# Safal Niveshak StockTalk #9: BHEL

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Welcome to the ninth issue of Safal Niveshak StockTalk.

After covering Opto Circuits last time, this time I've researched on BHEL, India's largest manufacturer of power generation equipments. Before we dive deeper into BHEL, here is a brief overview of the sections of this report.

1. About BHEL
2. Safal Niveshak's 20-Point Checklist
3. Intrinsic Value Assumptions
4. Risk Statement (New Section)
5. Financial & Market Snapshot
6. "Should I Buy BHEL?" Checklist
7. Final Evaluation Checklist (New Section)

# 1. About BHEL

BHEL is India's leading manufacturer of equipments for thermal power plants (that produce power using coal and natural gas). Its key components include the boiler, turbine and generator, which form the bulk of a power plant setup. BHEL's equipments contribute to around 75% of India's total power generation. The company is known for its quality equipments and good execution capabilities.

Around 79% of BHEL's business comes from supplying equipments to power generation companies (like NTPC, Tata Power and NHPC), while the remaining 21% comes from equipments sold to industries for their internal power generation. The company also supplies its equipments in the international market, largely in the Gulf and African regions.

Over the past 10 years, BHEL has grown its sales and profits at average annual rates of 25% and 35% respectively.

# 2. Safal Niveshak's 20-Point Checklist

Keeping in mind the simplicity aspect that is otherwise missing in other company analysis reports you would come across, I've analyzed BHEL by answering 20 important questions that span its:

- Business performance,
- Financial performance,
- Management quality, and
- Competition.

Here is the complete 20-point checklist with my explanations.

Before we move ahead, here are the symbols that I've placed against each checklist point and that will tell you at a glance whether I have a positive or negative view on that particular point.

🟢 **Indicates my positive view**

🔴 **Indicates my negative view**

Let's get started.

## A. Business Performance

### 1. Can I, in one sentence, say exactly what the company does? 🟢

Yes. BHEL is India's leading manufacturer of thermal power generation equipments – like boiler, turbine, and generator – which are used in plants that produce electricity using coal or gas. Around 75% of India's total power is generated using equipments supplied by BHEL.

### 2. Does the business have high uncertainty? 🟢

Not really. In fact, there's a ready demand for BHEL's products given the massive power shortage in India and the gradual addition to thermal power generation capacity. As per the 12th five-year plan (2012-17), India's power companies (like NTPC, Tata Power, NHPC etc.) are planning to add a total of 100,000 MW (megawatt) of new power generation capacity. Even if 50% of this is achieved (which is more likely given our past track record), and 60% of that is thermal power capacity, BHEL has a huge task on hand.

The company's current order backlog (orders received but yet to be executed, because it takes 3-5 years to execute a large power project) stands at around Rs 1,329 billion, which is almost 3 times BHEL's annual sales last year. So the company has no dearth of orders and there's great visibility in terms of revenue and profits for the next 4-5 years.

The only question is whether the company will be able to deliver equipments on time, both due to its own bottlenecks (large size of operations has some of them) plus the slow capacity creation by power companies (who are facing their own issues like fuel supply, land acquisition, etc.). Also, any

aggressive move into other business areas – like oil & gas equipments, and solar and nuclear power equipments – can bring about some uncertainty in BHEL's overall prospects.

## 3. Has the business got an enormous moat?

Not enormous, but a reasonable one…largely due to its size and past track record. As I mentioned above, BHEL-made equipments generate almost 75% of India's total power in a year. What is more, the company's equipments consistently rank as among the best in the market, given their long track record of helping power companies achieve high capacity utilization.

