

CMP: ₹ 420

Target: ₹ 520(24%)

Target Period: 12 months

BUY

April 8, 2026

“Electrification-Led Growth with Turnaround upside” ...

About the company- Rishabh Instruments Limited is a leading global engineering and energy efficiency solutions provider specializing in the design, development and manufacturing of products that support electrical automation, energy measurement, industrial instrumentation, and precision die-casting.

- Founded in 1982, the company operates across 100+ countries, serving industrial, infrastructure, clean energy, and mobility sectors.

Investment Rationale

- **Structural Shift Towards High-Margin Electrical & Electronics Segment Driving Earnings Upgrade:** The company is witnessing a favourable business mix transition towards its high-margin electrical & electronics instruments segment, which is expected to grow at ~20% CAGR with EBITDA margins exceeding 20%. This segment benefits from rising demand for energy management systems, grid monitoring, and industrial power optimisation, driven by electrification and efficiency needs across industries. As this segment scales, it will structurally improve consolidated margins and return ratios, acting as the key earnings driver over FY26–28E.
- **Strong India Opportunity Led by Electrification, Automation & Energy Efficiency Tailwinds:** India is expected to remain the primary growth engine, supported by strong tailwinds from industrial capex, renewable integration, and data centre expansion. The India business is projected to grow at ~20% CAGR (FY25–28E), driven by increasing adoption of power quality solutions, current transformers, and energy monitoring systems. With improving operating leverage and a richer product mix, EBITDA margins are expected to expand to ~18–19%, reinforcing sustainable domestic growth visibility and profitability improvement
- **Earnings Recovery & Re-rating Potential Led by Margin Expansion and European Turnaround:** Despite near-term headwinds in the European die-casting business, the company is well-positioned for a sharp earnings recovery, with Revenue/ EBITDA and PAT expected to grow at ~15%/~22% and ~23% CAGR respectively over FY26–28E. This recovery is driven by high growth Electrical & Electronics Segment which expected to grow at ~20% CAGR, Turnaround in Lumel Alucast via shift to non-automotive & aftermarket segments, Capacity addition in Electrical segment in Nasik (Maharashtra) and Improved utilization and cost rationalization, Additionally, strong growth in export markets through Lumel SA provides diversification and stability. This combination of growing electrical & electronics segment, margin expansion, Lumel Alucast turnaround and mix improvement supports a potential growth.

Rating and Target Price

- We expect Revenue and PAT to grow at 15% and 23% CAGR over FY25–FY28E. We initiate Buy on RIL with a Target Price of ₹ 520 (based on 18x on FY28E EPS)

Key Financial Summary

(Rs. in crore)	FY23	FY24	FY25	2 year CAGR (FY23–25)	FY26E	FY27E	FY28E	2 Year CAGR (FY26–28E)
Net Sales	569.5	689.7	720.3	12.5%	740.3	798.5	974.6	15%
EBITDA	76.1	71.2	48.4	-20.2%	114.9	139.7	172.2	22%
EBITDA margin (%)	13.4	10.3	6.7		15.5	17.5	17.7	
Net Profit	49.7	39.9	21.2	-34.7%	73.0	89.7	110.0	23%
EPS (Rs)	12.4	10.4	5.5		19.1	23.5	28.8	
P/E (x)	33.9	40.2	75.7		22.0	17.9	14.6	
EV/EBITDA (x)	22.1	21.1	31.0		13.5	10.9	8.9	
RoCE (%)	13.1	9.0	5.0		10.3	11.6	13.0	
RoE (%)	11.7	7.1	3.5		8.3	9.3	10.2	

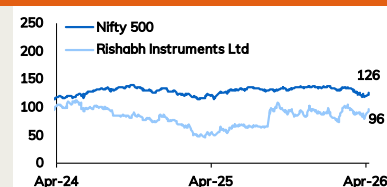
Source: Company, ICICI Direct Research

**Particulars**

Particular	Rs. (in crore)
Market Capitalisation	1564
Total Debt (FY25)	96
Cash and Inv (FY25)	198
Enterprise Value	1462
52 week H/L (Rs.)	490/207
Equity capital	42.9
Face value (Rs.)	10

Shareholding pattern (%)

%	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	70.15	69.81	69.81	69.67
FII	0.17	0.05	0.35	0.24
DII	13.09	12.42	12.01	12.57
Others	16.59	17.72	17.83	17.52

Price Chart**Key risks**

- European Automotive Supply Chain Weakness.
- Execution Risk in International Operations
- Geographic Concentration in Europe.

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Company Background

Rishabh Instruments Limited is a leading global energy efficiency and industrial automation solutions provider, engaged in the design, development, and manufacturing of electrical and electronic measurement & control devices, automation systems, portable test instruments, solar inverters, and high-pressure aluminium die-cast components. The company was originally incorporated in 1982 as Rishabh Instruments Private Limited, and subsequently converted into a public limited company in September 2023.

Company operates across more than 100 countries, serving over 3,000 customers across industrial, energy, mobility, renewable, infrastructure and semiconductor domains. It has 145 product lines, 0.13 million SKUs and 99% in-house manufacturing, reflecting high vertical integration and internal process control. The company has built deep engineering expertise backed by five vertically integrated manufacturing facilities across India, Poland and China, two modification centres in the US & UK, and software divisions in India and the Czech Republic.

The Company has grown through strategic acquisitions such as Lumel SA (Poland) in 2012, Sifam Tinsley UK, and the recent Microsys (Czech Republic) acquisition strengthening its capabilities in SCADA and automation software.

Upon acquiring Poland-based Lumel S.A., Rishabh Instruments successfully diversified its business portfolio to include aluminium high-pressure die-casting (HPDC). This strategic move allowed the company to expand its presence in the European market and leverage Lumel's expertise in manufacturing electrical and electronics products. Company further optimized its structure by restructuring the acquired entity into two separate, more focused companies. Lumel S.A. was designated for the production of electrical and electronic products, while Lumel Alucast was created to specialize in the high-pressure die-casting business. This reorganization streamlined operations and allowed each business segment to pursue its respective growth strategies with dedicated resources.

R&D-Driven Innovation Strengthening Product Portfolio: Rishabh Instruments' strong focus on R&D underpins its differentiated positioning in industrial measurement and energy management solutions. The company has established a global innovation ecosystem with 5 Centres of Excellence across India, Poland, and China, complemented by partnerships such as ASPIRE-IITB (IIT Bombay), enabling continuous product development and technological advancement. Its recent initiatives including DIN energy meters, advanced power network meters (ND31), and software integration through acquisitions like Microsys highlight a shift toward higher value-added, software-integrated offerings. This structured R&D approach enhances product reliability, supports entry into new applications, and strengthens long-term growth visibility through innovation-led diversification.

Product Portfolio & Business Segments

Rishabh offers a diversified and synergistic portfolio across five major product categories, supporting automation, measurement, control, and renewable energy ecosystems.

