PL Capital
PRABHUDAS LILLADHER

# Bharat Electronics (BHE IN)

Q2FY27 Result Update

November 04, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

**Change in Estimates**

| | Current | | Previous | |
|---|---|---|---|---|
| | FY28E | FY29E | FY28E | FY29E |
| Rating | Buy | | Accumulate | |
| Target Price | 490 | | 452 | |
| Sales (INR mn) | 373,264 | 432,249 | 369,211 | 428,966 |
| *% Chng.* | *1.1* | *0.8* | | |
| EBITDA (INR mn) | 108,209 | 126,390 | 105,927 | 123,285 |
| *% Chng.* | *2.2* | *2.5* | | |
| EPS (INR) | 11.3 | 13.2 | 11.3 | 13.2 |
| *% Chng.* | - | - | | |

| Key Data | BAJE.BO \| BHE IN |
|---|---|
| BSE Code | 500049 |
| NSE Code | BEL |
| 52-W High / Low | INR 473 / INR 354 |
| Face Value | 1 |
| Sensex / Nifty | 76,918 / 23,811 |
| Market Cap | INR 2,778 bn / $ 29,325 mn |
| Shares Outstanding | 7309.78 mn |
| 3M Avg. Daily Value | INR 4,325.23 mn |

**Shareholding Pattern (%)**

| | |
|---|---|
| Promoters | 51.14 |
| FIIs | 16.99 |
| Mutual funds | 14.90 |
| Domestic Institutions | 6.97 |
| Public & Others | 10 |
| Promoter's Pledge | - |

**Stock Performance (%)**

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Absolute | (0.8) | (3.1) | (11.9) | (10.0) |
| Relative | (7.2) | (0.9) | (11.9) | (1.7) |

**Key Financials - Standalone**

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| Sales (INR mn) | 274,796 | 323,172 | 373,264 | 432,249 |
| EBITDA (INR mn) | 80,153 | 93,364 | 108,209 | 126,390 |
| *Margin (%)* | *29.2* | *28.9* | *29.0* | *29.2* |
| PAT (INR mn) | 60,485 | 70,896 | 82,514 | 96,603 |
| EV (INR mn) | 2,694,915 | 2,691,348 | 2,687,609 | 2,685,036 |
| Total Debt (INR mn) | 655 | 655 | 655 | 655 |
| C&C Eq. (INR mn) | 84,187 | 87,754 | 91,493 | 94,065 |
| EPS (INR) | 8.3 | 9.7 | 11.3 | 13.2 |
| *Gr. (%)* | *14.4* | *17.2* | *16.4* | *17.1* |
| DPS (INR) | 2.2 | 4.7 | 5.4 | 6.3 |
| *Yield (%)* | *0.6* | *1.2* | *1.4* | *1.7* |
| *RoE (%)* | *27.9* | *27.0* | *26.5* | *26.5* |
| *RoCE (%)* | *34.4* | *33.2* | *32.6* | *32.8* |
| EV/Sales (x) | 9.8 | 8.3 | 7.2 | 6.2 |
| EV/EBITDA (x) | 33.6 | 28.8 | 24.8 | 21.2 |
| PE (x) | 45.9 | 39.2 | 33.7 | 28.8 |
| P/BV (x) | 11.7 | 9.7 | 8.3 | 7.1 |

## Strong execution; Order pipeline remains intact

**Quick Pointers**

- Management maintained its FY27 revenue growth guidance of ~15%+, with 28% EBITDA margins and ~INR550bn order intake (inc. QRSAM).
- BEL expects ~INR200bn orders for electronic systems from GSL and GRSE, with staggered awards largely in FY27 and execution over ~4 years.

