Rishabh Instruments Ltd (RISINS)

CMP: ₹591 | Target ₹ 825 (40%) | Target Period: 12 months

BUY

November 17, 2026

Sustained EEI growth; Alucast recovery key to earning upside...

About the stock: 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.

- Revenue Mix for FY26: Electrical and Electronic instruments (EEI) ~70% and High Pressure Die Castings ~30%.

Q2FY27 performance: Rishabh Instruments reported Q2FY27 revenue of ₹212.8 crore, up 8.4% YoY and 7.3% QoQ. EBITDA declined 2.8% YoY to ₹32.4 crore, with EBITDA margin contracting 175 bps YoY to 15.2%, while PAT declined 17.9% YoY to ₹18.2 crore. Gross margin declined 350 bps YoY to 58.5%, reflecting an adverse product mix.

Investment Rationale:

- **EEI-led growth provides strong earnings visibility:** Rishabh's EEI business continued to drive growth, with Q2FY27 revenue increasing 24.9% YoY to ₹172 crore and H1FY27 revenue growing 29.3% to ₹326 crore. H1 adjusted EBITDA increased 29.9% YoY to ₹75 crore, with margins remaining stable at 23.1%. Growth is supported by demand across energy measurement, power infrastructure, renewable energy, industrial automation and electronic manufacturing. The company is also expanding its product portfolio in solar inverters, power quality and data-centre-related applications, supported by the Nashik facility and enhanced manufacturing capabilities. Management has retained FY27 EEI revenue growth guidance of 20–25%, with adjusted EBITDA margin guidance of 20–22%, providing visibility for sustained growth.
- **Global diversification and Alucast turnaround provide additional earnings levers:** Rishabh is positioned across structural growth areas such as grid modernization, renewable energy, energy efficiency, industrial automation and AI-driven data centres. Lumel SA revenue grew 24.8% YoY to ₹134 crore in H1FY27, with adjusted EBITDA increasing 44.1% to ₹29 crore, while the US business doubled its H1 revenue to ₹26 crore. In parallel, Lumel Alucast revenue declined 36.6% YoY to ₹86 crore in H1FY27 following the planned exit from low-margin contracts, with adjusted EBITDA loss narrowing to ₹3 crore. Management expects the business to achieve adjusted EBITDA breakeven in FY27, supported by higher-value orders, improved utilization and better cost control. This combination of international growth opportunities and the Alucast turnaround provides scope for revenue growth and margin-led earnings improvement, although execution and recovery in Alucast remain key monitorables.

Rating and Target Price: We expect Revenue and PAT to grow at 14% and 24% CAGR over FY26-FY28E. We recommend **BUY** on **Rishabh Instruments** with a target price of **₹825 per share (based on 25x FY28E EPS).**

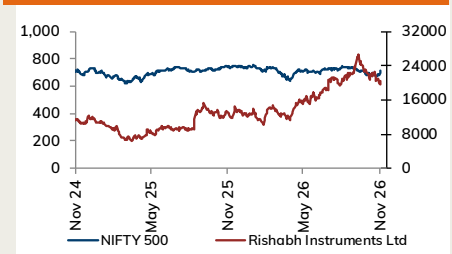
Particulars

	Rs. (in crore)
Market Capitalisation	2523
Total Debt (FY26)	74
Cash and Inv. (FY26)	202
Enterprise Value	2395
52-week H/L (Rs.)	852/315
Equity capital	42.9
Face value (Rs.)	10

Shareholding pattern

%	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	69.7	69.6	69.4	69.3
FII	0.2	0.1	1.2	2.3
DII	12.6	11.7	11.2	7.4
Others	17.5	18.6	18.2	21.0

Price Chart



Key risks

(i) European Automotive Supply Chain Weakness.;

(ii)) Execution Risk in International Operations.

(iii) Geographic Concentration in Europe.

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Key Financial Summary

(Rs. in crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Net Sales	690	720	775	4.0%	827	1,002	14%
EBITDA	71	48	126	21.1%	136	193	24%
EBITDA margin (%)	10.3	6.7	16.3		16.5	19.3	
Net Profit	39.9	21.2	82.3	27.3%	87.9	126.9	24%
EPS (Rs)	10.4	5.5	21.5		22.8	32.9	
P/E (x)	56.6	106.5	27.7		25.9	18.0	
EV/EBITDA (x)	30.3	44.5	17.0		15.2	10.9	
RoCE (%)	9.0	5.0	13.6		12.8	16.3	
RoE (%)	7.1	3.5	11.0		10.5	13.2	

Source: Company, ICICI Direct Research.