Electrical Automation:

Focused on transforming electrical networks into seamless, automated systems that enable real-time monitoring, predictive maintenance and energy optimisation.

Key Products:

Energy management & SCADA software, Temperature & humidity recorders, Transducers & isolators, I/O modules & converters, Paperless recorders, Temperature controllers

Application and End-User Industry: Power generation, transmission & distribution, renewable energy, railways, process industries (steel, pharma, cement), data centres, petrochemicals.

Benefits: Enhances system reliability, minimises downtime, enables real-time monitoring and control.

Exhibit 1: Electrical Automation Products:



Energy Management & SCADA Softwares



Transducers & Isolators



Paperless Recorders (Chartless) and Data Loggers



Temperature & Humidity Recorders



I/O Modules and Converters



Temperature Controllers

Source: Company, ICICI Direct Research

Metering, Control & Protection Devices

Products supporting the safe & efficient operation of electrical networks and modern smart grid systems. These devices help industries measure, regulate, and safeguard electrical systems, ensuring optimal power distribution and mitigating risks such as overload and short circuits.

Key Products:

Analog panel meters, Rotary CAM switches, Current transformers, Power quality meters & analysers, multi-load monitoring meters, synchronisation units

Application and End-User Industry: Power generation, transmission, distribution, and renewable energy, industrial plants, medium-voltage installations, renewable installations, railways.

Rishabh is a global leader in Analog Panel Meters and among leading global suppliers of low-voltage current transformers.

Exhibit 2: Metering, Control & Protection Devices Products:



Analog Panel Meters



Rotary CAM Switches



Current Transformers



Multi-Load Monitoring Meters



Power Quality Meters



Power Quality Analyzers



Synchronising Units



Power Supply



Battery Chargers

Source: Company, ICICI Direct Research

Portable Test & Measurement Instruments

Critical equipment for diagnostic testing, calibration and maintenance support for industrial, electrical and automation systems. These portable tools enable technicians and engineers to conduct precise diagnosis and ensure electrical networks function optimally.

Key Products:

Digital Multi-Meters, Digital Clamp Meters, Digital Insulation Testers, Digital Earth Testers, Environmental Instruments (Such as Thickness Meter, Digital Lux Meter, Non-Contact Tachometer, DB Meter, Temperature & RH Meter, Moisture Meter, IR Meter, and Anemometer), Submarine Cable Fault Locator.

Application and End-User Industry: power utilities, defence, railways, OEM manufacturers (motors, cables, and transformers), laboratories, building automation.

Exhibit 3: Portable Test & Measurement Instruments Products:



Source: Company, ICICI Direct Research

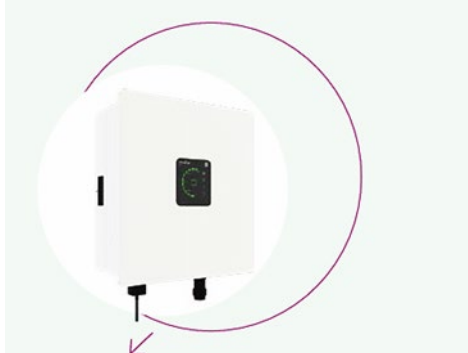
Solar String Inverters

Products enabling conversion efficiency, system reliability and remote monitoring across solar installations (1 kW – 50 kW). Rishabh is the first company in India to design, develop and manufacture solar string inverters end-to-end.

Application and End-User Industry: Renewable energy (including microgrid applications)

Benefits: Increases efficiency in solar power generation, Enables remote monitoring and predictive maintenance, Supports grid stabilisation and energy storage integration.

Exhibit 4: Solar String Inverters Product:



Source: Company, ICICI Direct Research

Aluminium High-Pressure Die-Casting (HPDC)

Through Lumel Alucast, Rishabh produces lightweight precision aluminium components for automotive, industrial, and consumer sectors.

Application and End-User Industry: Automotive, Industrial automation, Telecommunication, Consumer durables, EV industry, Street light industry.

Key Benefits: Produces lightweight yet durable components, efficiency improvement, Offers cost-effective and scalable production solutions.

Exhibit 5: Aluminium High-Pressure Die-Casting (HPDC)



Precision HPDC

Source: Company, ICICI Direct Research

Manufacturing Capabilities

Rishabh Instruments has built a deeply integrated, scalable and globally distributed manufacturing ecosystem, which forms the backbone of its competitive strength and cost leadership. The company operates five vertically integrated manufacturing facilities located across India, Poland and China, supported by two modification centres in the UK & US, and two software divisions in India & the Czech Republic.

The company has an installed production capacity of 38.5 million units per annum, with current capacity utilisation at 56% (FY25), providing significant scope for growth. The vertically integrated model enables in-house control over the entire manufacturing lifecycle—from concept design to prototyping, assembly, testing and packaging, ensuring shorter lead times and better cost efficiencies.

Company performs 99% of its manufacturing in-house, spending only 1% on outsourcing across product categories. Deployment of multiple facilities allows smooth migration of production during supply disruptions, ensuring continuity and flexibility.

Exhibit 6: Current Manufacturing capacity

Name	Land Area (sq. mt)	Owned/leased	Products manufactured
Nashik Manufacturing Facility I	10240	Leased (95 year lease)	Electrical automation; Metering, control and protection devices; Portable test and measuring instruments; and solar string inverters
Nashik Manufacturing Facility II	9195	Leased (95 year lease)	Tools and moulds, Energy management software (MARC)
Poland Manufacturing Facility I	12000	Owned	Electrical automation; Metering, control and protection devices; and Portable test and measuring instruments
Poland Manufacturing Facility II	17000	Owned	Aluminium castings
China Manufacturing Facility	1531	Leased	Portable test and measuring instruments

Source: Company, ICICI Direct Research

Lumel

Lumel represents the cornerstone of Rishabh Instruments’ international operations and stands as one of its most strategically significant material subsidiaries. Established in Poland and acquired by Rishabh in 2012, the Lumel group—comprising Lumel Spolka Akcyjna (SA) and Lumel Alucast provides the company with deep-rooted access to the European industrial automation and precision engineering landscape. Over the years, Lumel has evolved into a fully integrated ecosystem combining advanced electronics manufacturing with high-pressure aluminium die-casting capabilities, enabling Rishabh to offer a comprehensive suite of solutions across measurement, automation and precision component engineering.

Lumel SA, is a long-established manufacturer of industrial automation and digital measurement equipment. It produces process controllers, transmitters, recorders, indicators and automation modules that are widely used across European power utilities, industrial plants, and manufacturing facilities. Lumel SA’s expertise strengthens Rishabh’s technological depth, especially in digital and software-linked automation systems, complementing the company’s Indian R&D capabilities. Its presence allows Rishabh to innovate faster, develop higher-precision instrumentation, and meet the stringent quality expectations of European OEMs. The brand equity Lumel enjoys across Europe enhances Rishabh’s positioning as a credible global automation player.

