

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs2575	29.1	Hold	Rs3000	16%

*as on 12th May, 2026

About the Company:

Bharat Bijlee Limited (BBL) is one of the leading players in the electrical engineering industry in India. The company operates through two divisions namely Power Systems and Industrial Systems. The different products of the company include Transformers, Projects, Electric Motors, Elevator Systems, Drives and Automation. The manufacturing facilities of BBL are located at Airoli in Navi Mumbai.

Results: Quick Glance:

- The net sales for the quarter reported a growth of 23.9% to Rs7,671mn as compared to Rs6,191mn in Q4FY25
- The Ebitda margins for the quarter stood at 7.2% as compared to 10.2% in the comparative quarter last year
- The company reported profit of Rs393mn as compared to Rs503mn in the same quarter last year
- The EPS for the quarter stood at Rs34.76 as compared to Rs44.51 in the corresponding period of last year
- On the segmental, Power division reported a growth of 26.6% on a y-o-y basis and growth of 49.7% on a q-o-q basis whereas, Industrial division reported a growth of 18.8% on a y-o-y basis and increase of 12.4% on a q-o-q basis
- For FY26, the revenues came in at Rs22,738mn as compared to Rs19,017mn; growth of 19.6% while the PAT stood at Rs1,201mn as against Rs1,337mn. The EPS came in at Rs106.2 as against Rs118.2 in FY25
- The Board has recommended a dividend of Rs35 per equity share of FV of Rs5 each subject to shareholders' approval

Financials:

Performance (Q4&FY26)									
Q4&FY26 Result (Rs mn)	Mar-26	Mar-25	y-o-y	Dec-25	q-o-q	FY26	FY25	y-o-y	FY27E
Total Revenue	7671	6191	23.9%	5684	35.0%	22738	19017	19.6%	25599
EBITDA	552	634	(12.9%)	343	60.9%	1580	1673	(5.6%)	1792
Other Income	99	135	(26.9%)	92	6.8%	411	435	(5.5%)	441
Interest	64	38	69.6%	49	29.3%	172	125	37.6%	260
Depreciation	62	50	23.9%	54	14.5%	217	193	12.5%	274
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	132	178	(25.9%)	85	54.9%	401	454	(11.7%)	431
Net Profit	393	503	(21.9%)	247	59.2%	1201	1337	(10.1%)	1267

Outlook and Recommendations:

During the quarter under review, although the revenues have increased, the overall profitability has been under stress. The company has reported highest-ever quarterly revenues with growth of 23.9% y-o-y; indicating strong order execution as well as demand momentum being fairly intact. The gross margins have come in lower at 21.1% for the quarter. Ebitda margins have been under pressure at 7.2% for the quarter compared to 10.2% in the same quarter last year; this is despite the volume growth, indicating adverse product mix shifts or input costs (RM like copper, steel) being higher and not being able to be passed on to the customers. This has translated into profits coming in lower by 21.9% y-o-y. The full year numbers also reported the same situation of 19.6% y-o-y growth in revenues but the poor operating leverage that led to lower profits. With regard to the segmental performance, the power segment (majorly includes transformers, turnkey projects for electrical sub-stations and maintenance products) revenues grew by 26.6% y-o-y, but margin compression has been witnessed. There is continuous demand seen in the grid/transformer/EPC kind of businesses in the industry; BBL can play a critical role in the tailwinds seen in the current T&D cycle. As far as the industrial segment is concerned (includes electric motors, drives & automation systems and magnet technology machines), revenues grew by 18.8% y-o-y, but there is clear pricing pressure seen in the overall industrial cycle which too appears to be weak.

Outlook and Recommendations (contd.):

BBL continues to be the conductor of the electrical orchestra; electrical engineering being the key to strong growth across major sectors with its offerings being power transformers, switchyards, electric motors, drives & automation systems and permanent magnet technology machines to name a few. It is one of the leading players in the domestic transformer as well as the electrical motor industry and receives repeat orders from various SEBs and private players, along with a healthy retail presence in the motors segment. Working capital seems to be having some stress with increase in the inventories which could be because of demand mismatch or some delay by customers or project delays owing to price fluctuations. While at the same time, the company has shown immense increase in the overall receivables. The planned expansion is underway (the capacity will increase to 28,000MVA p.a.), expected to be completed by FY28E; which is indicated from the CWIP/Balance Sheet. There has been a sharp increase in the interest outgo as well reflecting higher WC requirements to support the growing order book. The company has some short-term borrowing ~Rs3010mn as compared to Rs800mn in FY25. Despite the current stress in the cash flows, the company has good cash/equivalents (Rs2,304mn) in the BS and has been generous in sharing Rs35 per equity share of FV of Rs5. The company has reported good revenue growth coupled with a small capex which is indicating consistent demand in the industry, however, the quality of growth is currently in a tough situation. Investments in the power and capital goods sector are critical for the company to ramp up its scale of operations and improve its profitability and return indicators. It has been working to expand its geographical reach and strengthen the channel network with continued cost optimization efforts. It has established presence and proven track record to solidify its position as a key player in India's electrical engineering landscape. Pick up in private capex, deployment by the government, global supply chain would be some of the uncertain factors to watch out for at the current juncture. We have tweaked the numbers accordingly and maintain a hold on the stock for a revised target of Rs3000.

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