Result Update

ICICI Securities – Retail Equity Research

Q2FY27 key results highlights

- **Financial Performance**:
  - Rishabh Instruments reported Q2FY27 revenue of ₹212.8 crore, up 8.4% YoY and 7.3% QoQ. EBITDA declined 2.8% YoY to ₹32.4 crore, with EBITDA margin contracting 175 bps YoY to 15.2%, while PAT declined 17.9% YoY to ₹18.2 crore. Gross margin declined 350 bps YoY to 58.5%, reflecting an adverse product mix. At the segment level, EEI revenue grew 24.9% YoY to ₹171.6 crore,
- **EEI Business & Growth Outlook:**
  - The Electrical and Electronic Instruments (EEI) segment continued to drive growth, with Q2FY27 revenue increasing 24.9% YoY to ₹171.6 crore. Adjusted EBITDA grew 4.1% YoY to ₹36.9 crore, while adjusted EBITDA margin declined 430 bps to 21.5%, primarily due to a higher contribution from lower-margin solar inverter and EMS businesses, along with elevated commodity costs.
  - **Guidance:** Management retained its FY27 EEI revenue growth guidance of 20–25%, despite delivering nearly 30% growth in H1FY27. The company expects adjusted EBITDA of ₹140–150 crore and PAT of ₹95–100 crore for FY27. Management indicated that EEI adjusted EBITDA margins could close the year at 20–22%.
- **Lumel SA & International Growth:**
  - Lumel SA revenue grew 24.8% YoY to ₹133.8 crore in H1FY27, with adjusted EBITDA increasing 44.1% to ₹29.3 crore and margin at 21.9%. Growth was supported by new customer wins, product diversification and higher-value electronic manufacturing, despite a subdued European industrial environment.
  - The US business doubled its H1FY27 revenue to ₹25.6 crore from ₹12.8 crore. The UK and China businesses also recorded growth of 38% and 25%, respectively. Management highlighted improving demand in the US and plans to deepen customer acquisition, cross-selling and local market execution.
  - Management indicated that the international business continues to face some supply-chain constraints, particularly longer lead times and limited availability of electronic components. Seasonal weakness in Europe during December and January could also affect exports in the second half.
- **Lumel Alucast:**
  - HPDC segment revenue declined 30.1% YoY to ₹41.2 crore in Q2FY27, while adjusted EBITDA loss stood at ₹0.4 crore. For H1FY27, revenue declined 36.6% YoY to ₹85.5 crore, with an adjusted EBITDA loss of ₹3.2 crore. Management highlighted that the decline was deliberate, as the company continues to exit lower-margin legacy contracts and prioritise profitable business over volume.
  - The recovery plan is focused on pricing discipline, cost control, improved utilisation and increasing the share of non-automotive opportunities. Several RFQs and customer programmes are at commercial negotiation, qualification and approval stages.
  - **Guidance:** Management expects HPDC to achieve adjusted EBITDA breakeven for FY27, broadly within a +/-1–2% margin range. However, the business could report a PAT-level loss of ₹10–15 crore for FY27, primarily due to depreciation and withholding tax provisions.

- **Management commentary:**
  - The company has launched approximately 15 new products over the past two years and has a pipeline of more than 10 products planned for FY27–28, with focus on higher-value applications across energy meters, medium-voltage products, automation and power quality.
  - The Nashik manufacturing facility has been partially commissioned, with capacity substantially enhanced. The focus is now on ramping up utilisation, improving throughput and strengthening automation, testing and process capabilities to support larger domestic and export programmes.
  - The 1–5 kW single-phase range has received encouraging market acceptance and achieved operational profitability. The company has commissioned an automated production line with capacity of 400 inverter units per day (approximately 12,000 units per month).
  - Management attributed the decline in gross margin to an adverse product mix, particularly the increasing contribution from solar inverters and EMS, which carry lower contribution margins of around 10–15%, compared with 50–60% for certain traditional products.
  - Higher prices of copper, polycarbonate, electrical steel, PCB materials and silver, along with supply-chain disruptions and elevated freight and insurance costs, also weighed on gross margins. The company is taking selective price increases, improving procurement efficiencies and focusing on manufacturing productivity to mitigate the impact.