Lumel Alucast anchors the group’s high-pressure die-casting (HPDC) operations and is one of Rishabh’s key contributors within Europe. The facility specialises in the manufacture of lightweight aluminium components for automotive, electric vehicle, automation and consumer product industries. Its manufacturing capability spanning die-design, casting, machining and finishing allows it to deliver precision parts that demand tight tolerances and high structural reliability.

Exhibit 7: Lumel Manufacturing Facilities

Poland Polish Manufacturing Facilities	
 <p>Facility 1 spread over 12,000 sq. mt.</p>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Lumel SA</div>
 <p>Facility 2 spread over 17,000 sq. mt.</p>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Lumel Alucast</div>

Source: Company, ICICI Direct Research

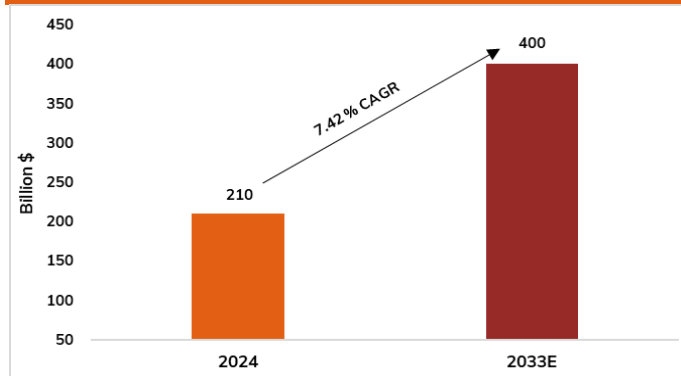
Industry Overview

Electrical Automation Market

The Electrical Automation market is undergoing a significant transformation both globally and in India, driven by accelerating digitalisation, rising demand for energy efficiency, and sustained investments in smart industrial infrastructure. The global electrical automation market was valued at ~\$210 billion in 2024, and is projected to cross ~\$400 billion by 2033, supported by continued deployment of industrial automation technologies, power system modernisation and electrification programs across regions.

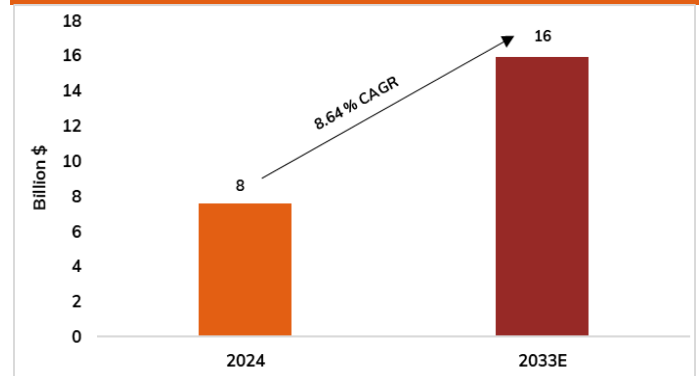
In India, the Electrical Automation market stood at ~\$7.57 billion in 2024, and is expected to grow to ~\$15.96 billion by 2033, growing at a CAGR of 8.6% during 2024–2033. This momentum is largely attributed to the expansion of domestic manufacturing capacities, rising labour costs, infrastructure investments, and increasing power and energy requirements across industries. India is rapidly becoming a strategic global manufacturing hub, supported by public policy initiatives such as Make in India, Production-Linked Incentive (PLI) schemes, and digital infrastructure development programs, which continue to contribute to automation adoption across core industrial sectors.

Exhibit 8: Global Electrical Automation Market Size



Source: Company, Industry, ICICI Direct Research

Exhibit 9: Indian Electrical Automation Market Size



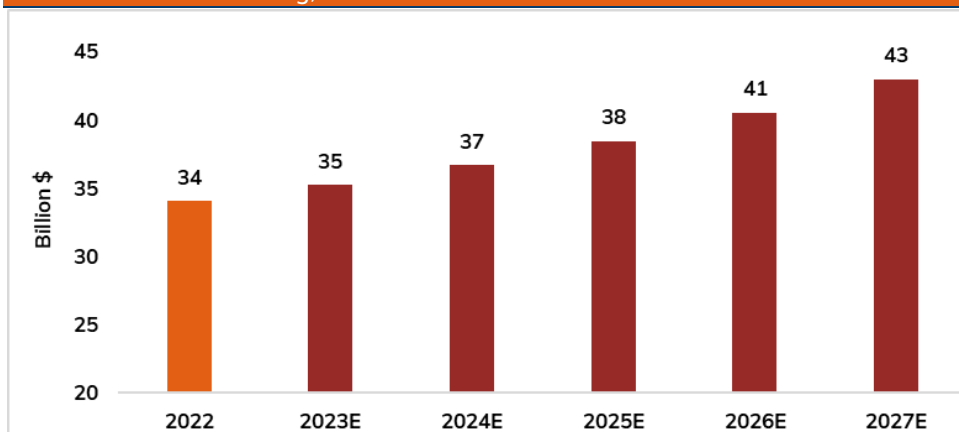
Source: Company, Industry, ICICI Direct Research

Metering, Control and Protection Devices Market

The Metering, Control & Protection Devices segment plays a crucial role in the management of electrical distribution networks, industrial systems, and utility installations. These devices enable accurate measurement, monitoring, control, power factor correction, protection and performance optimisation across electrical infrastructure.

Global Metering, Control and Protection Devices market was estimated at ~\$34.08 billion in 2022 and is expected to grow at a CAGR of 4.8% to reach ~\$43.04 billion by 2027. This growth trend is being driven by rapid electrification, demand for enhanced safety standards, expansion of renewable and grid-modernisation programmes, and increased complexity of electrical installations requiring real-time monitoring and high precision.

Exhibit 10: Global Metering, Control and Protection Market Size and Growth



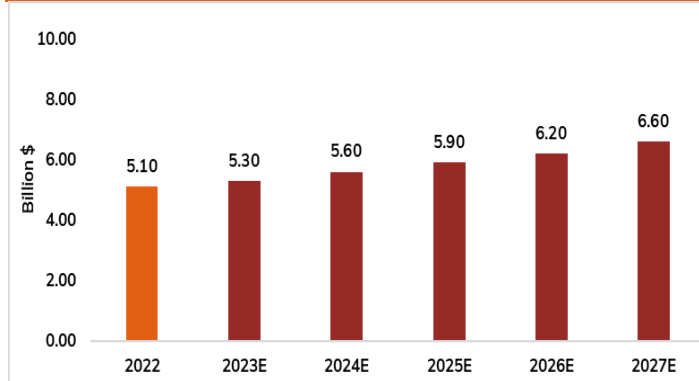
Source: Company, Industry, ICICI Direct Research

Portable Test and Measurement Instruments Market

Portable Test & Measurement Instruments (TMI) are used to measure the electricals parameters of wide-ranging industrial, utilities and consumer products. Parameter like voltage, current and power etc. are measured using these instruments.