**Bharat Electronics (BEL) reported a healthy 2QFY27 performance, with revenue increasing 26.5% YoY, while EBITDA margin contracted 144bps YoY to 28.0% due to a lower gross margin. Order book stood at INR687.2bn providing healthy execution visibility, with key programs including Electronic Fuses, LCA MK1A, LR-SAM, BMP-2 upgrades, Ashwini Radar and EW Suites for Mi-17 accounting for ~INR176bn. Management reiterated FY27 revenue growth guidance of 15%+, EBITDA margin of ~28% and minimum order inflows of INR250bn, excluding QRSAM (INR300bn). The ~INR200bn NGC opportunity is expected to translate into staggered orders from GSL and GRSE, largely by FY27-end. QRSAM is expected shortly, subject to government clearance, with BEL confident of retaining its role given its decade-long development experience. Management has proactively initiated QRSAM-related activities to accelerate execution and mitigate potential delays. Other key order prospects, including Shatrughat, Samaghat and HAMMER, along with P-75I (potentially deferred to FY28), provide additional order pipeline visibility. BEL is witnessing increasing traction in drones and counter-drone systems, with larger orders expected over the next 1–2 years. Missile electronics, seekers, electronic warfare and cybersecurity remain key medium-to-long-term growth areas. Management expects to meet its FY27 guidance, supported by improving delivery performance, supply-chain readiness and a strong order pipeline. The stock is currently trading at PE of 33.7x/28.8x on FY28E/FY29E. We upgrade our rating from 'Accumulate' to 'Buy' factoring in strong order and revenue visibility from large program opportunities like QRSAM & NGC. We roll forward to Sep'28E valuing the stock at a PE of 40x Sep'28E (40x Mar'28E) arriving at a TP of INR490 (INR452 earlier)**

**Long term View:** We remain positive on long-term growth story of BEL given 1) strong order backlog & strong multi-year order pipeline 2) diversification in newer business verticals like data centres, cyber-security, drones and quantum communication to aid non-defense growth and 3) govt's focus on product indigenization.

**Quarter Summary**

| Y/e Mar | Q2'27E | Q2'27A | *% Var.* | Q2'26A | *YoY gr. (%)* |
|---|---|---|---|---|---|
| Net Sales (INR mn) | 65,032 | 72,909 | *12.1* | 57,637 | *26.5* |
| EBITDA (INR mn) | 17,754 | 20,395 | *14.9* | 16,953 | *20.3* |
| *Margin (%)* | *27.3* | *28.0* | *70 bps* | *29.4* | *(140) bps* |
| PAT (INR mn) | 13,788 | 15,407 | *11.7* | 12,861 | *19.8* |

*Source: Company, PL*

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**Strong execution; margin contraction on a higher base:** Standalone revenue grew 26.5% YoY to INR72.9bn (PLe: INR65.0bn). Gross margin contracted by 516bps YoY to 45.8% on a higher base (50.9% in Q2FY26). EBITDA grew 20.3% YoY to INR20.4bn (PLe: INR17.8bn). EBITDA margin contracted by 144bps YoY to 28.0% (Ple: 27.3%) due to lower gross margin partially offset by better operating leverage. PBT grew 19.0% YoY to INR20.6bn (PLe: INR18.4bn) driven by higher other income (+19.7% YoY to INR1.9bn). Adj. PAT rose 19.8% YoY to INR15.4bn (Ple: INR13.8bn) with a marginal decline in effective tax rate to 25.4% (vs. 25.8% in Q2FY26).

**Order book stands strong at ~INR687.2bn (2.3x TTM sales):** Order intake for Q2 FY27 stood at ~INR35bn. Order intake guidance for FY27 is unchanged at ~INR250bn excluding QRSAM order worth ~INR300bn. The company's order book remained strong at ~INR687.2bn (2.3x TTM sales).

Exhibit 1: **Quarterly Estimates**

| (INR mn) | Q1FY27 | *YoY gr. (%)* | Q2FY27 | *YoY gr. (%)* | Q3FY27E | *YoY gr. (%)* | Q4FY27E | *YoY gr. (%)* |
|---|---|---|---|---|---|---|---|---|
| Sales | 55,331 | *25.3%* | 72,909 | *26.5%* | 79,918 | *12.2%* | 1,15,015 | *13.0%* |
| EBITDA | 13,892 | *12.0%* | 20,395 | *20.3%* | 23,016 | *8.7%* | 36,061 | *21.7%* |
| *Margin (%)* | *25.1* | *(296.6)* | *28.0* | *(144.1)* | *28.8* | *(93.4)* | *31.4* | *224.5* |
| Adj. PAT | 10,483 | *8%* | 15,407 | *20%* | 17,652 | *11%* | 27,898 | *27%* |

