Rishabh Instruments Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs603	Rs800	33%	23.3	Accumulate

**as on 16th Nov, 2026*

About the Company:

Established in 1982, Rishabh Instruments Limited (RIL) is one of the leading global energy efficiency solutions company focused on designing, development, manufacturing and supply of electrical automation products, metering and measurement devices, portable test and measuring instruments, solar string inverters, and precision aluminium high-pressure die-casting (HPDC) products. The company manages the entire lifecycle of its products, catering to data centres, railways, automotive, and power industries. RIL is currently one of the leading players in analogue panel meters and low-voltage current transformers; over the period it has built strong technical expertise in measuring various electrical parameters. It has ~200+ product groups and ~0.13mn SKUs catering to ~3,000 customers spread across data centres, telecom, pharma, semi-conductor, EMS, FMCG, automobile, railways, utilities and petrochem industries. The company is led by the technical expertise of Mr. Narendra Goliya who is the Founder and Promoter of the company while Mr. Dinesh Kumar Musalekar is the Managing Director with a vast experience across industrial automation, precision engineering, green energy solutions and international operations.

Results: Quick Glance:

- The net sales for the quarter reported a growth of 8.4% to Rs2128mn as compared to Rs1963mn in the same quarter last year
- The Ebitda margins for the quarter stood at 15.2% as compared to 17.0% in the comparative quarter last year
- The company reported profit of Rs181mn as compared to Rs221mn in the same quarter last year
- The EPS for the quarter stood at Rs4.69 as compared to Rs5.77 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs4111mn as compared to Rs3867mn; growth of 6.3% while the PAT stood at Rs375mn as against Rs417mn. The EPS came in at Rs12.8 as against Rs10.9 in H1FY26

Conference Call Highlights:

- The **industry outlook** remains favourable, driven by electrification, grid modernisation, renewables, industrial automation and rising power requirements from AI and data centres. As RIL accelerates global footprint across US, Africa and Southeast Asia, it would continue to invest in new products across energy meters, medium-voltage products, automation and solar inverters, expanding addressable market and strengthening technology capability
- In terms of the **segmental contribution**; ~80.6% of the revenues came in from the EEI segment at Rs1,716mn while ~19.4% was from the HPDC that stood at Rs412mn. EU remains to be the highest **geographical contributor** to the revenues at 58.3%, followed by 28.2% from Asia and 13.5% from Others. **India standalone** business also reported growth of 29.6% y-o-y in H1 with adjusted Ebitda of 23.3%; deepening penetration across different segments
- **EEI** segment remains the primary growth engine, delivering revenue growth of 24.9% y-o-y in Q2FY27 and 29.3% y-o-y in H1FY27, while maintaining adj. Ebitda margins of 23.1% and delivering Rs750mn adj. Ebitda for H1FY27. A broad portfolio, deeper customer relationship & expanding geographic reach would continue to support this performance. This segment has clocked above guidance growth (20-25%); and the Management has maintained the same factoring the global uncertainties. The Management further guided for margins of 20-22% for the EEI segment in FY27E
- The **solar inverter business** is gaining traction, with a promising trajectory ahead. Single phase iUNO, alongwith three phase iUNO models launched in Q1 have shown an encouraging acceptance. It is a competitive business and thereby gradual growth is expected in the same. RIL intends to extend the range upto 50kW by the end of FY27E and also enter hybrid inverters. It has already started selling the newer products in meaningful quantities and sees substantial opportunity as customers seek alternatives to Chinese-sourced products
- **US** continues to be a significant near-term opportunity for RIL. The business has doubled (Rs256mn from Rs128mn in H1FY26) and portrays encouraging demand m-o-m despite the heavy tariffs/duties; and the potential ahead also looks good for this segment. The strategy is to expand organically through additional products, UL-certified offerings, sales resources and operations across Mexico and Canada, while also evaluating inorganic opportunities
- **Lumel Alucast-High Pressure Die Casting (HPDC)** continues to be in the transformation phase, where the company continues to prioritise sustainable profitability over volume. The approach remains clear, value over volume, with profitability taking precedence over growth. It reported decline of 36.6% in revenues in H1FY27 with adj Ebitda at loss of Rs32mn. The Management stated that HPDC is expected to reach breakeven at the adjusted Ebitda level by the end of FY27E

Conference Call Highlights (contd.):

- **Lumel SA (Poland)** reported growth of 24.8% y-o-y at Rs1338mn and adj Ebitda at 21.9% in a subdued EU environment. Poland/Germany operations are not simply dependent on conventional instrumentation, but has other opportunities in radioactive material detection at airports, security products, medium-voltage protection, energy-system upgrades, solar installations and German grid upgrades to mention a few; explaining how the business can grow even when European industrial activity remains subdued
- The **other business** reported revenue growth of 71.3% y-o-y, accounting for 13.5% of the geographical spilt. RIL has generated a **strong RFQ pipeline**, with projects at various stages of commercial negotiations, qualifications, audits and customer approvals. Industry consolidation is creating opportunities for companies that have remained resilient while weaker competitors have exited/shifted production elsewhere. The company expects new programmes to progressively utilise vacant capacity and ultimately restore double-digit Ebitda margins over the medium term
- The **new manufacturing** facility is partially commissioned in Nasik, with additional capacity on track. The facility is intended to increase capacity alongwith improving quality, operational efficiency and scalability. Capital allocation in terms of the 2 buildings is almost done which would need incremental Rs100-200mn/year once it is operational
- **Emerging opportunities:** the **current-transformer** manufacturing capacity is being expanded from ~5,000-6,000 low-voltage current transformers to 8,000-10,000. RIL intends to extend its capabilities from low-voltage to medium-voltage current transformers, supported by demand from AI/data centres and broader energy infrastructure. The Management is seeing strong traction from India's **data-centre** build-out
- **Other highlights:** (i) availability of electronic components is an issue dealt by the company whereby the cost of materials was also on the higher side, (ii) the company continues to remain debt free with **cash and cash equivalent** at Rs1698mn, (iii) the company is looking for **inorganic growth opportunities**, as an addition to business and offerings, (iv) the company intends to get the diecasting business to profitability and then would decide on the fate ahead. Simultaneously the contribution to revenues which was ~40% about 2 years ago has been reduced to ~20% currently