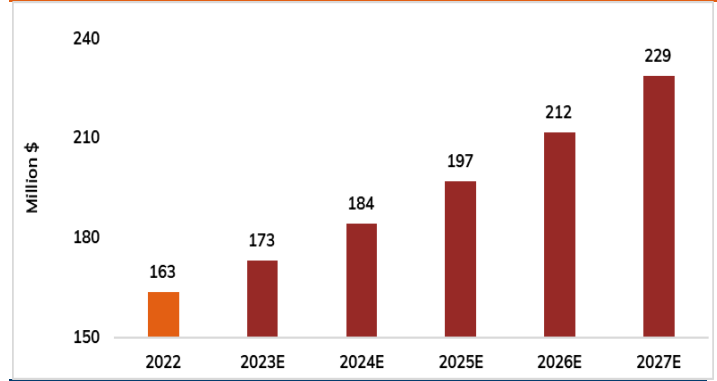
Global Portable Test & Measurement Instruments market was estimated at ~\$5.10 billion in 2022 and is expected to grow at a CAGR of 5.29% to reach ~\$6.60 billion by 2027E. While Indian market size is estimated at ~\$163 million which is growing at a CAGR of 6.94% to reach ~\$229 million by 2027E. This growth trend is being driven by growing need for high precision, real time data and diagnostic in field conditions enabling faster troubleshooting, quality assurance and system validation, both globally and in India.

Exhibit 11: Global Portable Test & Measurement Inst. Mkt. Size



Source: Company, Industry, ICICI Direct Research

Exhibit 12: Indian Portable Test & Measurement Inst. Mkt. Size

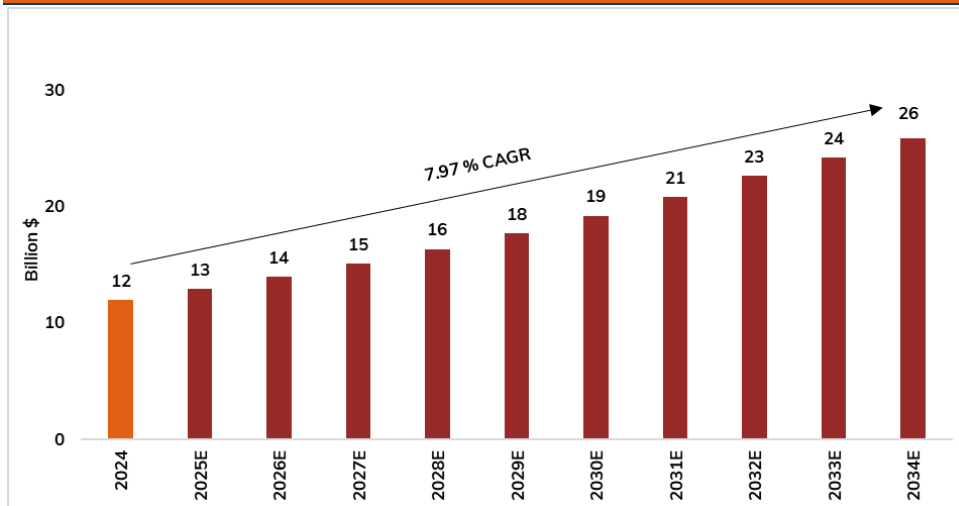


Source: Company, Industry, ICICI Direct Research

Solar Inverters Market

The solar inverter market is poised for robust expansion as the world accelerates its transition to clean energy. Inverters critical for converting DC from photovoltaic panels into grid-compatible AC are becoming indispensable across residential, commercial and industrial installations. Global demand is driven by falling solar component costs, increasing renewable-energy mandates, and aggressive net-zero targets that compel utilities to integrate distributed generation. Global Solar inverters market was estimated at ~\$12 billion in 2024 and is expected to grow at a CAGR of 7.97% to reach ~\$26 billion by 2034E. In Asia-Pacific, India is emerging as a key growth engine. With a projected CAGR of 7.89% between 2025 and 2033, the Indian inverter market is underpinned by ambitious policies such as PM Suryaghar Muft Bijli Yojana, Grid-Connected Rooftop Solar Programme, and nationwide solar-capacity expansion initiatives.

Exhibit 13: Global Solar Inverters Market Size



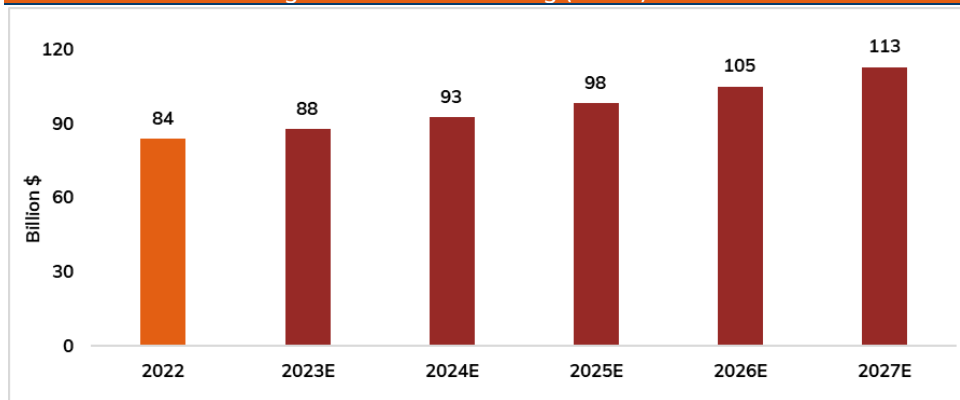
Source: Company, Industry, ICICI Direct Research

Aluminium High-Pressure Die Casting (HPDC) Market

The Global Aluminium High-Pressure Die-Casting (HPDC) market is expanding rapidly, driven primarily by the automotive sector's push for lightweight, high-volume components. In 2024 the market reached ~\$92.6 billion and is projected to hit ~\$113 billion by 2027E, growing at CAGR of 6.1%. HPDC is the manufacturing process that enable large scale production of lightweight, complex aluminium components, making it particularly suitable for high volume applications.

India's HPDC market, is valued at ~\$4.9 billion in 2022, and is expected to grow to ~\$7.38 billion by 2027E, growing at CAGR of 8.4% outpacing global growth. The country's mature supply chain, skilled labour, and government incentives such as the PLI scheme and FAME II have catalysed investments in advanced automotive and EV components. While automotive demand remains the dominant driver, the industrial and automation sectors are steadily pulling in aluminium enclosures, housings, and motor parts. Overall, the aluminium HPDC industry is set to grow globally and in India, underpinned by mobility shifts, policy support, and continual casting technology improvements.

