Research Report

BHEL LTD

Prepared By-

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Company Overview

Bharat Heavy Electricals Limited (BHEL) is India's largest engineering and manufacturing PSU, engaged in design, engineering, manufacture, erection, testing, commissioning and servicing of a wide range of products for Power, Transmission, Industry, Transportation, Renewable Energy, Oil & Gas, and Defence sectors. Incorporated in 1964 and headquartered in New Delhi, BHEL is wholly owned/controlled by the Government of India (63.17% promoter holding). The company operates 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, and 15 regional marketing centres across India. BHEL is the flagship CapEx arm of India's power infrastructure expansion, with an all-time-high order book of ₹1,95,922 Crore as of March 2025.

Key Business segments

- Power: ~75% of revenue; thermal, hydro, nuclear turbines, boilers, generators
- Industry: Transformers, compressors, motors, drives, defense products
- Exports: Projects executed in 80+ countries; growing defense exports
- Renewables: Solar, wind turbine generators, battery storage — emerging segment

Synopsis of Financials

Revenues grew 2.26% YoY to ₹23,893 Cr in FY25, driven by power sector orders, though core operations remain loss-making (OPM -17.6%), offset by other income. TTM figures show stronger performance at ₹30,465 Cr revenue and ₹814 Cr profit.

Profitability & Efficiency

- ROE: 2.17% (FY25), low at ~2% over 3 years
- ROCE: 4.95% (FY25), 4.87% recent
- Debt/Equity: 0.36x, stable
- P/E (TTM): 105-112.5x, trading at 3.5x book value (₹70/share)
- Working Capital Days: Increased to 99 days; CCC at 106 days

Source: Company Annual Report

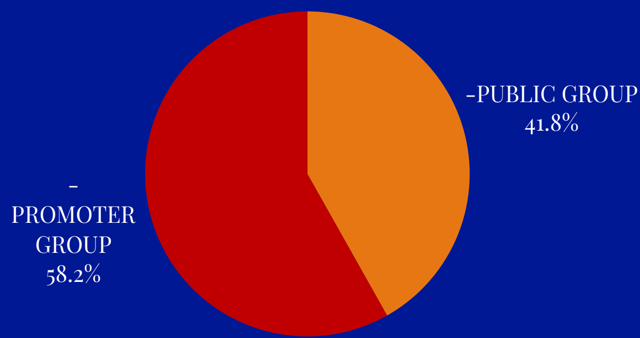
Stock data (as 16th April 2026)

Nifty Price	: 24,196.75
52 week High (in Rs.)	: 312.30
52 week Low (in Rs.)	: 205.12
Market Cap. (in Crore)	: 1,08,118.07
NSE Code	: INE257A01026

Stock data

-BHEL
-NIFTY 50

Shareholding Pattern (March 2026)



Financial Summary

Particulars	Mar 2023	Mar 2024	Mar 2025
Sales -	23,365	23,893	28,339
Sales Growth	10.15%	2.26%	18.61%
Expenses +	22,321	23,182	26,940
Operating Profit	1,044	711	1,399
OPM %	4%	3%	5%
Tax %	9%	-16%	28%
Net Profit +	654	282	534
EPS in Rs	1.88	0.81	1.53

Quaterly Results

Particular	Dec 2024	Mar 2025	Jun 2025	Sep-25	Dec 2025
Sales -	7,277	8,993	5,487	7,512	8,473
YOY Sales Growth %	32.22%	8.88%	0.04%	14.09%	16.44%
Expenses +	6,973	8,162	6,024	6,931	7,928
Operating Profit	304	832	-537	581	545
OPM %	4%	9%	-10%	8%	6%
Other Income +	126	159	185	189	235
Interest	184	201	181	195	182
Depreciation	68	85	75	75	78
Profit before tax	179	704	-608	499	520
Tax %	25%	28%	-25%	25%	25%
Net Profit +	135	504	-456	375	390
EPS in Rs	0.39	1.45	-1.31	1.08	1.12