*Source: Company, PL*

Exhibit 2: **Strong execution led revenue growth of 26.5% YoY to INR72.9bn while EBITDA margin contracted 144bps YoY to 28.0%**

| (INR mn) | Q2FY27 | Q2FY26 | *YoY gr. (%)* | Q2FY27E | *% Var.* | Q1FY27 | *QoQ gr. (%)* | H1FY27 | H1FY26 | *YoY gr. (%)* |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **72,909** | **57,637** | ***26.5%*** | **65,032** | ***12.1%*** | **55,331** | ***31.8%*** | **1,28,239** | **1,01,805** | ***26.0%*** |
| Gross Profit | 33,375 | 29,357 | *13.7%* | 31,215 | *6.9%* | 25,173 | *32.6%* | 58,548 | 52,875 | *10.7%* |
| *Margin (%)* | *45.8* | *50.9* | *(516)* | *48.0* | *(222.3)* | *45.5* | *28* | *45.7* | *51.9* | *(628)* |
| Employee Cost | 7,602 | 7,612 | *-0.1%* | 8,064 | *-5.7%* | 7,864 | *-3.3%* | 15,467 | 14,514 | *6.6%* |
| *as % of sales* | *10.4* | *13.2* | *(278)* | *12.4* | *(197.3)* | *14.2* | *(379)* | *12.1* | *14.3* | *(220)* |
| Other expenditure | 5,378 | 4,793 | *12.2%* | 5,398 | *-0.4%* | 3,417 | *57.4%* | 8,795 | 9,008 | *-2.4%* |
| *as % of sales* | *7.4* | *8.3* | *(94)* | *8.3* | *(92.4)* | *6.2* | *120* | *6.9* | *8.8* | *(199)* |
| **EBITDA** | **20,395** | **16,953** | ***20.3%*** | **17,754** | ***14.9%*** | **13,892** | ***46.8%*** | **34,287** | **29,353** | ***16.8%*** |
| *Margin (%)* | *28.0* | *29.4* | *(144)* | *27.3* | *67.3* | *25.1* | *287* | *26.7* | *28.8* | *(210)* |
| Depreciation | 1,633 | 1,185 | *37.8%* | 1,400 | *16.6%* | 1,526 | *7.0%* | 3,159 | 2,314 | *36.5%* |
| **EBIT** | **18,762** | **15,769** | ***19.0%*** | **16,354** | ***14.7%*** | **12,366** | ***51.7%*** | **31,128** | **27,039** | ***15.1%*** |
| *Margin (%)* | *25.7* | *27.4* | *(162)* | *25.1* | *58.6* | *22.3* | *338* | *24.3* | *26.6* | *(229)* |
| Other Income | 1,904 | 1,591 | *19.7%* | 2,100 | *-9.3%* | 1,674 | *13.8%* | 3,578 | 3,227 | *10.9%* |
| Interest | 26 | 17 | *57.0%* | 20 | *29.5%* | 12 | *123.3%* | 38 | 31 | *21.4%* |
| **PBT (ex. Extra-ordinaries)** | **20,640** | **17,343** | ***19.0%*** | **18,434** | ***12.0%*** | **14,028** | ***47.1%*** | **34,669** | **30,235** | ***14.7%*** |
| *Margin (%)* | *28.3* | *30.1* | *(178)* | *28.3* | *(3.6)* | *25.4* | *296* | *27.0* | *29.7* | *(267)* |
| Extraordinary Items | - | - | | - | - | - | - | - | - | - |
| **PBT** | **20,640** | **17,343** | ***19.0%*** | **18,434** | ***12.0%*** | **14,028** | ***47.1%*** | **34,669** | **30,235** | ***14.7%*** |
| Total Tax | 5,233 | 4,482 | *16.8%* | 4,645 | - | 3,545 | *47.6%* | 8,778 | 7,683 | *14.3%* |
| *Effective Tax Rate (%)* | *25.4* | *25.8* | *(49)* | *25.2* | - | *25.3* | - | *25.3* | *25.4* | *(9)* |
| **Reported PAT** | **15,407** | **12,861** | ***19.8%*** | **13,788** | ***11.7%*** | **10,483** | ***47.0%*** | **25,891** | **22,553** | ***14.8%*** |
| **Adj. PAT** | **15,407** | **12,861** | ***19.8%*** | **13,788** | ***11.7%*** | **10,483** | ***47.0%*** | **25,891** | **22,553** | ***14.8%*** |
| **Adj. EPS** | **2.1** | **1.8** | ***19.8%*** | **1.9** | ***11.7%*** | **1.4** | ***47.0%*** | **3.5** | **3.1** | ***14.8%*** |