Exhibit 14: Aluminium High-Pressure Die Casting (HPDC) Market



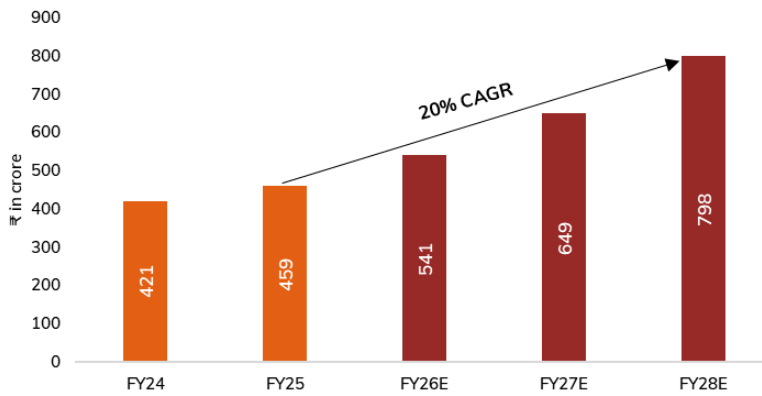
Source: Company, Industry, ICICI Direct Research

Investment Rationale

High-margin Electrical & Electronics segment expected to grow at ~20%

The electrical and electronic Instruments segment is expected to remain the fastest growing vertical, with ~20% annual revenue growth and EBITDA margins exceeding 20%, significantly higher than the group's blended margin profile. The growth is driven by increasing adoption of energy management systems, industrial power optimization solutions and grid monitoring technologies, as utilities and industrial customers focus on improving power efficiency and reducing energy losses. As this segment scales, it is expected to become a key driver of margin expansion at the consolidated level.

Exhibit 15: Electrical & Electronics Instruments revenue segment trend



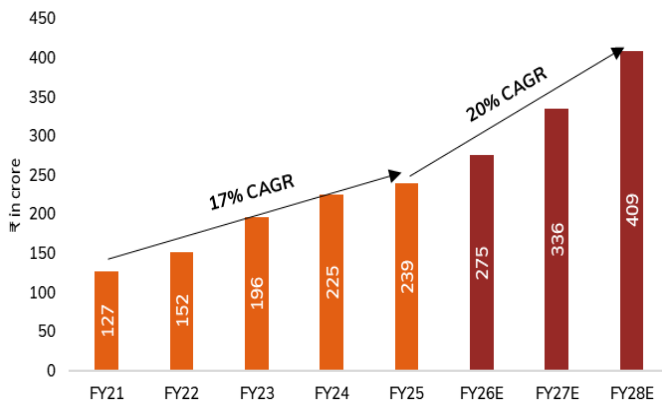
Source: Company, ICICI Direct Research

India business to be the key growth driver supported by electrification, energy management and capacity expansion

Rishabh's India business is expected to remain a key growth driver for the group, supported by rising demand for energy monitoring, power quality solutions and industrial automation equipment. The segment has delivered steady growth historically, with revenue increasing from ₹127 crore in FY21 to ₹239 crore in FY25, reflecting a ~17% CAGR, driven by increasing adoption of power quality analysers, current transformers, and energy monitoring solutions across industrial and infrastructure applications. The business also operates with a healthy profitability profile, with EBITDA margins broadly remaining in the 15–20% range, while EBITDA increased from ₹22 crore in FY21 to ₹35 crore in FY25.

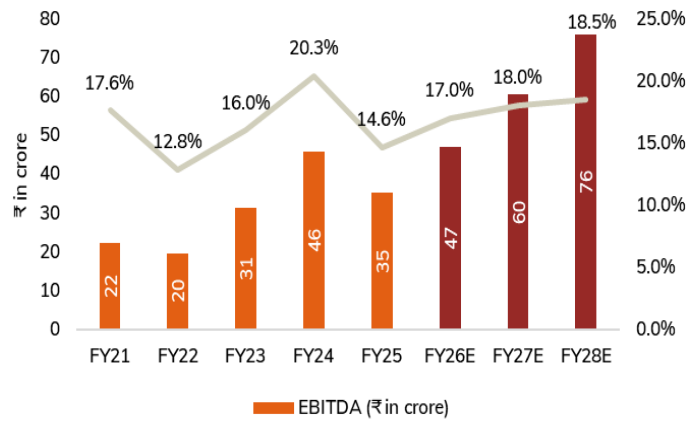
We expect the India business to continue delivering strong growth, with revenue projected to increase from ₹239 crore in FY25 to ~₹409 crore by FY28E (~20% CAGR), supported by strong demand from data centers, renewable energy integration, industrial electrification and energy efficiency solutions. EBITDA is expected to grow from ₹35 crore in FY25 to ~₹76 crore by FY28E, with margins improving to ~18–19%, driven by operating leverage, expansion in higher-value energy monitoring products, and increasing adoption of energy management systems across industrial and infrastructure segments.

Exhibit 16: India business revenue trend



Source: Company, ICICI Direct Research

Exhibit 17: EBITDA & EBITDA margin trend



Source: Company, ICICI Direct Research

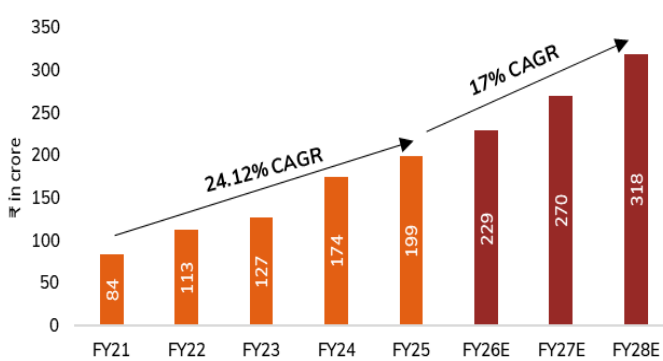
Lumel SA: Strong growth driven by energy monitoring and electrification demand

Lumel S.A. plays a strategically important role in the growth of Rishabh Instruments by providing the company with a strong manufacturing and distribution base in Europe, one of the largest markets for industrial electrical measurement and automation solutions. Lumel enables Rishabh to access developed European industrial customers, diversify revenue beyond India, and strengthen its positioning in higher-value instrumentation products.

The European power and industrial ecosystem is undergoing a structural shift toward energy efficiency, electrification and digital monitoring of power consumption. Industries are increasingly deploying advanced measurement instruments to monitor power quality, reduce energy losses and improve operational efficiency. Lumel’s product portfolio – including panel meters, transducers, controllers and power monitoring systems positions the company well to capture this demand. Increasing renewable integration and industrial automation across Europe are expected to further accelerate adoption of advanced electrical measurement solutions

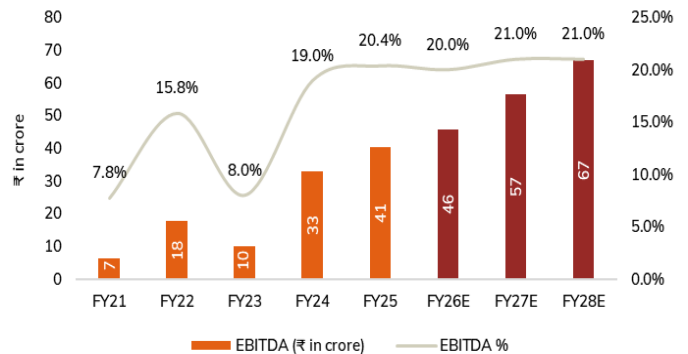
The business has demonstrated strong growth with revenue increasing from ₹84 crore in FY21 to ₹199 crore in FY25 (24% CAGR) and is expected to reach ₹318 crore by FY28E (~17% CAGR), providing steady export-led growth visibility. Importantly, Lumel operates at healthy EBITDA margins of ~18–20%, reflecting its strong product positioning in value-added electrical measurement devices and established distribution network in Europe. The subsidiary also enhances Rishabh’s technology capabilities and geographic diversification, which supports sustainable earnings growth.

