

## BHEL LIMITED

## RECOMMENDATION: BUY

**Buy Around: 140.50**

**SL: 126**

**Target: 162**

**Upside: 15%**

**Horizon: 1 Month**

### VALUE PARAMETERS

Price (Rs)	139.80
52 W H/L(Rs)	182.65/116.15
Mkt. Cap.(Rs Cr)	34217.45
Latest Equity(Subscribed)	489.52
Latest Reserve (cons.)	31899.47
Latest EPS (cons.) -Unit Curr.	1.86
Latest P/E Ratio -cons	75.17
Latest Bookvalue (cons.) -Unit Curr.	132.33
Latest P/BV - cons	1.06
Dividend Yield -%	1.13
Face Value	2.00

### STOCK DATA

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

### SHAREHOLDING PATTERN

(As on 31 Mar 2017)	% Of Holding
Foreign	16.01
Institutions	16.62
Govt Holding	0.00
Non Promoter Corp. Hold.	0.78
Promoters	63.06
Public & Others	3.53

Note: Follow Strict Stop Loss.

**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.

Order intake in Q4FY17 is about Rs 16657 crore and of which the Bangladesh orders is about Rs 10000 crore; Industrial sector orders were about Rs 3500 crore, Service & spares was Rs 900 crore and balance is from power sector. Executable portion of the current order book has improved compared to corresponding previous period and is at about Rs 66000 crore. The company has outstanding order book position of Rs 105200 crore as on 31 March 2017.

On a consolidated basis, It has reported net profit of Rs 455.18 crore in the year ended 31 March 2017 (FY 2017) as compared with net loss of Rs 705.58 crore in FY 2016. Total income rose 7.23% to Rs 28,965.83 crore in FY 2017 over FY 2016.



**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. 116.15 and 52 week high of Rs 182.65. Buy around at 140.50 with a closing below stop loss of Rs.126 levels for the target of Rs.162.**



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