*Source: Company, PL*

## Conference Call Highlights:

**Guidance:** Management maintained its FY27 revenue growth guidance of 15%+ for FY27, with EBITDA margins of 28% and order inflows of ~INR250bn (Excl. QRSAM worth ~INR300bn). The company expects R&D expenditure of ~INR22bn, CAPEX OF ~INR12bn and a Defense/non-Defense mix of 90%/10%.

**Order Book and Execution:** The order book stood at ~INR687.2bn as of Oct'26, with H1FY27 order inflows of ~INR73.3bn. The order book comprises 300+ projects, with Electronic Fuses (~INR42bn), LCA MK1A (~INR32bn), LR-SAM (~INR29bn), BMP-2 upgrades (~INR26bn), Ashwini Radar (~INR25bn), EW Suites for Mi-17 (~INR22bn), and an Export order (~INR17bn). Management aims to ensure a more evenly distributed execution schedule across the year, avoiding quarterly concentration of deliveries, while targeting on-time execution or delivery 1-2 months ahead of committed timelines.

**Order Pipeline:** Management highlighted a healthy pipeline of large opportunities for the remainder of FY27, led by QRSAM (~INR300bn), and NGC (~INR200bn). Bid for QRSAM is submitted and the order is expected shortly, potentially following the next CCS approval, while NGC orders for radars, communication systems, EW equipment and other electronics are expected largely by FY27 end. Other potential order inflows include Shatrughat, Samaghat and HAMMER. The P-75I program remains uncertain and could move to the next financial year.

**Margins:** Management maintained its FY27 EBITDA margin guidance of ~28%, noting that quarterly margins will fluctuate depending on execution schedules and product mix. Nomination-based orders do not necessarily command higher margins than competitive orders, with profitability depending on product complexity, indigenous content, in-house R&D and customisation.

**QRSAM: M**anagement expressed high confidence in the QRSAM (~INR300bn) being placed shortly, potentially following the next CCS approval. The company has been involved in the program since its development phase and is the nominated production agency. The scope covers the complete air defense system, including radars, launchers, communication systems and integration. BEL has proactively initiated preparatory activities including QT and FOPM realization, to compress timelines once the order is received. Management also expects potential for follow on orders over time, with periodic technology updates.

**Next-Generation Corvettes (NGC):** Company expects orders of ~INR200bn under the NGC programme for radars, communication systems, EW equipment and other electronics. The equipment has undergone a multi-vendor process and is now classified as Buyer Nominated Equipment (BNE). Formal orders may start coming immediately, although some line items may take up to 6 months depending on negotiations. Management expects nearly all orders by FY27-end, with some potentially slipping into April. Execution is expected over 3-4 years, potentially extending beyond four years depending on shipyard schedules.

**Drones & Counter-Drone:** Management identified drones and counter-drone systems as a major growth opportunity, with applications spanning surveillance, kamikaze systems, long-range drones, drone interception and logistics. BEL is working with 6-8 startups alongside its in-house R&D, focusing on developing ruggedised and reliable systems suited to defence environments, including operations under jamming conditions. The company has secured smaller orders of INR0.5-1bn this year and expects larger opportunities to materialise over the next 1-2 years. In counter-drone systems, BEL is developing high-end solutions with hard-kill capabilities and high-power microwave directed-energy weapons through in-house development and collaboration with DRDO.

