

September 3, 2025

Management Meet Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	664		656	
Sales (Rs. m)	50,564	57,554	50,564	57,554
% Chng.	-	-	-	-
EBITDA (Rs. m)	3,337	4,309	3,286	4,251
% Chng.	1.5	1.4	-	-
EPS (Rs.)	13.4	19.0	13.1	18.5
% Chng.	2.4	2.6	-	-

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	46,413	48,284	50,564	57,554
EBITDA (Rs. m)	2,597	3,074	3,337	4,309
Margin (%)	5.6	6.4	6.6	7.5
PAT (Rs. m)	1,359	1,120	1,550	2,188
EPS (Rs.)	11.8	9.7	13.4	19.0
Gr. (%)	(37.0)	(17.6)	38.3	41.2
DPS (Rs.)	3.0	3.0	3.0	3.0
Yield (%)	0.5	0.5	0.5	0.5
RoE (%)	8.1	7.1	8.7	11.3
RoCE (%)	14.1	13.8	15.2	18.9
EV/Sales (x)	1.4	1.3	1.3	1.1
EV/EBITDA (x)	24.2	20.9	19.3	14.9
PE (x)	48.5	58.9	42.6	30.2
P/BV (x)	4.6	3.8	3.6	3.3

Key Data

BJEL.BO | BJE IN

52-W High / Low	Rs.1,038 / Rs.488
Sensex / Nifty	80,158 / 24,580
Market Cap	Rs.66bn / \$ 748m
Shares Outstanding	115m
3M Avg. Daily Value	Rs.39.9m

Shareholding Pattern (%)

Promoter's	62.70
Foreign	7.90
Domestic Institution	15.60
Public & Others	13.80
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.5)	(5.2)	(40.6)
Relative	(5.9)	(13.4)	(38.8)

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Shivam Patel

shivampatel@plindia.com | 91-22-66322274

Festive-led demand to revive sales

We upward revise our FY26/FY27E earnings estimate by 2.4%/2.6% factoring in lower non-operating cost and reduction in fixed overheads and maintain our 'Accumulate' rating. We recently met the management of Bajaj Electricals (BJE) to gain insights into the Consumer Products (CP) and Lighting Solutions (LS) segments, focusing on channel inventory levels, festive demand outlook, and cost-optimization initiatives aimed at improving plant utilization. The management highlighted that new product development (NPD) is expected to contribute ~40% to total revenue by FY26, supported by R&D spends of ~2% of revenue.

The company is also reviewing its entire SCM strategy including manufacturing, and procurement to optimize associated direct cost and reduce outsourcing. Due to continued losses at Nirlep factories, the company is planning to restructure this business.

Channel filling for the festive season has begun, and with GST 2.0, demand is expected to increase in the coming quarters. We estimate FY25-27E revenue/EBITDA/PAT CAGR at 9.2%/18.4%/39.7%. We value stock at 35x FY27 EPS and arrive at TP of Rs664 (earlier Rs656). Maintain 'Accumulate'.

Key Takeaways:

- **Coolers inventory to normalize:** Weak summer led to higher inventory in fans and coolers. Inventory movement is strong in premium and BLDC fans, but continues to remain weak in economy and sub-economy segments. Coolers inventory is expected to normalize in the coming quarters, while strong bookings have begun for the upcoming season.
- **Reviewing entire SCM Strategy:** Plant underutilization is driven by high labor costs and elevated supply chain expenses, as majority of its suppliers are in the North, while all its manufacturing facilities are located in Maharashtra. Capex of Rs1.4bn is planned for FY26, primarily for NPD, with the company also evaluating entire SCM strategy. At present, in-house manufacturing accounts for ~20% of overall production, which the company plans to increase to ~40%. Within the CP segment, in-house contribution is ~20%, while in LS, current 25–30% is targeted to reach 40–50% by FY28.
- **Focus on GT and core categories:** E-commerce contributes 14–15% to CP sales, while the major focus remains on general trade (GT). Due to less visibility in the market, the company will focus on BTL marketing activities instead of product discounts, with the aim of strengthening brand presence, driving sales, and improving demand. NPD is expected to contribute ~40% to total revenue in FY26, with new launches focused on core categories such as coolers, fans, mixers and heaters, supported by R&D investments at ~2% of topline.