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	**Sept-26**	**Sept-25**	**y-o-y**	**Jun-26**	**q-o-q**	**H1FY27**	**H1FY26**	**y-o-y**	**FY27E**
Total Revenue	2128	1963	8.4%	1983	7.3%	4111	3867	6.3%	8515
EBITDA	324	334	(2.8%)	333	(2.6%)	657	618	6.4%	1413
Other Income	38	49	(23.0%)	36	3.9%	74	92	(19.0%)	172
Interest	18	11	64.9%	9	93.7%	27	23	19.8%	55
Depreciation	100	87	15.1%	95	5.5%	195	162	20.2%	385
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	63	64	(1.9%)	72	(12.3%)	135	108	25.4%	262
Net Profit after assoc.	**181**	**221**	**(17.9%)**	**194**	**(6.4%)**	**375**	**417**	**(10.1%)**	**884**

Outlook and Recommendations:

The performance of Q2 reflects the benefits of improved sourcing, operational efficiencies, product mix and operating leverage. The company has reported revenue growth of 8.4% y-o-y while on standalone basis this growth was 33.3% y-o-y indicating that Indian market was the driver of momentum while the overseas markets remained flat or contracted. The gross margins have come in lower at 58.4% compared to 61.9% in the same quarter last year; effected by the change product mix as well as higher RM costs that could not be passed on immediately. Accordingly, the Ebitda margins came in at 15.2% for the quarter under reference. The profits have come in lower by 17.9% at Rs181mn for the quarter. There has been impact of one-time provisioning of Rs25mn for withholding tax (WHT) and higher depreciation charges which rose to Rs100mn in Q2FY27 from Rs87mn in Q2FY26. In terms of the **business segments**, Electrical and Electronic Instruments (EEI) segment remains the primary growth engine, contributing ~80.6% of consolidated revenue. EEI revenue grew 24.9% y-o-y in Q2FY27 and 29.3% y-o-y in H1FY27, maintaining an adjusted Ebitda margin of 23.1%. Conversely, the HPDC segment saw revenue decline by 36.6% y-o-y in H1FY27 to Rs855 million, recording an adjusted Ebitda loss of Rs32mn. The Management stated that HPDC is expected to reach breakeven at the adjusted Ebitda level by the end of FY27E.

Outlook and Recommendations (contd.):

The Management is accelerating **global diversification**, across the US, Africa and Southeast Asia, while continuing to strengthen presence in India and Europe. The **shift in geographic mix** is evident as Europe's contribution to consolidated revenue dropped to 58.3% in Q2FY27 from 68.1% in Q2FY26, while Asia's share increased to 28.2% from 23.4%. The company has maintained the EEI growth guidance at 20-25% despite growing 29.3% in H1; attributing it to uncertain global scenarios. Further it has guided on adjusted Ebitda of Rs1400-1500mn with PAT of Rs950-1000mn for FY27E. The more important **medium-term opportunity** is the broadening of the company's product and application portfolio. Current transformers, PCBA/EMS, solar inverters, hybrid inverters, data-centre applications and medium-voltage products provide multiple avenues beyond the traditional instrumentation portfolio. Furthermore, an important opportunity is emerging as some customers are facing issues with Chinese-sourced products, particularly around after-sales support and technical dependency. Management believes its vertically designed and manufactured products can offer an advantage in this environment. **Solar inverters** appear to be moving from an early-stage product introduction towards a potentially meaningful growth vertical. Current transformers are another area where the Management is seeing strong demand, particularly due to **AI/data centres and rising energy requirements.** This is strategically relevant because it connects RIL's instrumentation capabilities with the broader structural growth in power infrastructure and energy-intensive digital infrastructure. The priorities for the remainder of FY27E include remaining focused on profitable growth, improved product mix, new product development, deeper customer relationships, strategic geographic expansion and disciplined capital allocation; committed to building a stronger, more resilient and globally competitive business. We maintain accumulate on the stock for a target of Rs800.

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Registered Office Address:

Progressive Share Brokers Pvt. Ltd,

122-124, Laxmi Plaza, Laxmi Indl Estate,

New Link Rd, Andheri West,

Mumbai-400053, Maharashtra

www.progressiveshares.com | Contact No.:022-40777500

Compliance Officer:

Ms. Mamatha Poojari,

Email: compliance@progressiveshares.com,

Contact No.:022-40777500

Grievance Officer:
Email: grievancecell@progressiveshares.com