Investorstack Research Report

Rishabh Instruments Limited

What Rishabh Instruments Limited does

Rishabh Instruments Limited is an energy efficiency solutions company founded in 1982. It designs, develops and manufactures equipment that measures, controls, protects and automates electrical systems. Its products range from analog panel meters and current transformers to digital multimeters, solar string inverters and software for industrial automation. The company also operates a high-pressure aluminium die-casting business through its Polish subsidiary, Lumel Alucast, supplying precision components to automotive and industrial customers.

Rishabh serves over 3,000 customers in more than 100 countries. It has five manufacturing units across India, Poland and China, along with modification centres in the US and UK. Its global team numbered 740 people as of March 2025. The company is headquartered in Nashik, Maharashtra, and its shares trade on the NSE and BSE under the ticker RISHABH.

The business is structured into two segments. The Electrical and Electronics Instrumentation (EEI) segment contributes the majority of group revenue and is the company's primary growth engine. The High-Pressure Die Casting (HPDC) segment, which accounts for the rest, is undergoing a planned turnaround after years of losses in its automotive-heavy European operations.

Business segments

Electrical and Electronics Instrumentation (EEI)

The EEI segment covers the design, development and manufacturing of metering, control and protection devices, electrical automation products, portable test and measuring instruments, solar string inverters, and related software (SCADA). It is the group's main growth driver. In financial year 2026, the EEI segment registered a growth of 17.5% on a year-on-year basis, as per management's Q4 FY26 commentary.

This segment operates through two principal entities: Rishabh Instruments India (the standalone business) and Lumel SA in Poland. Together, they account for roughly 85% of EEI revenue. Smaller contributors include Sifam Tinsley in the UK and US, and Shanghai VA in China.

Rishabh India undertakes most of the engineering, product development and manufacturing for analog and digital instruments. Lumel SA focuses on advanced electronic instrumentation, power quality analysers, radiation monitoring systems, and custom automation projects. The segment also benefits from the Microsys SCADA acquisition in the Czech Republic, which adds software capability for industrial process control.

End markets include power generation, transmission and distribution, renewable energy, industrial automation, railways, oil and gas, data centres and building management. The company sells both under its own brands (Rishabh, Lumel, Sifam) and through white-label agreements with global OEMs.

The core capability that took years to build is the combination of vertically integrated manufacturing across three continents with a broad portfolio of proprietary products. The company has accrued certifications for multiple geographies - UL for the US, MID for Europe, BIS for India - which act as barriers to entry. Its R&D centres in India, Poland and China coordinate development to avoid duplication, launching new products that are expected to contribute meaningfully to future revenue.

High-Pressure Die Casting (HPDC)

The HPDC segment is operated through Lumel Alucast in Poland. It produces precision aluminium die-cast components for automotive and non-automotive customers. End markets include automotive (including EVs), industrial automation, telecommunication, consumer durables and street lighting.

This segment has been a drag on group profitability. In the past, Lumel Alucast was a high-margin business contributing 18-20% EBITDA for many years. But it was hit hard by the shift of European automotive business to China, especially in EV-related contracts. The company deliberately exited low-margin legacy contracts and renegotiated prices with remaining customers. As a result, revenue shrunk by 21% in local currency in FY26, but adjusted EBITDA turned positive. Management expects the business to reach double-digit EBITDA margins by FY28.

The segment exists separately because of its fundamentally different business model: capital-intensive, long-cycle qualification (tooling takes 6-12 months), high concentration on a few large customers, and exposure to automotive industry cycles. It does not share manufacturing facilities or sales channels with the EEI business. The company is working to shift the mix toward non-automotive industrial customers to reduce volatility.

Products and business detail

Analog Panel Meters. Rishabh claims to be among the world's largest manufacturers of analog panel meters by volume and value. These instruments measure voltage, current, frequency and other electrical parameters. They are used by panel builders, electrical utilities and industrial plants.

Current Transformers. The company makes low- and medium-voltage current transformers (CTs) for measurement and protection applications. It produces 6,000 CTs per day and is expanding capacity to 10,000 per day. CTs are a high-volume product that goes into every data centre and distribution panel. The company holds UL certification for these products, which is a key advantage in the US market.

Digital Multimeters and Portable Test Instruments. The portable TMI line includes digital multimeters, clamp meters, insulation testers, earth testers and environmental meters (lux meter, anemometer). These are used by electricians, maintenance engineers and service technicians for on-site diagnostics.

Solar String Inverters. The UNO series (single-phase) and NEO series (three-phase) inverters convert DC power from solar panels to AC power for residential, commercial and industrial installations. The business is still nascent - revenue was around INR 10 crores annually - but the company has redesigned the products for cost competitiveness and plans to scale to INR 25 crores in FY27. It is developing hybrid inverters and higher-capacity models.