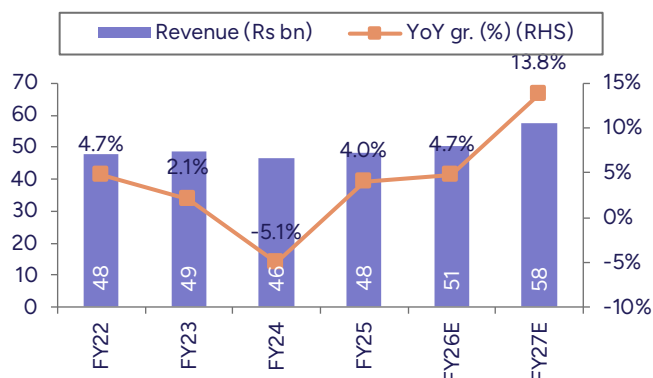
- **Margins to expand led by LS:** The management endeavors to increase the EBIT margins by 3%-4% over the next 3 years. The company has shifted its focus from lamps and battens (~65% of LS revenue) to focus categories - ceiling lights, outdoor lights, etc (35%). The company sees a major opportunity in professional lighting (~60% of LS revenue) driven by infrastructure projects such as highways, airports, sports facilities and government spending.
- **Entry into switchgear:** The company has forayed into low-voltage switchgear, targeting the residential sector. Initially, it will follow an outsourcing model.
- **Rural markets to drive growth:** Contribution from rural markets (population < 0.1mn) has been steadily increasing and accounts for 30–35% of revenue, up from ~25% 5 years ago. The steady increase was due to the company's growing penetration and strong performance in rural markets, rising demand and improved distribution reach.

Exhibit 1: Key managerial personnel hired/elevated to drive growth

Name	Joining date	Designation	Education	Years of experience	Background
Mr Sanjay Sachdeva	Apr'25	MD & CEO	Electrical Engineer (IIT Delhi) & MBA (IIM Calcutta)	33+	Ex-Unilever executive; global leadership across multiple markets
Mr Vishal Chadha	Jul'24	COO - Consumer Products	MBA (IIM Lucknow)	28+	Experience across FMCG, consumer devices, and e-com
Mr Rajesh Naik	Dec'19	COO - Lighting Solutions	BE - Electrical (KJ Somaiya)	36+	Leadership in consumer electricals, driving P&L, strategy, and operations in lighting and appliances
Mr Anand Joshi	Mar'25	CTO	Mechanical Engineer & MBA (IBS)	37+	R&D & engineering leader with global conglomerate experience
Mr EC Prasad	Nov'19	President & CFO	CA, ICWA	27+	Ex-Voltas, Emami with experience in strategic roles
Mr Suman Kumar Ghosh	Jul'18	CHRO	MBA - NMIMS	27+	Earlier with TATA Communications