Exhibit 18: Lumel SA. revenue trend



Source: Company, ICICI Direct Research

Exhibit 19: EBITDA & EBITDA margin trend



Source: Company, ICICI Direct Research

Lumel Alucast: Restructuring of European die-casting business to drive turnaround

Lumel Alucast is the group’s European aluminium die-casting business based in Poland, supplying precision aluminium components to global OEM supply chains across automotive and industrial applications. Historically, the business catered largely to automotive Tier-2 suppliers, serving major OEMs such as Volkswagen, BMW and Mercedes through customers like Valeo and Mahle group.

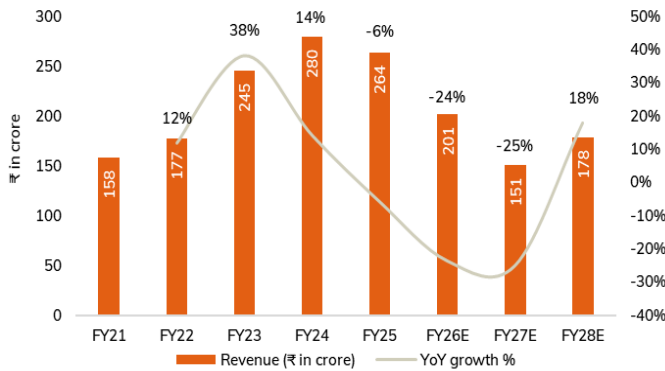
The business delivered strong growth earlier, with revenue increasing from ₹158 crore in FY21 to ₹264 crore in FY25 (CAGR ~13.6%), supported by strong automotive demand. However, sharp increases in energy and labour costs in Europe and the phase-out of legacy automotive contracts significantly impacted profitability, resulting in EBITDA declining from ₹24 crore in FY21 (15% margin) to a loss of ₹19 crore in FY25 (-7.2% margin). This situation became worse after the company agreed to phase out ~50 projects with Valeo (~30% of the portfolio) and another major customer representing ~25% revenue exposure shut down production facilities in Spain and Hungary, leading to the loss of over 50% of casting volumes.

Going forward, management has initiated a strategic shift toward non-automotive industrial components, automotive aftermarket parts and engine-neutral automotive components to replace lost volumes. As part of this transition, revenue is expected to decline to ~₹151 crore in FY27E before gradually recovering to ~₹178 crore by FY28E, while EBITDA is projected to turn positive from ₹6 crore in FY26E to ~₹12 crore by FY28E, with margins improving to ~7%. We expect Lumel Alucast to witness a gradual turnaround as new industrial projects ramp up and capacity utilization improves.

Key pillars driving Lumel Alucast’s turnaround strategy include:

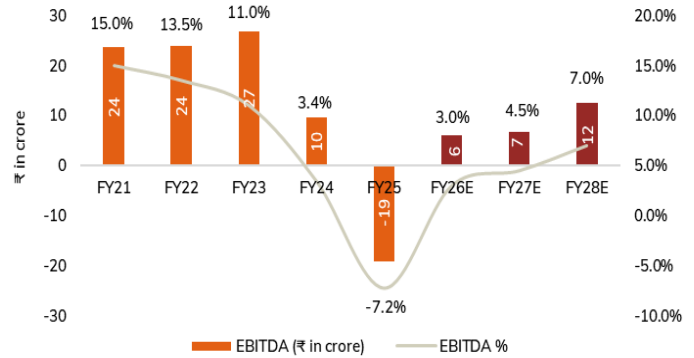
- Shift toward Non-Automotive Industrial Segment (Higher Margin, Less Cyclical)
- Focus on Aftermarket Business (Better Pricing Power)
- Transition to Engine-Neutral Components (Both EV&IC Engine).

Exhibit 20: Lumel Alucast revenue trend



Source: Company, ICICI Direct Research

Exhibit 21: EBITDA & EBITDA margin trend



Source: Company, ICICI Direct Research

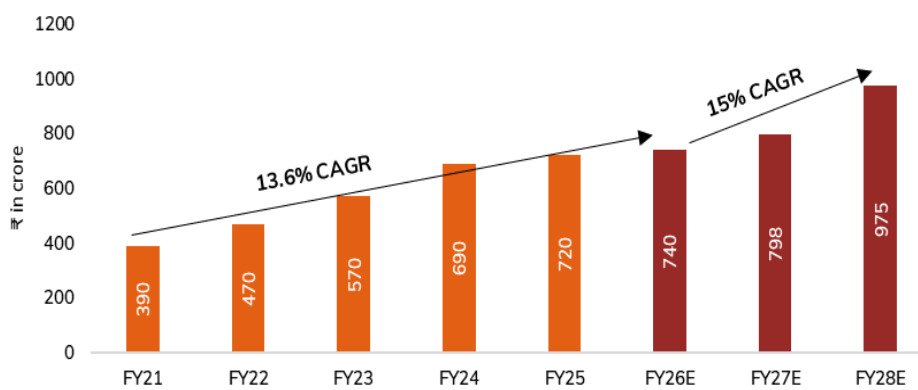
Key Financial Summary

Consolidated Revenue to grow at ~15% CAGR over FY26-28E driven by power electronics and industrial automation demand

Rishabh Instruments has delivered healthy revenue growth over the past few years, with consolidated revenue increasing at a ~13.6% CAGR between FY21 and FY26E. Growth during this period was supported by increasing demand for industrial automation, power quality monitoring solutions, and automotive casting orders, particularly from European Tier-2 suppliers serving global OEMs.

Going forward, consolidated revenue growth is expected to accelerate at ~15% CAGR between FY26 and FY28E. The growth reflects a temporary decline in the European die-casting business, as the company phases out legacy automotive contracts that became unviable due to sharp increases in energy and labour costs in Europe. However, strong growth of ~18-20% in the high-margin electronics segment and ramp-up of new non-automotive projects are expected to support gradual recovery, with casting revenues likely to stabilize by FY28.