Aluminium Die-Cast Components. Lumel Alucast produces aluminium castings for automotive (engine blocks, battery housings) and industrial applications (enclosures, housings for electrical equipment). Customers include ABB, Endress+Hauser, Siemens and MR. The product is weight-optimised and designed for high-volume production.

SCADA and Automation Software. Through the Microsys acquisition, the company offers PROMOTIC SCADA software for process visualization and control. This is integrated with hardware to provide bundled solutions.

The company's R&D pipeline is structured around four buckets: upgrading existing products before they become obsolete, filling product gaps in existing ranges, developing custom solutions for customer needs, and adapting technological breakthroughs (e.g., LORAWAN communication for energy meters). New products contributed approximately 10% of revenue in recent years, and the company aims to increase that to 50% of electronic turnover over the next five years.

Manufacturing is vertically integrated. The Indian facilities include a NABL-accredited EMI-EMC testing lab, a tool room, and multiple SMT lines. The new Nashik buildings will double production capacity when fully operational by H2

FY27. In Poland, a state-of-the-art electronics assembly line (SMT) was commissioned with 40% EU fund support, enabling production of complex medium-voltage controllers.

Certifications are a critical competitive moat. The company holds MID certification for European energy meters, UL certification for US-bound current transformers and power quality analysers, CE, ROHS, UKCA and BIS approvals. These certifications require significant investment in testing and redesign, making it difficult for new entrants to replicate.

Customers

Rishabh's customer base exceeds 3,000 globally and includes both OEMs and end-users. Named customers from the source documents include:

- ABB
- Siemens
- Endress+Hauser
- Sify (data centres)
- MR (high voltage)
- Yokogawa
- Pronotech (Spain)
- Intel (through EMS supply of laptop motherboards)

The buying relationship varies by segment. In EEI, customers are spread across geographies and industries, reducing concentration risk. Many products are sold through a network of 270+ dealers and distributors, as well as directly to OEMs. The company also acts as an OEM supplier for white-label customers, which account for under 20% of revenue.

For HPDC, customers are concentrated: a handful of large automotive and industrial accounts. Qualification cycles are long - often 6-12 months from RFQ to first delivery - because of tooling design and quality validation. Once a contract is won, switching costs are high because the product is custom-engineered and integrated into the customer's production line. This makes customer relationships sticky but also exposes the segment to sector downturns.

The company's modification centres in the US and UK take 'virtually finished goods' from factories and customise them to local specifications, enabling faster delivery and compliance.

Contract structure: EEI contracts are typically longer-term framework agreements with annual pricing negotiations. Solar inverter sales are B2B to EPC contractors and installers. HPDC contracts are multi-year supply agreements, often lasting 5-10 years with volume commitments.

Key customer wins mentioned in the documents: a €5 million multiyear contract with a leading German energy firm (through Lumel SA), and increasing business with Sify for data centre solutions.

Competitive landscape

The electrical instrumentation industry is fragmented but has large global players at the top. Rishabh competes with:

Schneider Electric, ABB, Siemens in electrical automation, metering, control and protection devices. These are larger, well-capitalised companies with broad portfolios and strong brand presence. Rishabh's advantage lies in its agility, lower overheads, and ability to develop niche products faster. The company can offer higher margins on custom solutions and has a stronger position in analog panel meters and current transformers, where it claims to be the largest manufacturer worldwide.

Chinese manufacturers (Huawei, Sungrow) in solar inverters. The Indian solar inverter market is flooded with Chinese products, often imported as SKDs and assembled locally. Rishabh has struggled to compete on price, but is now redesigning its inverters with aluminium die-cast enclosures and automated production to narrow the cost gap. It is not yet cost-competitive across all product ranges, but expects to be competitive in single-phase models up to 6.5 kW.

Global die-casting companies (Ryobi, Nemak) in the HPDC segment. The European die-casting industry has seen consolidation and many closures. Rishabh's Lumel Alucast is one of the few remaining players in Poland with a strong balance sheet and long-standing customer relationships. Its competitive edge comes from its location in Europe (proximity to customers) and its ability to serve both automotive and non-automotive sectors. However, it faces structural cost disadvantages vs. Chinese producers.

In the portable instrument segment, competition includes Megger, Fluke and Chauvin Arnoux. Rishabh focuses on value-for-money products with good feature sets and holds strong positions in certain regional markets.

The company's competitive position is strongest in low-voltage current transformers, analog panel meters and niche automation products where it has scale and certifications. It is weakest in solar inverters where Chinese players dominate.