**Missiles & Seekers:** BEL is a DCPP for DRDO's LRLACM and Pralay programmes and is involved in 3-4 other strategic missile programmes. While it does not manufacture large missiles or ammunition, it undertakes missile integration, including hot integration at TNEL. Electronics account for 60-70% of missile cost, offering opportunities across the value chain. BEL also supplies RF and IR seekers for programmes such as Akash and Astra. Its new Industry 4.0 facility at Nimmaluru has annual capacity of 1,000+ seekers, which can be scaled up 2-3x.

**Other programs:** BEL and L&T have formed a 50:50 consortium for AMCA, with technical evaluation of the submitted bid expected over the next 2-3 months and price bid potentially opening before FY27-end. BEL has received a development order for Virupaksha radar, with production orders expected around FY28-29 subject to airborne qualification. It has also secured orders of INR7.7bn for Low-Level Lightweight Radar and INR12.5bn for GBMES. Other initiatives include developing engine control systems for heavy-duty combat vehicles with Midhani and BEML, evaluating partners for the HAPS programme and integrating AI and network connectivity into defence systems. Management also expects rising demand for EW systems and upgrades.

**Cyber security:** BEL has established a separate Network and Cyber Security SBU at Bengaluru, targeting civilian and critical infrastructure applications. It has civilian cyber-security orders of INR4-5bn under execution, with a strong pipeline of opportunities in the future. Defence cyber-security capabilities continue to be developed in-house and integrated into broader C4I systems.

## Financials

### Income Statement (INR mn)

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Net Revenues** | **274,796** | **323,172** | **373,264** | **432,249** |
| *YoY gr. (%)* | *16.2* | *17.6* | *15.5* | *15.8* |
| Cost of Goods Sold | 139,793 | 167,565 | 192,231 | 222,176 |
| Gross Profit | 135,003 | 155,607 | 181,033 | 210,073 |
| *Margin (%)* | *49.1* | *48.2* | *48.5* | *48.6* |
| Employee Cost | 30,909 | 32,156 | 36,953 | 42,793 |
| Other Expenses | 4,058 | 7,433 | 9,518 | 10,374 |
| **EBITDA** | **80,153** | **93,364** | **108,209** | **126,390** |
| *YoY gr. (%)* | *18.4* | *16.5* | *15.9* | *16.8* |
| *Margin (%)* | *29.2* | *28.9* | *29.0* | *29.2* |
| Depreciation and Amortization | 5,239 | 6,113 | 6,344 | 6,510 |
| **EBIT** | **74,914** | **87,252** | **101,865** | **119,879** |
| *Margin (%)* | *27.3* | *27.0* | *27.3* | *27.7* |
| Net Interest | 67 | 65 | 65 | 65 |
| Other Income | 5,904 | 7,595 | 8,958 | 9,942 |
| **Profit Before Tax** | **80,750** | **94,781** | **110,758** | **129,756** |
| *Margin (%)* | *29.4* | *29.3* | *29.7* | *30.0* |
| Total Tax | 20,266 | 23,885 | 28,243 | 33,153 |
| *Effective Tax Rate (%)* | *25.1* | *25.2* | *25.5* | *25.6* |
| **Profit After Tax** | **60,485** | **70,896** | **82,514** | **96,603** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| **Adjusted PAT** | **60,485** | **70,896** | **82,514** | **96,603** |
| *YoY gr. (%)* | *14.4* | *17.2* | *16.4* | *17.1* |
| *Margin (%)* | *22.0* | *21.9* | *22.1* | *22.3* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **60,485** | **70,896** | **82,514** | **96,603** |
| *YoY gr. (%)* | *14.4* | *17.2* | *16.4* | *17.1* |
| *Margin (%)* | *22.0* | *21.9* | *22.1* | *22.3* |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 60,485 | 70,896 | 82,514 | 96,603 |
| **Equity Shares O/s (mn)** | **7,310** | **7,310** | **7,310** | **7,310** |
| **EPS (INR)** | **8.3** | **9.7** | **11.3** | **13.2** |