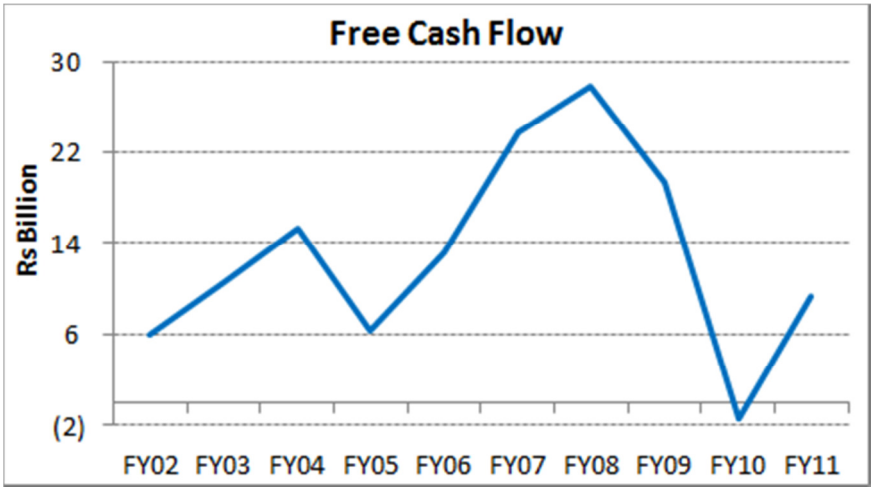
The moat is also reflected in the company's:

- Clean balance sheet – Its debt free status and huge cash position
- Negligible sales and marketing expenses (just around 3% of gross profit) – This indicates that it is growing despite not much marketing
- Its low depreciation to gross profit ratio, which stands at just around 4%
- Consistent growth in net profit over the past 10 years
- Reasonable working capital requirements
- Rising return on assets and return on equity

Although its gross profit margin at an average of 26% over the past 5 years is lower than what value investors should expect as a durable moat (>40%), other numbers as mentioned above provide the company a reasonable moat against competitors.

## 4. Does the business generate strong free cash flow?

Yes. BHEL has generated positive free cash flow (FCF) for 9 of the last 10 years. While the situation has slightly worsened in the past two years, it's largely due to an economic and industrial slowdown, that has led to some working capital build-up for the company (that has subsequently blocked cash).




Data Source: Ace Equity, Safal Niveshak Research

## 5. What is the bargaining power of suppliers and buyers?

As we discussed above, BHEL has a good moat and therefore a good bargaining power against its suppliers and buyers. Its large size and therefore large raw material requirements give it a good bargaining power against suppliers. Then given that it supplies a majority of thermal power equipments

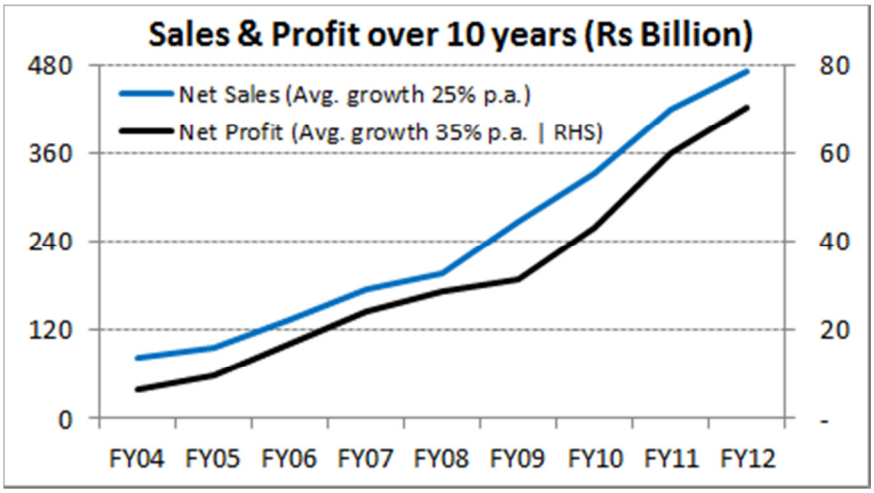
in India, and is known for its quality products, it also enjoys some kind of pricing power with respect to its clients.

Anyways, I see this bargaining power reducing in the future given that the company is increasingly facing competition from new local and international (especially Chinese) manufacturers. But that isn't going to happen at least over the next 4-5 years.