Industry

The global electrical automation market was estimated at approximately USD 210 billion in 2024, according to the company's annual report. The Indian metering, control and protection market was projected to reach USD 864.5 million by 2027 at a 5.5% CAGR. The Indian solar inverter market is expected to grow at a 7.89% CAGR to 2033.

Demand drivers include:

- Increasing investments in electrification and grid modernization.
- Rapid expansion of renewable energy (solar, wind) requiring monitoring and control equipment.
- Smart metering programmes and building energy management.
- Industrial automation driven by Industry 4.0 and IoT adoption.
- Government initiatives like 'Make in India', PLI schemes for electronics and automotive, and the PM Suryaghar Muft Bijli Yojana for rooftop solar.
- Data centre construction boom in India, the US and Europe.
- Growing need for energy efficiency solutions due to high energy costs and ESG regulations (ISO 50001).

India's place in the global supply chain: India exports electrical instrumentation to over 100 countries. The country is seen as a stable alternative to China for sourcing, particularly under the 'China Plus One' strategy. Recent trade agreements - India-EU FTA and India-US trade arrangement - are expected to improve export competitiveness. However, US tariffs, currently at 18% (down from 25%), remain a headwind that the company manages through customer pricing adjustments and local stockholding.

Import substitution is a tailwind for domestic players. The government's mandatory BIS certification for certain products and the PLI scheme for electronics components encourage local manufacturing. Rishabh benefits from being an established Indian manufacturer with global certifications.

Regulation: Products must comply with BIS (India), UL (US), MID (Europe), CE, RoHS and REACH standards. The company invests heavily in certification. In solar inverters, MNRE recently added new standards (IS 17980:2022, IEC 61683) that require certification, which can act as a barrier to unorganised imports.

Cyclicality: The HPDC segment is strongly cyclical due to its dependence on automotive industry cycles and European industrial output. The EEI segment is less cyclical but sensitive to industrial capex cycles and government infrastructure spending. The company's diversified geographical presence across over 100 countries provides a buffer against regional downturns. As management noted, "the diversification is on the geographies, on the products also, on the industries also."

Growth triggers

- 20-25% revenue growth in the EEI segment in FY27, driven by supportive policy developments, new product launches, and geographic expansion. (Q4 FY26 concall, May 2026)
- Solar inverter business to ramp up from ~INR 10 crores in FY26 to INR 24-25 crores in FY27, following the successful launch of the redesigned single-phase iUNO inverter and plans for hybrid models. (Q4 FY26 concall, May 2026; Q1 FY26 concall, Aug 2025)
- US business targeted to reach INR 100 crores in 3-4 years, from a current run rate of ~USD 3 million, supported by UL-certified products, deeper customer engagement, and a dedicated sales team. (Q4 FY26 concall, May 2026)
- Doubling of production capacity at the Nashik facility by H2 FY27, with two new multi-storeyed buildings nearing completion, to support rising export and domestic demand. (Q3 FY26 concall, Feb 2026)
- Lumel Alucast turnaround to achieve double-digit EBITDA margins by FY28, driven by a shift to non-automotive customers, cost reductions, and new contract wins. (Q3 FY26 concall, Feb 2026)
- New product development expected to contribute 50% of the electronics segment turnover within five years, through a structured pipeline for medium-voltage products, energy meters, and automation solutions. (Q2 FY26 concall, Nov 2025)
- The India-EU Free Trade Agreement and India-US trade arrangements are expected to improve export competitiveness and reduce tariff friction, benefiting the EEI segment. (Q3 FY26 concall, Feb 2026)

Key risks

- Geopolitical uncertainties, including war in the Middle East and tariff impositions, could disrupt supply chains, increase input costs, and dampen demand in key markets. The company's diversified geographic footprint provides some buffer but cannot fully insulate it from a global shock.
- US tariffs on imports from India (currently reduced to 18% from 25%) and Europe could erode pricing competitiveness. The company mitigates this through local manufacturing, pricing adjustments with customers, and exploring Mexico-based assembly, but any further escalation would hurt export margins.
- Slowdown in European industrial activity, as governments shift spending toward defence, could weigh on Lumel SA's top line. The company is expanding into the Middle East, Africa, and Southeast Asia to compensate, but these markets take time to build.

- Automotive sector weakness in Europe directly impacts Lumel Alucast's volumes. The company is pivoting to non-automotive customers, but qualification cycles are long, and near-term revenue may remain depressed.
- Currency fluctuations, particularly EUR/INR and USD/INR, affect reported revenues and profitability of overseas subsidiaries. While the company uses natural hedging and pricing strategies, sustained adverse moves can compress margins.

