. So that's the plan.

- Manan Vandur:** So, sir, what would be the equity and debt part? How much could how much would that be? Could you please tell us?
- Harshad Mehta:** We have we are in the process of thinking it, which is beneficial overall. And right now we don't know the answer, but it could be 60, 40, could be 70, 30. Don't know yet.
- Manan Vandur:** Okay, understood. And even if you give the percentage wise breakup, that's nice. But could you give the amount wise -- amount wise thing? Like, for example, not to break up, but the total that you might take from equity and debt? How much that would be in crores?
- Harshad Mehta:** I think we are targeting somewhere around 125 or so. and the balance from equity.
- Manan Vandur:** Okay, total 125, you're saying this includes debt and equity?
- Harshad Mehta:** No, 125 from debt and another 120 or 125 from equity.
- Manan Vandur:** Got it. Sir thank you. And the next question is that about the plant that you said that the full the full operation will start in May 27, 2 years from now. So is my understanding correct that it could be May of 2027?
- Harshad Mehta:** Yes, in that time frame.
- Manan Vandur:** Okay, and let's say we operationalize in May 27. So how much how much how many months or how many years could it take for full ramp up?
- Harshad Mehta:** About 2, 2.5 years for full ramp up. So, we start in 2 years from now. And after 2 years, we will see the full ramp up at the full potential of the plant.
- Manan Vandur:** So that means by that understanding, you're saying that FY30 could be 90% capital capacity utilization?
- Harshad Mehta:** Yes. Correct.
- Manan Vandur:** Okay understood. And that's when the guidance of around INR1,200 crores comes into picture. Is that correct?
- Harshad Mehta:** Yes.
- Manan Vandur:** Okay, understood. And so, this subsidy, how is it going to come like every month or year or how is it going to be?
- Harshad Mehta:** So, the subsidy, the policy is very passive, meaning it could come in two or three trenches where we would we would put in our part of 50% into non-lien bank account and the government of Odisha will put in their part of 50% in non-lien bank account. And at the end of that trench, it could be the expenses would be fully audited by the right people. And then it would be -- then the next trend would happen. So, it won't be monthly or yearly. It would be based on phases or milestones and it would be very passive.

- Manan Vandur:** Okay, and so one last question would be that how much would be our asset turn for this INR620 crores, total capex asset turn?
- Ankit Shah:** Sorry, I have a question. I'm sorry. Can you just repeat your question?
- Manan Vandur:** Yes, yes. So we are doing a total capex Odisha capex we are doing of INR618 crores, right? So what will be the asset turnover ratio? Out of this INR620 crores, we are saying that we will do INR1,200 crores in FY30. So does that mean our asset turnover ratio will be 2?
- Ankit Shah:** Yes.
- Manan Vandur:** Okay, understood. Thank you so much. That's it from my side.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Abhishek Savant for closing comments. Thank you and over to you, sir.
- Abhishek Savant:** Thank you, Michelle, and thank you to everyone who joined us today and participated in the discussion. We appreciate your questions and continued interest in RIR power electronics. As always, we remain committed to transparent communication and delivering long term value to our stakeholders.
- On behalf of the entire board of Directors and management, we thank you all for your participation in this call. Should you have any further queries, please feel free to reach out to us. We look forward to engaging with you again in our future updates. Have a good evening and stay safe.
- Moderator:** Thank you, sir. Thank you, members of the management of RIR Power Electronics Limited. On behalf of Veritas Reputation, that concludes this conference. We thank you for joining us and you may now disconnect your lines.