# B. Financial Performance

### 6. Does the business have consistent sales and profit growth history and is there room for future growth?

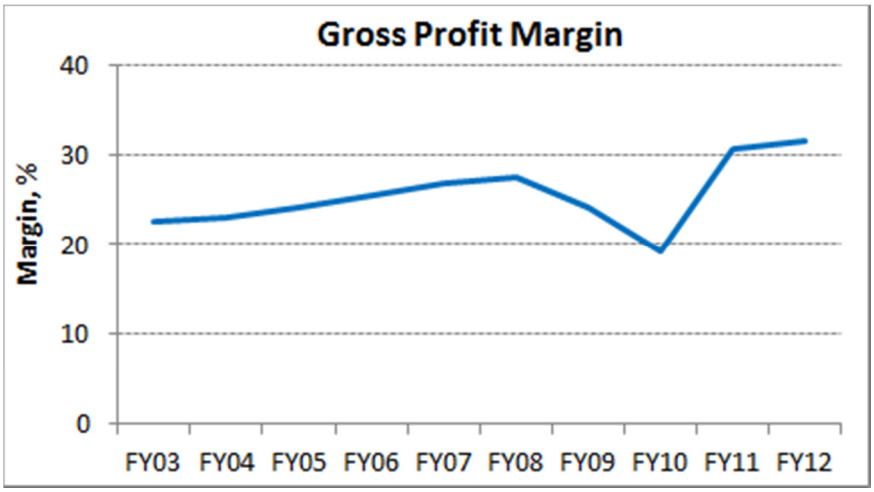
Yes. BHEL has grown its net sales and net profit at average annual rates of 25% and 35% over the past 10 years. While the growth rate slowed down a bit in the latest completed financial year (FY12), I see few reasons the company will not be able to grow at a decent pace (15%+) in the future (given its huge order backlog and execution capabilities).




Data Source: Ace Equity, Safal Niveshak Research

### 7. Are gross profit margins higher than 40%?

Gross profit margin (GPM) suggests the true profitability of a company's operations. Buffett would generally like a company earning >40% margin, but this is true largely of consumer goods companies. As for BHEL, the average GPM for the last 10 years has been around 26%, which is a reasonable number, but one that suggests the prevalence of competition that is hurting its margin.

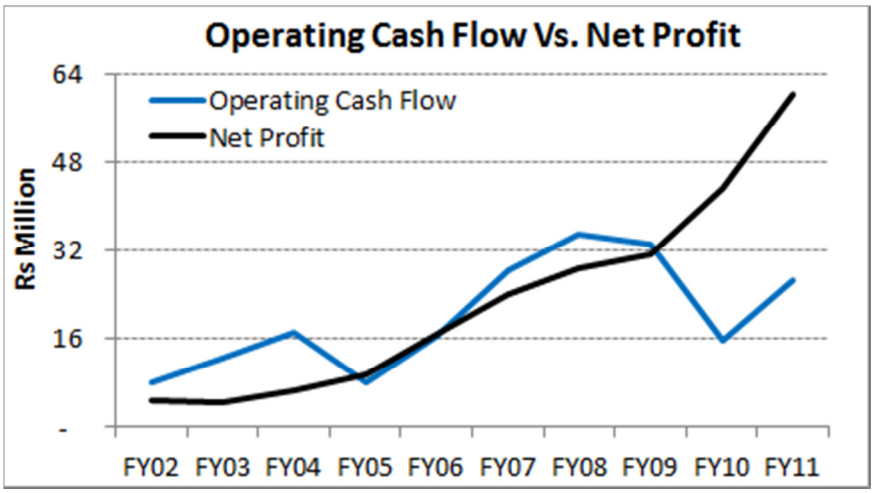


Data Source: Ace Equity, Safal Niveshak Research

## 8. Is its operating cash flow higher than net profits?

Largely yes! Over the past 10 years, BHEL has had 6 years when the operating cash flow was higher than net profit. However, over the past two years, the operating cash flow picture has worsened owing to a sharp rise in receivables (money owed by clients who've been supplied equipments but are yet to pay). While the company has not recorded any bad debts so far, the rise in receivables sucks in precious cash, which is a concern.

The good part is that BHEL still has a lot of cash on books to take care of its capacity expansion, but then the receivable position must improve for the risk to reduce from BHEL's balance sheet.



Data Source: Ace Equity, Safal Niveshak Research

## 9. Is the debt to equity below 0.5 times?

Yes. BHEL is a nearly debt-free company. It's current debt is just 0.5% of its equity suggesting that however worse the situation gets, the company will never go bankrupt with the current business.

## 10. Is the current ratio greater than 1.5?

Almost! BHEL's average current ratio has been around 1.4 times over the past 10 years, which is a comfortable number. As a general rule, a current ratio of 1.5 or greater suggests that a company can meet its short-term operating needs sufficiently. However, a higher current ratio can also suggest that a company is hoarding assets instead of using them to grow the business. While this is not the worst thing in the world to do, it is something that could affect long-term returns.