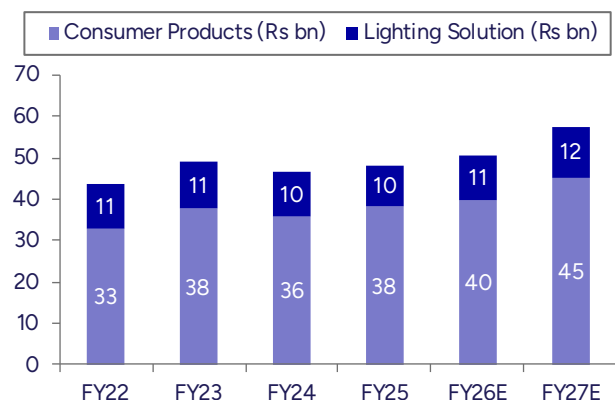
Source: Company, PL

Exhibit 2: Revenue to grow at ~9.2% CAGR over FY25-27E



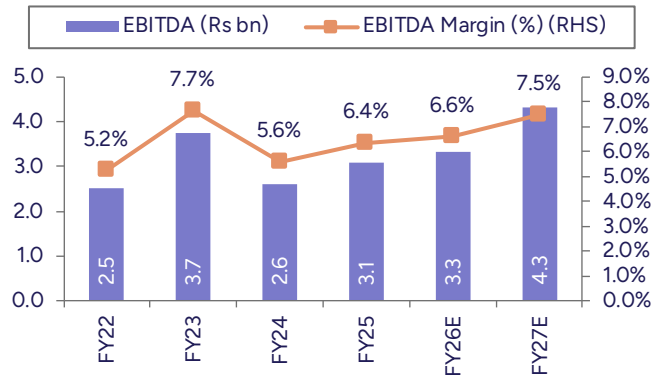
Source: Company, PL

Exhibit 3: CP/LS to reach Rs45bn/Rs12bn by FY27



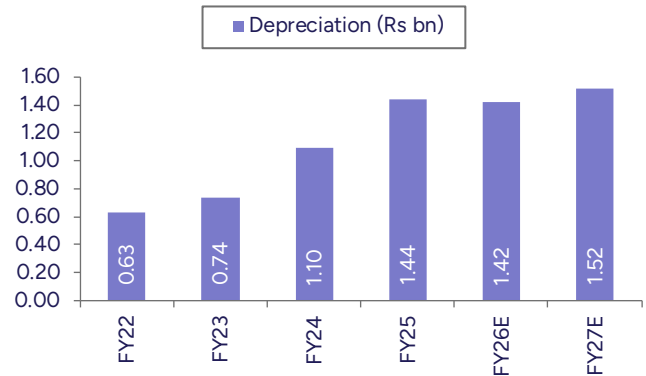
Source: Company, PL

Exhibit 4: EBITDA margin to improve by 110bps by FY25-27E



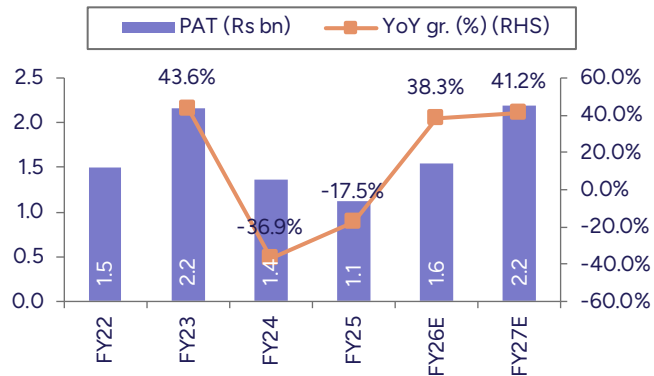
Source: Company, PL

Exhibit 5: High depreciation cost to stabilize in FY26-27



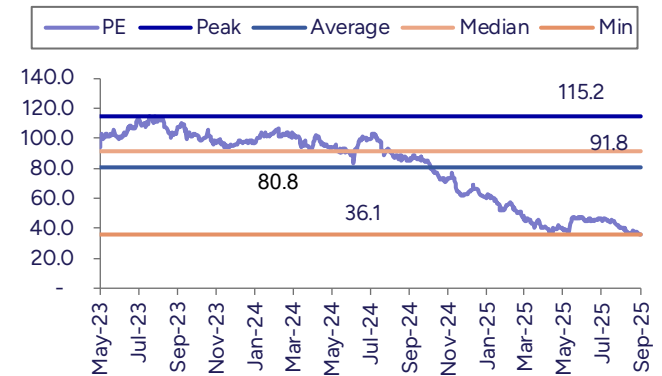
Source: Company, PL

Exhibit 6: PAT CAGR estimated at 39.7% over FY25-27E



Source: Company, PL

Exhibit 7: BJE trading at PE of 43x/30x of FY26/FY27E



Source: Company, PL

Exhibit 8: High fix overheads due to low capacity utilization

Plant location	Capacity utilization	FY24	FY25
	Consumer Products*	41%	43%
	Lighting Solutions*	55%	60%
	Overall utilization	50%	53%
Chakan	LED*	52%	74%
Chakan	Fans	55%	55%
Nashik	LED	53%	59%
Nashik	Water Heaters*	40%	45%
	Storage Water Heaters*	47%	64%
	Instant Water Heaters*	73%	13%
Nashik	Mixers	36%	60.4%
	Mixer Grinders*	37%	67%
	Hand Blenders*	35%	33%
Chhatrapati Sambhajinagar	Non-stick Cookware*	19%	11%
Chhatrapati Sambhajinagar	Pressure Cookers*	44%	61%

