

**Bharat Bijlee Limited**

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs1172	Rs787	Rs2000	71%	BUY	Rs6.6

**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 Declared:**

- The net sales for the quarter under reference came in at Rs1967mn as compared to Rs1484mn, growth of 32.6%
- The Ebitda margins improved to 7.9% from (-2.5%) in the comparative quarter
- The net profit came in at Rs128mn as compared to a loss of Rs39mn in the same quarter last year.
- On the segmental front, the Power system grew by 13.5% while the Industrial System on the other hand clocked growth of 28%

**Financials (Standalone):**

Result Update (Q1FY2019)								
Q1FY19 Result (Rs mn)	June-18	June-17	y-o-y	Mar-17	q-o-q	FY18	FY17	y-o-y
Total Income	1,967	1,484	32.6%	2,228	(11.7%)	6,775	7,740	14.2%
EBITDA	156	(37)	-	124	25.1%	172	333	94.2%
Other Income	103	49	110.4%	71	45.9%	267	212	(20.7%)
Interest	49	38	28.4%	54	(9.0%)	160	193	21.0%
Depreciation	22	24	(7.1%)	23	(1.8%)	99	93	(5.8%)
Tax	59	(12)	-	98	(39.2%)	36	117	221.4%
Net Profit	128	(39)	-	489	(73.8%)	144	610	323.0%

**Outlook and Recommendations:**

The company has reported decent set of numbers on comparison with y-o-y numbers. Maintaining our stance on the stock as a slow compounder and a SIP candidate, we maintain our target price of Rs2000 over a horizon of 12 months.

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