

March 16, 2017

Buy Around:	177.50
SL:	167
Target:	198
Upside:	12%
Horizon:	1 Month

VALUE PARAMETERS

Price (Rs)	175.75
52 W H/L(Rs)	182.65/113.90
Mkt. Cap.(Rs Cr)	43016.57
Latest Equity(Subscribed)	489.52
Latest Reserve (cons.)	32682.98
Latest EPS (cons.) -Unit Curr.	2.61
Latest P/E Ratio -cons	67.34
Latest Bookvalue (cons.) -Unit Curr.	135.53
Latest P/BV - cons	1.30
Dividend Yield -%	0.27
Face Value	2.00

STOCK DATA

BSE Code	500103
NSE Symbol	BHEL
Reuters	BHEL.BO
Bloomberg	BHEL IN

SHARE HOLDING PATTERN (%)

Description as on	% of Holding
	31/03/2017
Foreign	16.10
Institutions	16.43
Govt Holding	0.00
Non Promoter Corp. Hold.	0.72
Promoters	63.06
Public & Others	3.70

Good order book and increasing its presence in solar, company is one of the very few organizations in the country that has expertise in the critical parts of the silicon value chain, viz, processing of silicon wafer to cell, processing of cell to PV module and in design, supply, installation, commissioning and O&M of ground-mounted and rooftop PV power plants and thus offers turnkey EPC solutions. Over the last few years it has added several balance of system (BOS) equipment like power control unit (PCU), HT panels, SCADA system and power transformers to its offering for solar PV plant.

BUSINESS PROFILE

Bhel is an integrated power plant equipment manufacturer and one of the largest engineering and manufacturing company of its kind in India engaged in the design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for core sectors of the economy, viz. power, transmission, industry, transportation (railways), renewable energy, oil & gas, water and defence with over 180 products offerings to meet the needs of these sectors. The Government of India currently holds 63.06% stake (as per the shareholding pattern as on 31 March 2017).

INVESTMENT RATIONALE

- It operates in two segments: Power and Industry. In its Industry segment, it provides a portfolio of products, systems and services for power plants, power utilities, oil and gas, metallurgical and mining, and process industries, such as cement, fertilizers, sugar and paper. In its Power segment, it supplies steam turbines, generators, boilers and its auxiliaries approximately 1,000 Megawatt (MW); Supplies hydro turbines and generators of approximately 250MW, and Manufactures 220/235/540/550/700MW nuclear turbine generator sets.
- The company has enhanced its manufacturing lines of solar cells to 105 MW and solar modules to 226 MW per annum. Keeping up with its green commitment, the company has also set up 11.5 MWp of solar power plants in its units at Ranipet, Trichy and Hyderabad. During the year FY2016-2017, it has secured orders for 131 MW of ground-mounted and about 8 MW of rooftop solar PV plants. In addition, also secured its first order for 240 solar PV based pumping stations.
- It has reported net profit of Rs 93.54 crore in Q3 December 2016 as against net loss of Rs 1084.96 crore in Q3 December 2015. Net sales rose 18.3% to Rs 6187.48 crore in Q3 December 2016 over Q3 December 2015.

TECHNICAL TRENDS



We recommend a buy in the stock of BHEL Ltd for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 113.90 and 52 week high of Rs 182.65. Buy around at 177.50 with a closing below stop loss of Rs.167 levels for the target of Rs.198.

Note:

- Follow Strict Stop Loss.

E-mail: researchfeedback@smcindiaonline.com



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Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:

18, Rabindra Sarani,
Poddar Court, Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

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