Source: Company, PL; *capacity utilization calculated as per production data

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	46,413	48,284	50,564	57,554
YoY gr. (%)	(5.1)	4.0	4.7	13.8
Cost of Goods Sold	32,871	33,341	34,732	39,540
Gross Profit	13,542	14,943	15,831	18,014
Margin (%)	29.2	30.9	31.3	31.3
Employee Cost	3,649	3,800	3,878	4,374
Other Expenses	4,736	5,191	5,290	5,721
EBITDA	2,597	3,074	3,337	4,309
YoY gr. (%)	(30.7)	18.4	8.5	29.1
Margin (%)	5.6	6.4	6.6	7.5
Depreciation and Amortization	1,096	1,441	1,419	1,515
EBIT	1,501	1,634	1,918	2,794
Margin (%)	3.2	3.4	3.8	4.9
Net Interest	635	698	679	773
Other Income	865	548	801	858
Profit Before Tax	1,731	1,483	2,040	2,879
Margin (%)	3.7	3.1	4.0	5.0
Total Tax	372	363	489	691
Effective tax rate (%)	21.5	24.4	24.0	24.0
Profit after tax	1,359	1,120	1,550	2,188
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,359	1,120	1,550	2,188
YoY gr. (%)	(36.9)	(17.5)	38.3	41.2
Margin (%)	2.9	2.3	3.1	3.8
Extra Ord. Income / (Exp)	(41)	214	-	-
Reported PAT	1,318	1,334	1,550	2,188
YoY gr. (%)	(38.8)	1.2	16.2	41.2
Margin (%)	2.8	2.8	3.1	3.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,318	1,334	1,550	2,188
Equity Shares O/s (m)	115	115	115	115
EPS (Rs)	11.8	9.7	13.4	19.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	10,522	11,721	13,453	15,499
Tangibles	9,942	11,091	12,773	14,769
Intangibles	580	630	680	730
Acc: Dep / Amortization	3,264	4,119	4,571	5,410
Tangibles	2,838	3,579	3,906	4,633
Intangibles	426	541	665	778
Net fixed assets	7,258	7,602	8,882	10,089
Tangibles	7,104	7,512	8,867	10,137
Intangibles	154	89	15	(48)
Capital Work In Progress	635	126	126	126
Goodwill	1,900	1,900	1,900	1,900
Non-Current Investments	681	2,556	2,585	2,706
Net Deferred tax assets	833	438	438	438
Other Non-Current Assets	903	684	702	722
Current Assets				
Investments	301	619	619	619
Inventories	7,566	7,174	7,481	8,515
Trade receivables	11,632	12,864	13,437	15,295
Cash & Bank Balance	2,747	1,205	961	1,061
Other Current Assets	3,716	3,689	3,864	4,398
Total Assets	38,332	42,191	44,487	49,843
Equity				
Equity Share Capital	230	231	231	231
Other Equity	14,182	17,024	18,171	20,013
Total Network	14,412	17,255	18,402	20,244
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	97	122	128	146
Other non current liabilities	519	484	506	576
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	18,417	19,125	20,028	22,797
Other current liabilities	3,158	3,337	3,466	3,853
Total Equity & Liabilities	38,332	42,191	44,487	49,843

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,731	1,697	2,040	2,879
Add. Depreciation	1,096	1,441	1,419	1,515
Add. Interest	635	699	679	773
Less Financial Other Income	865	548	801	858
Add. Other	(603)	(391)	65	238
Op. profit before WC changes	2,859	3,445	4,203	5,405
Net Changes-WC	705	48	(177)	(773)
Direct tax	(25)	(24)	(489)	(691)
Net cash from Op. activities	3,538	3,468	3,536	3,941
Capital expenditures	(1,237)	(472)	(2,699)	(2,722)
Interest / Dividend Income	508	155	-	-
Others	(1,374)	(1,633)	(318)	-
Net Cash from Inv. activities	(2,102)	(1,950)	(3,017)	(2,722)
Issue of share cap. / premium	51	60	-	-
Debt changes	(449)	(686)	-	-
Dividend paid	(460)	(346)	(346)	(346)
Interest paid	(469)	(490)	(679)	(773)
Others	(2,384)	-	-	-
Net cash from Fin. activities	(3,711)	(1,461)	(1,025)	(1,119)
Net change in cash	(2,275)	58	(506)	100
Free Cash Flow	2,301	2,996	837	1,219

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	11.8	9.7	13.4	19.0
CEPS	21.3	22.2	25.7	32.1
BVPS	125.1	149.6	159.5	175.5
FCF	20.0	26.0	7.3	10.6
DPS	3.0	3.0	3.0	3.0
Return Ratio(%)				
RoCE	14.1	13.8	15.2	18.9
ROIC	8.6	8.8	9.0	12.0
RoE	8.1	7.1	8.7	11.3
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	6	7	6	6
Valuation(x)				
PER	48.5	58.9	42.6	30.2
P/B	4.6	3.8	3.6	3.3
P/CEPS	26.8	25.8	22.2	17.8
EV/EBITDA	24.2	20.9	19.3	14.9
EV/Sales	1.4	1.3	1.3	1.1
Dividend Yield (%)	0.5	0.5	0.5	0.5