## 11. Does the company have a good dividend history?

Fair enough. In terms of dividend payout (amount of dividend paid as percentage of net profit), BHEL has averaged around 24% over the past 10 years, which is a comfortable level of payout given the fact that the company is also generating good return for shareholders from its operating business (suggested by return on equity of 30%+).

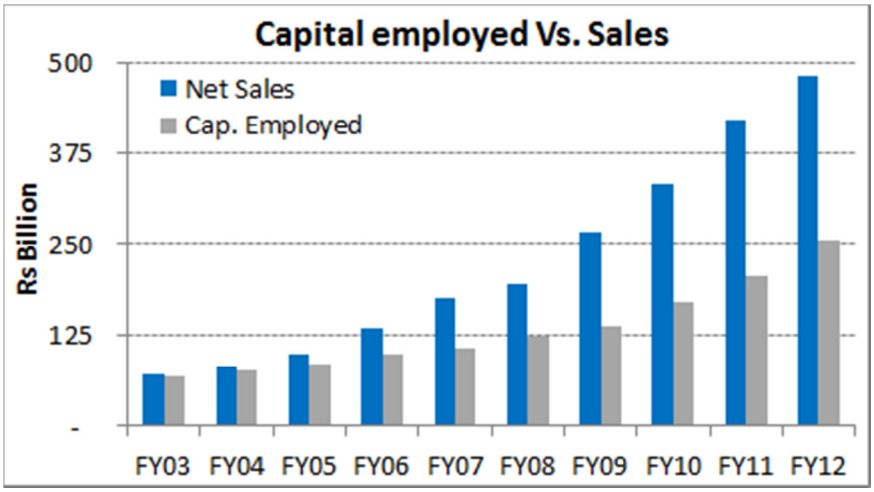
## 12. Is the Altman Z score > 3?

No, the number for BHEL is 2.4. But this is largely because the company has very low level of retained earnings as it transfers a large amount to "general reserves" every year (which seems like a safety measure, as the company is adding to its reserves to meet any general contingencies in the future).

For a majority of Indian companies, the amount transferred to general reserve stands at between 10-20% of profit every year, but the numbers for most non-banking PSUs stand at over 50%. Historically, BHEL has had a 70% ratio on this front.

## 13. How capital intensive is the business?

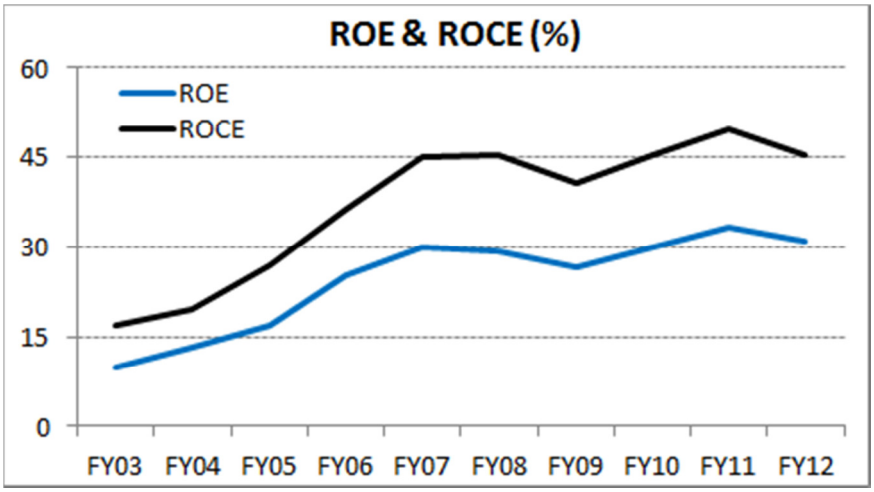
Not very high. BHEL's average capital employed per year during FY03 to FY12 (10 years) has been around Rs 130 billion. Against this, the company has earned average net sales of Rs 225 billion during this very period. This suggests that the capital turnover ratio has been around 1.7 time (requires Re 1 of capital for every Rs 1.7 of sales). This doesn't make it highly capital intensive. However, the capital intensity has risen in recent times due to high working capital (due to rise in receivables, as we discussed above).