Source: Screener

Source: Annual Report

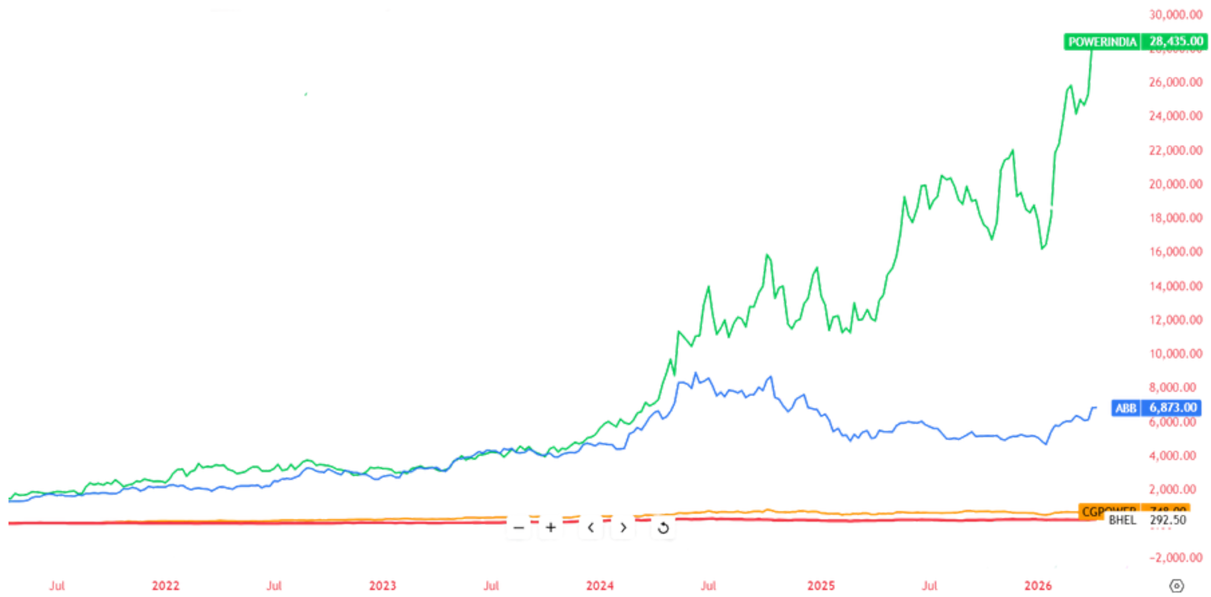
Yearly Results

Particulars	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Equity Capital	696	696	696	696	696
Reserves	25,287	25,810	23,682	23,742	24,026
Borrowings +	4,951	4,830	5,454	8,856	9,015
Other Liabilities +	25,025	25,654	27,832	26,489	35,112
Total Liabilities	55,960	56,991	57,664	59,784	68,849
Fixed Assets +	2,491	2,398	2,476	2,574	2,947
CWIP	420	431	354	308	195
Investments	185	205	235	256	276
Other Assets +	52,864	53,956	54,599	56,646	65,431
Total Assets	55,960	56,991	57,664	59,784	68,849

Source: Screener

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
A B B	6867.25	87.16	145496.1	0.57	432.85	-18.35	3557.01	5.71	29.9
Siemens	3576.9	77.82	127380.7	0	277.8	-10.62	3830.7	14.01	15.83
Hitachi Energy	28430.35	143.69	126720.7	0.02	261.42	119.97	2082.21	28.51	19.44
CG Power & Ind	747.35	105.85	117784	0.17	283.91	18.42	3175.35	26.22	37.48
B H E L	292.45	125.03	101804.6	0.17	390.4	189.83	8473.1	16.44	4.87

Source: Screener

Synopsis Quarter Results

Bharat Heavy Electricals Ltd (BHEL), NSE: BHEL, is a leading PSU engineering firm focused on power generation equipment, EPC projects, and industrial systems. Market cap stands at approximately ₹85,500 Cr with promoter holding at 63.2%.

Annual Financials (FY25 Consolidated)
Revenue from operations reached ₹23,893 Cr, with operating profit at -₹4,201 Cr reflecting core challenges offset by other income. Net profit was ₹282 Cr, translating to EPS of ₹1.53. ROE was 2.17% and debt-to-equity ratio 0.36x. TTM figures show revenue at ₹30,465 Cr, PAT at ₹814 Cr, and EPS at ₹2.34, with P/E around 105x.

Quarterly Results (Latest Q3 FY26 – Dec 2025,
For Q3 FY26, revenue from operations was ₹8,473 Cr, EBITDA ₹772 Cr, PBT ₹520 Cr, and net profit ₹390 Cr with EPS ₹1.12. Q2 FY26 had revenue ₹7,512 Cr, EBITDA ₹581 Cr, and PAT ₹375 Cr (EPS ₹1.08). For 9M FY26 (Apr-Dec), revenue totaled ₹21,472 Cr, EBITDA ₹1,183 Cr, PBT ₹397 Cr, and PAT ₹295 Cr.

Key Highlights
Q3 FY26 revenue of ₹8,473 Cr came on strong power segment (₹6,322 Cr) and industry execution, with OPM around 6%. The 9M FY26 revenue of ₹21,472 Cr scales above FY25 pace, with PAT turnaround to ₹295 Cr. Order book remains healthy with inflows like 800 MW EPC projects, supporting FY26 visibility. Valuation trades at 3.5x book value (BV ₹70/share) and dividend yield 0.20%. Outlook favors execution discipline and power capex; Q4 FY26 results due May 2026.

Source: Screener

Final Outlook

BHEL: HOLD ₹309.26

Bharat Heavy Electricals Ltd (BHEL) reported FY25 consolidated revenue of ₹23,893 Cr, with net profit at ₹282 Cr and EPS ₹1.53; TTM figures improved to revenue ₹30,465 Cr and PAT ₹814 Cr (EPS ₹2.34). Quarterly momentum in Q3 FY26 showed revenue ₹8,473 Cr, EBITDA ₹772 Cr, and PAT ₹390 Cr, contributing to 9M FY26 revenue of ₹21,472 Cr and PAT ₹295 Cr. Key metrics include ROE 2.17%, debt/equity 0.36x, and P/E ~105x at 3.5x book value (₹70/share). The ₹2.2 lakh Cr order book underpins scale, with power segment driving ₹6,322 Cr in Q3 revenue.

Revenue follows Ind AS 115 phasing from EPC milestones, while profitability relies on gross margins offset by other income amid core OPM challenges. DuPont analysis highlights working capital cycle impacts (99 days), with ROE tied to turnover and leverage. Porter's framework notes high entry barriers and PSU client dynamics. Diversification into HVDC, railways, and renewables reduces thermal reliance, supported by recent NTPC/Adani orders. Valuation via DCF emphasizes FCF from backlog conversion.

Short-term Q4 FY26 targets ~₹30,000 Cr revenue; FY27 inflows ~₹49,000 Cr amid capex revival. Consensus targets ₹225-₹375, with technical support ₹254-₹276. BHEL suits Hold for long-term infra exposure, leveraging order visibility and PSU stability – accumulate dips for upside potential.