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# RESEARCH ANNEXURE: RISHABH INSTRUMENTS (RISHABH)

**Mandate Type:** Structural Core / Tactical Satellite (Blended)

**Investment Horizon:** 12–24 Months

## 1. The "Global Niche Leader" Thesis

Rishabh Instruments is a global leader in Energy Efficiency Solutions. They are one of the few Indian companies that have successfully acquired and turned around European brands (Lumel in Poland).

**Supply Chain De-risking:** As global firms look for "China Plus One" partners, Rishabh's vertically integrated units in India and Poland make them a preferred supplier for European and US OEMs.

**Energy Transition Play:** Their products (Power Quality Analyzers, Solar String Inverters) are essential for the global shift toward green energy and industrial automation.

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## 2. Strategic Value Drivers

**Standalone Margin Expansion:** The Indian business is a "cash cow," with standalone EBITDA margins recently hitting 26.1% (Q2 FY26).

**Turnaround Story (LumelAlucast):** They are phasing out low-margin legacy contracts in their European die-casting business and shifting toward high-precision aluminum components for EVs—a high-margin segment.

**Capacity Expansion:** Two new multi-storied buildings in Nashik are expected to double production capacity by mid-2026, supporting a strong export pipeline.

## 3. Financial Snapshot (The "Institutional" Filter)

**Profitability Growth:** Standalone PAT increased by over 85% YoY in recent quarters, driven by cost optimization and operating leverage.

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**Debt Profile:** Extremely disciplined balance sheet with a Debt-to-Equity ratio below 0.20, providing a massive safety net for a ₹15 Cr mandate.

**Insider Confidence:** Strong promoter holding (~70%), signaling deep alignment between management and shareholders.

## 4. Risk Management (The "Tactical" View)

As a Discretionary Strategist, I monitor these specific risk triggers:

- **Fundamental Trigger:** Any sustained slowdown in the European industrial sector (which accounts for a large portion of export revenue) or failure to hit the ₹100 Cr EBITDA target for FY26.
- **Technical Trigger:** Breach of recent consolidation zones near the ₹360–380 levels on high volume.
- **Position Sizing:** Ideal for a 5–7% weightage. It serves as a "Low-Beta" core pick that provides stability when high-growth tech stocks are volatile.

## 5. Tactical Setup for "Satellite" Harvesting

- **Export Momentum:** I track monthly export data for electrical equipment. Strong data points serve as a signal for tactical "Satellite" entries.
- **Earnings Season Strategy:** Given their track record of 5x profit growth, I utilize a "Long-Bias" strategy in the 10 days leading up to quarterly results.

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