Data Source: Ace Equity, Safal Niveshak Research

### 14. Has it got a high and consistent return on equity & return on capital?

Yes. BHEL's average return on capital and return on equity have been around 37% and 25% respectively over the past 10 years, which are reasonably high numbers, and suggest the management's good capital allocation skills.




Data Source: Ace Equity, Safal Niveshak Research

## C. Management Quality

### 15. Is the management known for its capital allocation skill and integrity?

BHEL has been a great performer on the capital allocation front all these years. The management has guided the company well over the past few years, so the track record in terms of integrity seems fine. Even as far as the capital allocation part is concerned, we have seen how the company has continued to maintain a high return in equity (average of 25% over the past 10 years; 31% in FY12). So, overall, I'm comfortable with the management and its capability to guide the company in the future.

### 16. Has there been any substantial equity dilution in the past?

No, BHEL has seen no major equity dilution over the past 20 years. The company has financed a large part of its capital expenditure through internal cash generation, which is a positive.

### 17. Are management's salaries too high?

Given its PSU nature, BHEL does not pay lavish salaries to its top management (though there are other perks for them to enjoy). Anyways, the combined salary plus benefits of BHEL's top management is just 0.03% of the company's annual profits, which is a very small number.

### 18. What has management done with the free cash in the past?

As discussed above, BHEL has generated good amount of cash from operations in the past. A part of this has gone towards meeting the company's capital expenditure and working capital requirements, while a good part has also gone towards dividends to equity shareholders.

Given that the company continues to generate good return on capital employed, it can be inferred that the cash has been put to profitable use by the management.

# D. Competition

### 19. Does the business face high competition?

Yes, as is clear by an average 26% gross profit margin earned by BHEL over the past 10 years. A company that earns >40% GPM is said to stand tall against competition, which has not been the case with BHEL. Anyways, the company still enjoys some advantage over competitors as seen from its large market share in total power equipment sales in India, and a good brand name.

### 20. Has the management focused on market share or profitability?

A combination of both, which is good.

# 3. Intrinsic Value Assumptions

Before I move into calculating the intrinsic or fair value range for BHEL, let me make one thing very clear. Intrinsic value isn't a definite figure but just a 'calculated' value. In fact, the calculation of intrinsic value of a business mostly throws up a highly subjective figure. And this figure changes as estimates of variable like future cash flows are revised (given that the future is unknown).

Anyways, what I have done here is rather than arrive at a single intrinsic value figure for BHEL, I have calculated the value using 5 different methods and then arrived at a 'fair value range' for the stock.

## 1. Net present value based on a 2-stage 10-year DCF

The discussion about the calculation of net present value using a discounted cash flow model (DCF) can be found in the 7th lesson of my free course on investing – Value Investing for Smart People.

I have done a 2-stage DCF analysis for arriving at the intrinsic value for BHEL.

But as a reference, here is the formula for calculating the NPV:

**NPV = CFi / (1+k) + CF2 / (1+k)2 + … [TCF / (k - g)] / (1+k)n-1**

*Where:*
*PV = present value*
*CFi = cash flow in year i*
*k = discount rate*
*g = growth rate assumption in perpetuity beyond terminal year*
*TCF = the terminal year cash flow*
*n = the number of periods in the valuation model including the terminal year*

I have calculated BHEL's future cash flow for the next 10 years, assuming 2 different rates of growth in cash flows of 10% (years 1-5), and 8% (years 6-10).

As for the discount rate, I've assumed it at 14%, which is what BHEL has mentioned in its last year's annual report. For a company like BHEL, 14% is a reasonable rate of annual return, so a 14% discount rate also seems fine. Lastly, my expected terminal growth rate for the company's cash flows – expected growth in cash flow after 10 years and till eternity – is 2%.

Based on these numbers and after reducing the net debt (debt minus cash), the present or discounted value of future cash flows for BHEL is coming at **Rs 114** per share, which is also the stock's intrinsic value using this method.

## 2. Earnings Power Value (EPV)

After DCF, the second most reliable measure of a firm's intrinsic value is the value of its current earnings. This method is known as 'Earning Power Value' or EPV. This value can be estimated with more certainty than future earnings or cash flows, and it is more relevant to today's values than are earnings in the past.