Exhibit 22: Rishabh instruments consolidated revenue trend



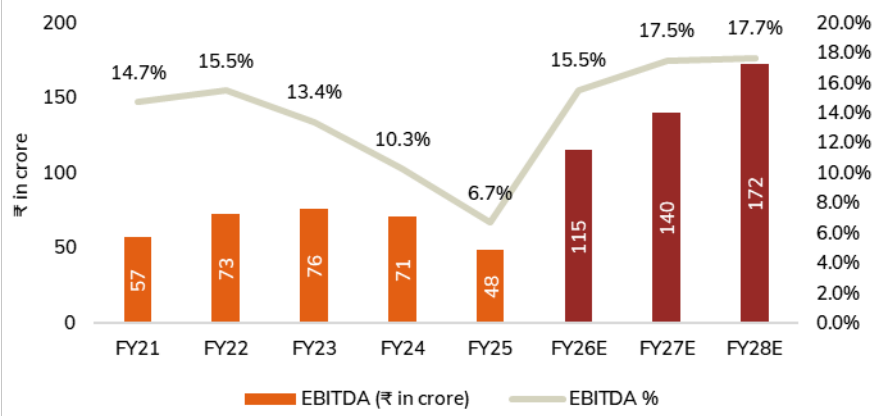
Source: Company Report, ICICI Direct Research

EBITDA margins expected to improve driven by operating leverage and business mix shift

The company's consolidated EBITDA declined at a CAGR of ~4.0% over FY21-FY25, reflecting margin compression and lower profitability during the period. EBITDA fell from ₹57 crore in FY21 to ₹48 crore in FY25, while EBITDA margins contracted from 14.7% in FY21 to 6.7% in FY25. The decline was primarily driven by sharp cost inflation in the European die-casting business, particularly higher energy and labour costs, which could not be fully passed on under legacy automotive supply contracts. In addition, the gradual phase-out of several automotive programs in the European casting business led to lower capacity utilization and pressure on operating leverage, further impacting margins.

Going forward, we expect profitability to improve significantly over the medium term, with EBITDA projected to grow at a strong ~22% CAGR over FY26-FY28E, increasing from ₹118 crore to ₹172 crore. EBITDA margins are expected to expand from 15.5% in FY26E to ~17.7% by FY28E, supported by multiple factors including growth in the high-margin electronics and energy monitoring business, operational turnaround in the Lumel Alucast business, improved capacity utilization, and a shift toward higher-margin non-automotive and aftermarket casting business. As these initiatives scale, operating leverage is expected to improve materially, driving a sharp recovery in profitability over FY26-FY28E.

Exhibit 23: EBITDA & EBITDA margin trend



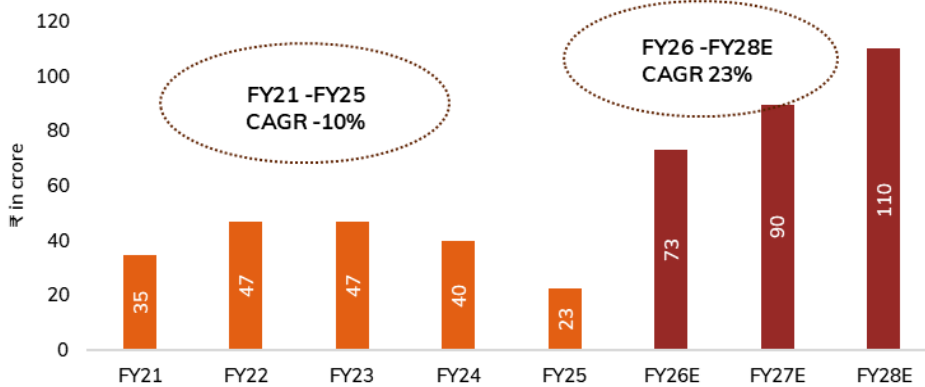
Source: Company Report, ICICI Direct Research

PAT to grow at ~23% CAGR over FY26-28E driven by margin expansion and operating leverage

The company's PAT declined at a CAGR of ~10.1% over FY21-FY25, falling from ₹35 crore in FY21 to ₹23 crore in FY25. Profitability during this period was impacted by margin compression in the European die-casting business.

Going forward, we expect profitability to witness a sharp recovery over the medium term, with PAT projected to grow at a strong ~23% CAGR over FY26-FY28E, increasing from ~₹73 crore to ~₹110 crore. As revenue scales and the business mix improves toward higher-margin electronics products, operating leverage is expected to strengthen, supporting a significant improvement in net profitability over FY26-FY28E.

Exhibit 24: Consolidated PAT trend

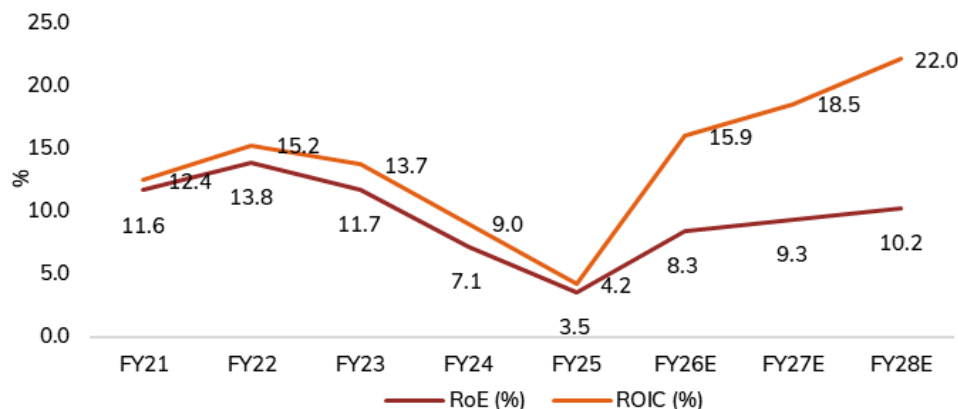


Source: Company Report, ICICI Direct Research

ROE and ROIC expected to improve ~6754-1786 bps by FY28E

Supported by earnings growth, margin expansion in the electronics segment, and improved operating leverage, we expect the ROE and ROIC to improve from 3.5% and 4.2% to 10.1% and 22% respectively over FY25-28E.

Exhibit 25: Return ratio trend

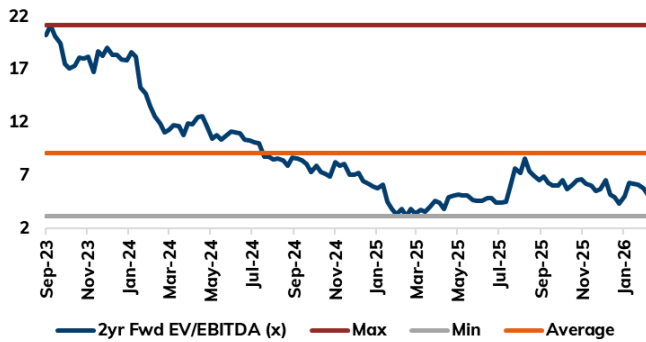


Source: Company Report, ICICI Direct Research

Valuation

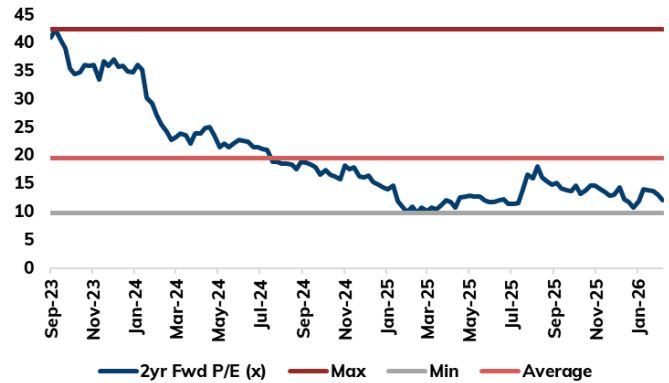
Rishabh Instruments offers a compelling play on industrial electrification and energy monitoring, supported by a high-margin India instrumentation business and a growing European presence through Lumel. The company is expected to deliver ~15%/22%/23% earnings/EBITDA/PAT CAGR over FY26-28E, driven by strong revenue growth in India and steady expansion in export markets. While near-term margins may remain impacted by challenges in the European die-casting business, improving product mix and potential turnaround in overseas operations provide decent upside.