*Source: Company, PL*

### Balance Sheet (INR mn)

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| **Gross Block** | **70,605** | **82,605** | **97,605** | **107,605** |
| Tangibles | 70,605 | 82,605 | 97,605 | 107,605 |
| Intangibles | - | - | - | - |
| **Acc: Dep / Amortization** | **36,552** | **42,664** | **49,009** | **55,519** |
| Tangibles | 36,552 | 42,664 | 49,009 | 55,519 |
| Intangibles | - | - | - | - |
| **Net Fixed Assets** | **34,054** | **39,941** | **48,597** | **52,087** |
| Tangibles | 34,054 | 39,941 | 48,597 | 52,087 |
| Intangibles | - | - | - | - |
| Capital Work In Progress | 12,216 | 13,858 | 14,860 | 16,040 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 8,949 | 13,282 | 15,341 | 17,765 |
| Net Deferred Tax Assets | 5,870 | 5,870 | 5,870 | 5,870 |
| Other Non-Current Assets | 2,081 | 2,585 | 3,733 | 6,484 |
| **Current Assets** | | | | |
| Investments | - | - | - | - |
| Inventories | 100,942 | 122,186 | 141,124 | 163,426 |
| Trade Receivables | 128,453 | 141,664 | 153,396 | 164,610 |
| Cash & Bank Balance | 84,187 | 87,754 | 91,493 | 94,065 |
| Other Current Assets | 62,553 | 75,945 | 87,717 | 112,385 |
| **Total Assets** | **435,034** | **499,511** | **559,284** | **630,795** |
| **Equity** | | | | |
| Equity Share Capital | 7,310 | 7,310 | 7,310 | 7,310 |
| Other Equity | 229,666 | 280,094 | 328,579 | 385,575 |
| **Total Networth** | **236,976** | **287,404** | **335,889** | **392,885** |
| **Non-Current Liabilities** | | | | |
| Long Term Borrowings | 624 | 624 | 624 | 624 |
| Provisions | - | - | - | - |
| Other Non Current Liabilities | - | - | - | - |
| **Current Liabilities** | | | | |
| ST Debt / Current of LT Debt | 30 | 30 | 30 | 30 |
| Trade Payables | 35,423 | 46,041 | 53,177 | 61,581 |
| Other Current Liabilities | 167,851 | 171,281 | 175,434 | 181,545 |
| **Total Equity & Liabilities** | **435,034** | **499,511** | **559,284** | **630,794** |

*Source: Company, PL*

### Cash Flow (INR mn)

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| PBT | 80,750 | 94,781 | 110,758 | 129,756 |
| Add. Depreciation | 5,239 | 6,113 | 6,344 | 6,510 |
| Add. Interest | 67 | 65 | 65 | 65 |
| Less Financial Other Income | 5,904 | 7,595 | 8,958 | 9,942 |
| Add. Other | (5,451) | - | - | - |
| Op. Profit before WC Changes | 80,606 | 100,959 | 117,167 | 136,331 |
| Net Changes-WC | (45,476) | (35,042) | (33,084) | (47,395) |
| Direct Tax | (20,187) | (23,885) | (28,243) | (33,153) |
| **Net Cash from Op. Activities** | **14,943** | **42,032** | **55,840** | **55,784** |
| Capital Expenditures | (9,792) | (13,643) | (16,002) | (11,180) |
| Interest / Dividend Income | 6,119 | - | - | - |
| Others | 21,147 | (4,290) | (2,004) | (2,359) |
| **Net Cash from Invt. Activities** | **17,474** | **(17,933)** | **(18,005)** | **(13,539)** |
| Issue of Share Cap. / Premium | - | - | - | - |
| Debt Changes | - | - | - | - |
| Dividend Paid | (20,825) | (20,467) | (34,030) | (39,607) |
| Interest Paid | (67) | (65) | (65) | (65) |
| Others | (72) | - | - | - |
| **Net Cash from Fin. Activities** | **(20,965)** | **(20,533)** | **(34,096)** | **(39,672)** |
| **Net Change in Cash** | **11,453** | **3,567** | **3,739** | **2,572** |
| Free Cash Flow | 5,112 | 28,390 | 39,838 | 44,604 |