The formula for EPV of a company is:

**EPV = Adjusted Earnings x 1/R**

Here, 'R' is the cost of capital.

BHEL posted an adjusted EPS (earnings per share) of Rs 29.1 in the trailing 12-monthe (last four quarters) period. If the company's profits were to stagnate and remain at Rs 29.1 per share going forward, and applying the EPV formula here, I multiply Rs 29.1 with 1/14% (14% is the approx. cost of capital for the company.

This gives me a value of **Rs 209** per share, which is BHEL's intrinsic value as per the EPV calculation.

## 3. Pricing relative to 10 year average P/E ratio

True value investors, as Graham has prescribed, won't pay a price based on the stock's latest P/E or the company's latest earnings. They will take a much longer term view…as long as 10 years. Here, I have attempted to estimate the intrinsic value of BHEL using the company's last 3 years average earnings, and last 10 years average P/E ratio. So the formula is:

**Last 3 Years Average EPS x Last 10 Years Average P/E Ratio**

BHEL's average P/E ratio for the past 10 years has been around 23.3 times, while its last 3 years' average EPS has been Rs 23.8 per share. Based on the formula, BHEL's intrinsic value is coming to around **Rs 554** per share.

## 4. Graham number

Graham number is the formula Ben Graham used to calculate the maximum price one should pay for a stock. As per this rule, the product of a stock's price to earnings (P/E) and price to book value (P/BV) should not be more than 22.5 i.e., P/E of 15 multiplied by P/BV of 1.5.

But why did Graham specifically used a P/E of 15 and P/BV of 1.5? Why didn't he use some other numbers?

Well, he thought that nobody should be willing to pay more than the AAA bond yield at that time. AAA bond yield at that time was 7.5%. Therefore, AAA P/E was arrived at 1/7.5 or 13.3, which was rounded up to 15. Similarly he thought that nobody should pay more than 1.5 P/BV for a stock.

Graham insisted that the product of the two shouldn't be more than 22.5. In other words,

(P/E of 15) x (P/BV of 1.5) = 22.5

Put another way:

(P/E) x (P/BV) = 22.5
Price(sqr)/(EPS x BVPS) = 22.5
Price(sqr) = 22.5 x EPS x BVPS

Take the square root of both sides, and you get the equation for the Graham Number.

**Fair Value Price = Square Root of (22.5 x EPS x BVPS)**

Applying this formula, BHEL's intrinsic value comes to around **Rs 261** per share.

## 5. Dividend discount model

As we have discussed in the DCF method above, the value of a stock is worth all of the future cash flows expected to be generated by the firm, discounted by an appropriate risk-adjusted rate or discount rate. Now, as per the Dividend Discount Model or DDM, dividends are the cash flows that are returned to the shareholders.

Hence, to value a company using the DDM, you calculate the value of dividend payments that you think a stock will throw-off in the years ahead. Here is what the formula is:

**Intrinsic value = Dividend per share/Discount rate**

The modified formula for valuing a company with a constantly growing dividend is…

**Intrinsic value = Dividend per share/(Discount rate – Dividend Growth Rate)**

Since BHEL has grown its dividends at a good pace in the past, we use the second 'growing dividend' formula for calculating the stock's intrinsic value.

Assuming a discount rate of 14% and dividend growth rate of 2%, FY12 dividend of Rs 6.4 per share, and inputting these numbers in the above DDM formula, I get to an intrinsic value of **Rs 53** per share.

## Fair Value Range

Based on the above calculated intrinsic values for BHEL, I have arrived at a 'fair value range' for the stock. Here is how I calculate it:

*High End of the Fair Value Range = [Average of above four intrinsic values]*
*Low End = [(Average of above four intrinsic values) – (0.5) x (Std Dev)]*

Based on this, the fair value range for BHEL's stock is **Rs 172 to Rs 238.** Assuming a margin of safety of 25% to the higher end of this range, the comfortable buying price for BHEL's stock comes to **Rs 180** using the intrinsic values calculated above.

Given that BHEL's current price of Rs 225 is around 20% higher than the above calculated comfortable buying price, I won't buy the stock before it falls to (or near) my buying price.