Walk the talk

Management set a consolidated adjusted EBITDA target of INR 100 crores for FY26 at the start of the year. By the end of Q3 FY26, they had already surpassed it, and in Q4 FY26 they reported adjusted EBITDA of INR 136 crores, significantly exceeding the original guidance.

> *"We remain confident of achieving a full-year target of Rs. 100 crores in terms of EBITDA."*
>
> **DINESH MUSALEKAR, Q2 FY26 CONCALL (NOV 2025)**

> *"The year for the Rishabh Group was marked by substantial improvement in profitability, overall adjusted EBITDA doubling and reported EBITDA at approximately 2.5x last year's corresponding numbers."*
>
> **NARENDRA GOLIYA, Q4 FY26 CONCALL (MAY 2026)**

After the strong nine-month performance, management raised the target to INR 115-120 crores for FY26. The actual outcome of INR 136 crores again overshot the revised guidance.

> *"We are targeting adjusted EBITDA to reach about Rs.115 crores to Rs.120 crores by the end of financial year 2026"*
>
> **NARENDRA GOLIYA, Q3 FY26 CONCALL (FEB 2026)**

On the solar inverter business, management projected growth from INR 10 crores to INR 25 crores in FY27, and this was reiterated across multiple calls. The business turned operationally profitable in FY26, and the product redesign was completed.

> *"In solar business... we will grow from INR 10 crores to maybe INR 25 crores."*
>
> **DINESH MUSALEKAR, Q1 FY26 CONCALL (AUG 2025)**

> *"We are looking for INR25 crores -- INR24 crores, INR25 crores business in the coming financial year. It's doubling."*
>
> **DINESH MUSALEKAR, Q4 FY26 CONCALL (MAY 2026)**

For Lumel Alucast, management had guided a transition year with EBITDA around 5% in FY27. In FY26, adjusted EBITDA improved to INR 33 million (1.4% margin) from a loss of INR 150 million in FY25. The target of double-digit EBITDA is now set for FY28.

> *"Our target is to keep the EBITDA between around 5% for Lumel Alucast in FY27."*
>
> **DINESH MUSALEKAR, Q3 FY26 CONCALL (FEB 2026)**

> *"We are also pleased to report a meaningful progress at Lumel Alucast during the year through decisive actions... the business moved towards a more sustainable and profitable operating model."*
>
> NARENDRA GOLIYA, Q4 FY26 CONCALL (MAY 2026)

Scenarios

Bull case

The global push for electrification and renewable energy accelerates, and Rishabh captures disproportionate share through its broad product portfolio and competitive pricing. The EEI segment grows 25% annually for the next three years, driven by new product launches in medium-voltage, US market expansion, and solar inverter volumes scaling to INR 100 crores. The Nashik capacity doubling comes online on schedule, enabling seamless order fulfilment. Lumel Alucast successfully pivots to non-automotive customers, wins several large multi-year contracts, and reaches 12% EBITDA margins by FY28, eliminating the drag on group profitability. The company makes a bolt-on acquisition in the US that shortcuts certification timelines and doubles its addressable market in North America. Cash generation remains strong, allowing organic reinvestment without debt. The stock rerates as earnings compound.

Base case

The EEI segment grows 20% in FY27, in line with guidance, supported by steady export demand and a recovering European market. Solar inverter revenues reach INR 25 crores but remain a small part of the mix. The US business grows 40% to about USD 4.5 million, contributing meaningfully but not yet transformative. Lumel Alucast sees a moderate top-line decline to around INR 180 crores as legacy automotive contracts phase out, but EBITDA stays marginally positive (1-2%) as cost savings offset lower volumes. The Nashik facility is operational by H2 FY27 but requires a few quarters to ramp to full capacity. No major acquisitions occur. Consolidated EBITDA improves gradually as EEI growth outpaces Alucast's drag. The company remains net debt-free. Valuation multiples remain range-bound as investors wait for evidence of sustained high-teens returns.

Bear case

Global trade tensions escalate: US tariffs on India revert to 25% or higher, and Europe imposes new restrictions on imports, hurting export margins. The European industrial recession deepens, causing Lumel SA's revenues to decline 5-10% as customers defer capital expenditure. The solar inverter business fails to gain traction against aggressive Chinese pricing, stalling at INR 10-12 crores. Lumel Alucast's new customer wins are delayed, and the top line drops to INR 150 crores with negative EBITDA for another year, draining group cash flows. The Nashik capex is completed but remains underutilized due to weaker demand, depressing ROCE. Currency volatility, particularly a sharp depreciation of the euro, compresses reported profits. Multiple guidance misses erode investor confidence, and the stock de-rates. The company is forced to conserve cash, delaying R&D and market expansion.