Financial summary

Exhibit 1: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Net Sales	720	775	827	1,002
Total Operating Income	720	775	827	1,002
% Growth (Operating Income)	4.4	7.6	6.6	21.3
Other Income	15	21	23	23
Total Revenue	**735**	**796**	**849**	**1,025**
Cost of materials consumed	272	255	277	346
Employee cost	217	225	240	265
Other Expenses	154	130	128	149
Total expenditure	672	649	690	809
EBITDA	**48**	**126**	**136**	**193**
% Growth (EBITDA)	(31.9)	161.1	7.9	41.6
Interest	5.5	5.5	4.1	5.0
PBDT	57	142	155	211
Depreciation	27	36	44	48
PBT	30	106	111	163
Tax	9	24	23	36
PAT	**21**	**82**	**88**	**127**
% Growth (PAT)	(46.8)	287.8	6.8	44.5
Diluted EPS	5.5	21.3	22.8	32.9

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	23	82	88	127
Depreciation	27	36	44	48
Interest	6	6	4	5
Other income	(15)	(21)	(23)	(23)
Change in Working Capital	18	(18)	27	(101)
Changes in other assets	(8)	-	-	-
Cash from Operations	**51**	**85**	**140**	**57**
(Purchase)/Sale of Fixed Assets	(92)	(147)	(34)	(75)
(Purchase)/Sale of Investments	0	(2)	(25)	(25)
Other Income	15	21	23	23
Cash from Investing	**(77)**	**(129)**	**(37)**	**(77)**
change in reserves	30	52	-	-
change in reserves	(6)	(6)	(4)	(5)
Proceeds/(repayment) of debt	47	(3)	(24)	(3)
Cash from Fin	**70**	**44**	**(28)**	**(8)**
Changes in Cash	43	0	76	(29)
Opening Cash/Cash Equivalent	154	198	198	273
Closing Cash/ Cash Equivalent	198	198	273	245

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Share Capital	38.2	38.6	38.6	38.6
Reserves & Surplus	573	706	794	921
Total Shareholders fund	**611**	**745**	**833**	**960**
Total debt	95.9	74.3	69.3	66.3
Other liabilities	14.9	20.4	20.4	20.4
Total Liabilities	**730**	**863**	**923**	**1,046**
Gross Block	409	497	558	628
Acc: Depreciation	136	171	215	263
Net Block	274	326	343	365
Capital WIP	24	41	10	10
Investments	10	39	44	49
Inventory	162	172	215	261
Sundry debtors	135	132	147	179
Cash	**198**	**202**	**273**	**245**
Other current assets	30	25	41	50
CL& Prov.	81	74	170	151
Net Current Assets	372	393	438	510
Total Assets	**730**	**863**	**923**	**1,046**

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data (Rs.)				
Diluted EPS	5.5	21.3	22.8	32.9
Cash EPS	12.7	30.6	34.1	45.4
BV	159.9	193.2	216.0	248.9
Cash Per Share	35.5	44.4	55.8	68.3
Operating Ratios (%)				
EBITDA Margin	6.7	16.3	16.5	19.3
PBT / Net Sales	2.9	11.7	11.2	14.5
PAT Margin	2.9	10.6	10.6	12.7
Inventory days	81.9	81.1	95.0	95.0
Debtor days	68.4	62.1	65.0	65.0
Creditor days	41.2	34.8	75.0	55.0
Return Ratios (%)				
RoE	3.5	11.0	10.5	13.2
RoCE	5.0	13.6	12.8	16.3
RoIC	4.2	15.9	15.6	19.4
Valuation Ratios(x)				
P/E	106.5	27.7	25.9	18.0
EV / EBITDA	44.5	17.0	15.2	10.9
EV / Net Sales	3.0	2.8	2.5	2.1
Market Cap / Sales	3.1	2.9	2.8	2.3
Price to Book Value	3.7	3.1	2.7	2.4
Solvency Ratios				
Current Ratio	3.5	3.9	2.2	3.0
Quick Ratio	1.8	1.9	1.0	1.4

Source: Company, ICICI Direct Research

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