*Source: Company, PL*

### Quarterly Financials (INR mn)

| Y/e Mar | Q3FY26 | Q4FY26 | Q1FY27 | Q2FY27 |
|---|---|---|---|---|
| **Net Revenues** | **71,220** | **101,772** | **55,331** | **72,909** |
| *YoY gr. (%)* | *23.7* | *11.6* | *25.3* | *26.5* |
| Raw Material Expenses | 38,114 | 52,749 | 30,158 | 39,534 |
| Gross Profit | 33,106 | 49,022 | 25,173 | 33,375 |
| *Margin (%)* | *46.5* | *48.2* | *45.5* | *45.8* |
| **EBITDA** | **21,176** | **29,624** | **13,892** | **20,395** |
| *YoY gr. (%)* | *28.1* | *6.2* | *12.0* | *20.3* |
| *Margin (%)* | *29.7* | *29.1* | *25.1* | *28.0* |
| Depreciation / Depletion | 1,275 | 1,651 | 1,526 | 1,633 |
| **EBIT** | **19,902** | **27,973** | **12,366** | **18,762** |
| *Margin (%)* | *27.9* | *27.5* | *22.3* | *25.7* |
| Net Interest | 20 | 16 | 12 | 26 |
| Other Income | 1,595 | 1,082 | 1,674 | 1,904 |
| **Profit before Tax** | **21,477** | **29,038** | **14,028** | **20,640** |
| *Margin (%)* | *30.2* | *28.5* | *25.4* | *28.3* |
| Total Tax | 5,576 | 7,007 | 3,545 | 5,233 |
| *Effective Tax Rate (%)* | *26.0* | *24.1* | *25.3* | *25.4* |
| **Profit After Tax** | **15,901** | **22,032** | **10,483** | **15,407** |
| Minority Interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| **Adjusted PAT** | **15,901** | **22,032** | **10,483** | **15,407** |
| *YoY gr. (%)* | *20.8* | *4.7* | *8.2* | *19.8* |
| *Margin (%)* | *22.3* | *21.6* | *18.9* | *21.1* |
| Extra Ord. Income / (Exp) | - | - | - | - |
| **Reported PAT** | **15,901** | **22,032** | **10,483** | **15,407** |
| *YoY gr. (%)* | *20.8* | *4.7* | *8.2* | *19.8* |
| *Margin (%)* | *22.3* | *21.6* | *18.9* | *21.1* |
| Other Comprehensive Income | - | - | - | - |
| **Total Comprehensive Income** | **15,901** | **22,032** | **10,483** | **15,407** |
| Avg. Shares O/s (mn) | 7,310 | 7,310 | 7,310 | 7,310 |
| **EPS (INR)** | **2.2** | **3.0** | **1.4** | **2.1** |