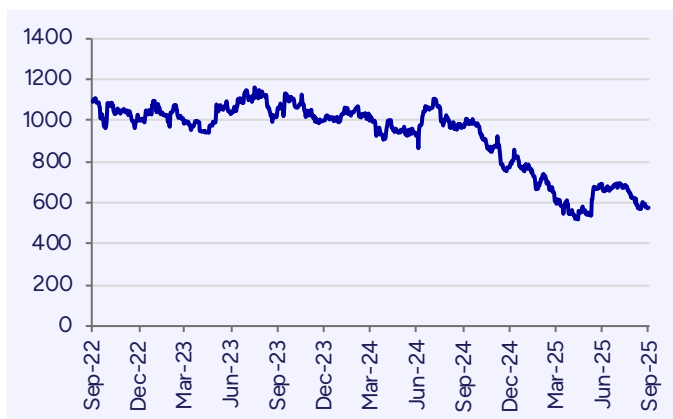
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	11,183	12,897	12,655	10,646
YoY gr. (%)	0.5	5.0	6.5	(7.8)
Raw Material Expenses	7,783	8,880	8,720	7,344
Gross Profit	3,400	4,017	3,935	3,302
Margin (%)	30.4	31.1	31.1	31.0
EBITDA	516	874	930	333
YoY gr. (%)	(11.1)	8.4	87.0	(55.8)
Margin (%)	4.6	6.8	7.3	3.1
Depreciation / Depletion	348	361	412	372
EBIT	168	513	518	(38)
Margin (%)	1.5	4.0	4.1	(0.4)
Net Interest	173	187	181	176
Other Income	152	128	162	303
Profit before Tax	147	454	499	89
Margin (%)	1.3	3.5	3.9	0.8
Total Tax	18	121	122	6
Effective tax rate (%)	12.4	26.6	24.5	6.8
Profit after Tax	129	334	377	83
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	129	334	590	16
YoY gr. (%)	(65.9)	(10.7)	101.5	(94.2)
Margin (%)	1.2	2.6	4.7	0.2
Extra Ord. Income / (Exp)	-	-	(214)	67
Reported PAT	129	334	377	83
YoY gr. (%)	(65.9)	(44.7)	28.6	(70.4)
Margin (%)	1.2	2.6	3.0	0.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	129	334	377	83
Avg. Shares O/s (m)	115	115	115	115
EPS (Rs)	1.1	2.9	5.1	0.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Aug-25	Accumulate	656	615
2	04-Jul-25	Hold	703	686
3	13-May-25	Hold	641	610
4	03-Apr-25	Hold	552	551
5	05-Feb-25	Reduce	647	733
6	08-Jan-25	Reduce	676	782
7	09-Nov-24	Hold	901	879
8	08-Oct-24	Hold	980	923

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,782	7,254
2	Astral Ltd.	BUY	1,503	1,269
3	Avalon Technologies	Accumulate	943	878
4	Bajaj Electricals	Accumulate	656	615
5	Cello World	BUY	678	563
6	Century Plyboard (I)	Hold	702	738
7	Cera Sanitaryware	Accumulate	7,178	6,244
8	Crompton Greaves Consumer Electricals	BUY	430	319
9	Cyient DLM	Accumulate	540	480
10	Finolex Industries	Accumulate	228	203
11	Greenpanel Industries	BUY	374	280
12	Havells India	Accumulate	1,645	1,532
13	Kajaria Ceramics	Hold	1,192	1,242
14	Kaynes Technology India	Hold	6,367	6,326
15	KEI Industries	BUY	4,527	3,970
16	Polycab India	BUY	8,091	6,926
17	R R Kabel	Accumulate	1,516	1,337
18	Supreme Industries	Hold	4,346	4,243
19	Syrma SGS Technology	Hold	705	706
20	Voltas	Hold	1,268	1,305

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Praveen Sahay- MBA Finance, Mr. Shivam Patel- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Praveen Sahay- MBA Finance, Mr. Shivam Patel- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com