Exhibit 26: Two-year Fwd EV/EBITDA trend



Source: Company, ICICI Direct Research

Exhibit 27: Two-year Fwd P/E trend



Source: Company, ICICI Direct Research

Risk and Concerns

Weakness in European Automotive Supply Chain:

Rishabh Instruments has exposure to the European automotive ecosystem through its die-casting subsidiary Lumel Alucast. Slowdown in European automobile production, increasing competition from Chinese EV manufacturers, and cost pressures across OEM supply chains could impact order volumes and profitability.

Geographic Concentration in Europe:

A significant portion of the company's revenue is linked to European markets (~50%) through subsidiaries such as Lumel S.A, Lumel Alucast. Any economic slowdown, industrial capex decline, or regulatory disruption in Europe could affect demand for electrical measurement and automation products.

Cyclicality in Industrial and Capital Goods Demand:

Demand for electrical measurement devices and automation solutions is closely tied to industrial production, manufacturing investments, and infrastructure capex. A slowdown in industrial activity could lead to weaker order inflows.

Execution Risk in International Operations

Managing manufacturing and operations across multiple geographies, particularly Europe and India, introduces operational complexity. Any inefficiencies in cost management, supply chains, or restructuring initiatives could affect profitability.

Financial Summary

Exhibit 28: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	690	720	740	798	975
Total Operating Income	690	720	740	798	975
% Growth (Operating Income)		4.4	2.8	7.9	22.1
Other Income	12	15	18	22	22
Total Revenue	701.3	734.8	758.3	820.1	996.2
Cost of materials consumed	270	272	259	263	331
Employee cost	199	217	222	240	271
Other Expenses	129	154	126	120	156
Total expenditure	619	672	625	659	802
EBITDA	71.2	48.4	114.9	139.7	172.2
% Growth (EBITDA)		(31.9)	137.3	21.6	23.2
Interest	4.1	5.5	5.0	5.4	6.0
PBDT	79	57	128	156	188
Depreciation	28	27	36	42	47
PBT	51	30	92	114	141
Tax	11	9	19	24	31
PAT	39.9	21.2	73.0	89.7	110.0
% Growth (PAT)		(46.8)	244.3	22.8	22.6
Diluted EPS	10.4	5.5	19.0	23.3	28.6

Source: Company, ICICI Direct Research

Exhibit 29: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Profit after Tax	40	23	73	90	110
Depreciation	28	27	36	42	47
Interest	4	6	5	5	6
Other income	(12)	(15)	(18)	(22)	(22)
Change in Working Capital	(11)	18	(274)	(53)	(125)
Changes in other assets	(1)	(8)	-	-	-
Cash from Operations	48	51	(179)	63	17
(Purchase)/Sale of Fixed Assets	(79)	(92)	(37)	(20)	(20)
(Purchase)/Sale of Investments	0	0	(30)	(25)	(25)
Other Income	12	15	18	22	22
Cash from Investing	(67)	(77)	(49)	(23)	(23)
change in reserves	118	30	192	-	-
change in reserves	(4)	(6)	(5)	(5)	(6)
Proceeds/(repayment) of debt	(43)	47	(35)	(5)	(3)
Cash from Fin	68	70	152	(10)	(9)
Changes in Cash	48	43	(79)	29	(16)
Opening Cash/Cash Equivalent	106	154	198	119	148
Closing Cash/ Cash Equivalent	154	198	119	148	132

Source: Company, ICICI Direct Research

Exhibit 30: Balance sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	38.2	38.2	38.2	38.2	38.2
Reserves & Surplus	521	573	838	928	1,038
Total Shareholders fund	559	611	876	966	1,076
Total debt	54.8	95.9	65.9	60.9	57.9
Other liabilities	13.8	14.9	14.9	14.9	14.9
Total Liabilities	636	730	957	1,042	1,149
Gross Block	348	409	458	473	488
Acc: Depreciation	108	136	171	214	260
Net Block	240	274	287	259	228
Capital WIP	12	24	10	10	10
Investments	4	10	15	20	25
Inventory	175	162	85	92	112
Sundry debtors	129	135	189	219	267
Cash	155	198	119	148	132
Other current assets	30	30	31	33	41
CL& Prov.	79	81	112	120	147
Net Current Assets	346	372	567	649	758
Total Assets	636	730	957	1,042	1,149

Source: Company, ICICI Direct Research

Exhibit 31: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per Share Data (Rs.)					
Diluted EPS	10.4	5.5	19.1	23.5	28.8
Cash EPS	17.7	12.7	28.4	34.5	41.0
BV	146.3	159.9	229.3	252.8	281.5
DPS	-	-	-	-	-
Cash Per Share	28.4	35.5	44.8	55.9	68.1
Operating Ratios (%)					
EBITDA Margin	10.3	6.7	15.5	17.5	17.7
PBT / Net Sales	6.3	2.9	10.7	12.2	12.9
PAT Margin	5.8	2.9	9.9	11.2	11.3
Inventory days	92.5	81.9	42.0	42.0	42.0
Debtor days	68.5	68.4	93.0	100.0	100.0
Creditor days	41.7	41.2	55.0	55.0	55.0
Return Ratios (%)					
RoE	7.1	3.5	8.3	9.3	10.2
RoCE	9.0	5.0	10.3	11.6	13.0
RoC	9.0	4.2	15.9	18.5	22.0
Valuation Ratios(x)					
P/E	40.2	75.7	22.0	17.9	14.6
EV / EBITDA	21.1	31.0	13.5	10.9	8.9
EV / Net Sales	2.2	2.1	2.1	1.9	1.6
Market Cap / Sales	2.3	2.2	2.2	2.0	1.6
Price to Book Value	2.9	2.6	1.8	1.7	1.5
Solvency Ratios					
Net Debt / Equity	-	-	-	-	-
Current Ratio	3.8	3.5	2.5	2.6	2.7
Quick Ratio	1.8	1.8	1.8	1.9	1.9

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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