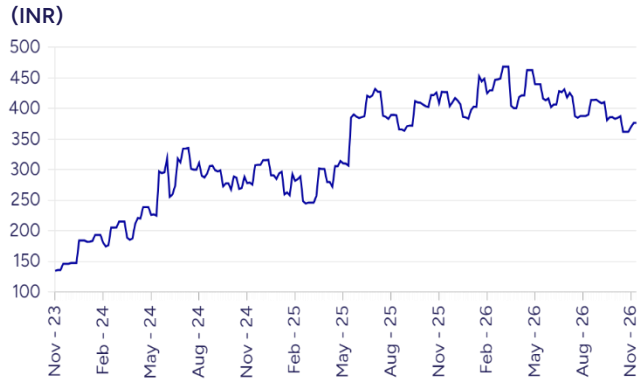
*Source: Company, PL*

### Key Financial Metrics

| Y/e Mar | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| **Per Share (INR)** | | | | |
| EPS | 8.3 | 9.7 | 11.3 | 13.2 |
| CEPS | 9.0 | 10.5 | 12.2 | 14.1 |
| BVPS | 32.4 | 39.3 | 46.0 | 53.7 |
| FCF | 0.7 | 3.9 | 5.5 | 6.1 |
| DPS | 2.2 | 4.7 | 5.4 | 6.3 |
| **Return Ratio (%)** | | | | |
| RoCE | 34.4 | 33.2 | 32.6 | 32.8 |
| ROIC | 42.1 | 37.3 | 34.4 | 32.9 |
| RoE | 27.9 | 27.0 | 26.5 | 26.5 |
| **Balance Sheet** | | | | |
| Net Debt : Equity (x) | - | - | - | - |
| Net Working Capital (Days) | 258 | 246 | 236 | 225 |
| **Valuation (x)** | | | | |
| PER | 45.9 | 39.2 | 33.7 | 28.8 |
| P/B | 11.7 | 9.7 | 8.3 | 7.1 |
| P/CEPS | 42.3 | 36.1 | 31.3 | 26.9 |
| EV/EBITDA | 33.6 | 28.8 | 24.8 | 21.2 |
| EV/Sales | 9.8 | 8.3 | 7.2 | 6.2 |
| Dividend Yield (%) | 0.6 | 1.2 | 1.4 | 1.7 |
| FCFF Yield (%) | 0.2 | 1.0 | 1.4 | 1.6 |
| PEG Ratio | 3.2 | 2.3 | 2.1 | 1.7 |

*Source: Company, PL*

### Price Chart




### Recommendation History

| No. | Date | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | 08-Oct-26 | Accumulate | 452 | 378 |
| 2 | 28-Jul-26 | Accumulate | 452 | 407 |
| 3 | 08-Jul-26 | Accumulate | 453 | 408 |
| 4 | 20-May-26 | Accumulate | 453 | 413 |
| 5 | 09-Apr-26 | REDUCE | 411 | 440 |
| 6 | 29-Jan-26 | Reduce | 411 | 453 |
| 7 | 07-Jan-26 | Hold | 407 | 416 |
| 8 | 31-Oct-25 | Hold | 407 | 426 |
| 9 | 07-Oct-25 | Hold | 374 | 410 |
| 10 | 30-Jul-25 | Hold | 374 | 387 |

### Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (INR) | Share Price (INR) |
|---|---|---|---|---|
| 1 | ABB India | HOLD | 7005 | 6944 |
| 2 | Apar Industries | Accumulate | 16674 | 15846 |
| 3 | BEML | Accumulate | 2007 | 2011 |
| 4 | Bharat Electronics | Accumulate | 452 | 378 |
| 5 | BHEL | REDUCE | 426 | 464 |
| 6 | Carborundum Universal | HOLD | 1257 | 1072 |
| 7 | Cummins India | BUY | 5414 | 4386 |
| 8 | Elgi Equipments | Accumulate | 602 | 638 |
| 9 | Engineers India | BUY | 328 | 252 |
| 10 | GE Vernova T&D India | BUY | 5928 | 4020 |
| 11 | Grindwell Norton | Accumulate | 2245 | 1955 |
| 12 | Harsha Engineers International | Accumulate | 462 | 462 |
| 13 | Hindustan Aeronautics | BUY | 4746 | 5795 |
| 14 | Hitachi Energy India | HOLD | 31610 | 34026 |
| 15 | Ingersoll-Rand (India) | Accumulate | 4089 | 5029 |
| 16 | Kalpataru Projects International | Accumulate | 1454 | 1472 |
| 17 | KEC International | BUY | 363 | 451 |
| 18 | Kirloskar Pneumatic Company | BUY | 790 | 536 |
| 19 | Larsen & Toubro | BUY | 4437 | 3665 |
| 20 | Praj Industries | BUY | 353 | 242 |
| 21 | Siemens | HOLD | 3793 | 3831 |
| 22 | Siemens Energy India | BUY | 3344 | 3655 |
| 23 | Solar Industries India | BUY | 20050 | 23124 |
| 24 | Thermax | REDUCE | 3230 | 3952 |
| 25 | Triveni Turbine | HOLD | 529 | 615 |
| 26 | Voltamp Transformers | BUY | 11858 | 10262 |

### PL's Recommendation Nomenclature (Absolute Performance)

| | | |
|---|---|---|
| **BUY** | : | > 15% |
| **Accumulate** | : | 5% to 15% |
| **Hold** | : | +5% to -5% |
| **Reduce** | : | -5% to -15% |
| **Sell** | : | < -15% |
| **Not Rated (NR)** | : | No specific call on the stock |
| **Under Review (UR)** | : | Rating likely to change shortly |

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