# 4. Risk Statement

One of the biggest concerns I have with BHEL is the potential for arrogance, which any corporation can fall for when it becomes too big in size. And BHEL is already that big an organization. Here is a specific part from the company's chairman's letter from last year that caught my eye, and which I believe adds to the investment's risk:

*"Your company is well positioned to continue its diversification strategy to enhance shareholders' value as we expand our offerings in new growth areas viz. Solar, Nuclear, Transportation, Transmission & Distribution, and Water. We remain positive that our diversification strategy would generate broad-based revenue streams for your company in the long run."*

Given that despite its huge size, BHEL will be a starter in these "diversified" businesses raises my concern whether the company will really be able to "enhance shareholders' value" as Mr. Chairman seems like promising!

I mean, with such a stellar track record in the thermal power generation business, and so much potential therein, what's the need for the company to foray into things like solar, and water? Not to mention that the company has already gotten into manufacturing equipments for the oil & gas industry! So I would keep my fingers crossed on this point.

Another risk I see is the intensification of competition, especially from Chinese manufacturers who, facing slowdown in their own country and with excess capacity, might try to dump their products in India…thereby causing pricing pressure for Indian manufacturers like BHEL.

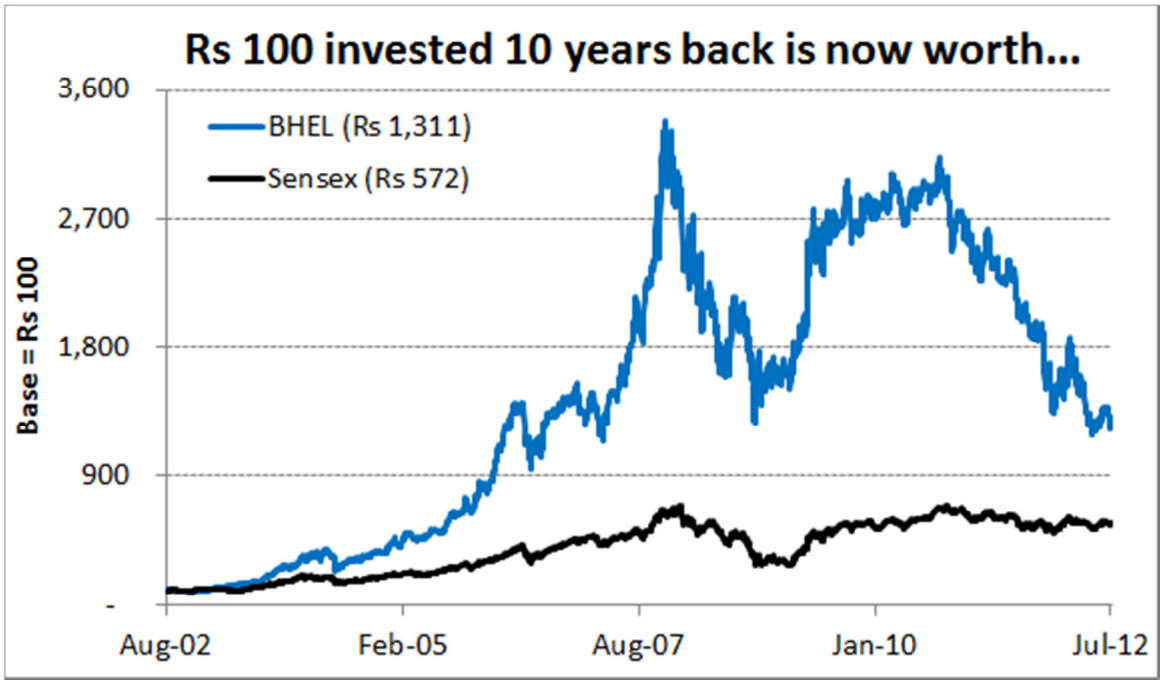
If any of these risks come to fruition, I might have to take a re-look at my assumptions for the company, including my calculation of the stock's intrinsic valuation.

# 5. Financial & Market Snapshot

**10-Year Financial Performance**

| Description | Unit | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | Rs m | 70,862 | 81,187 | 97,135 | 135,044 | 174,203 | 195,888 | 266,580 | 332,597 | 420,375 | 479,789 |
| Gross profit | Rs m | 15,997 | 18,746 | 23,496 | 34,325 | 46,521 | 53,617 | 64,166 | 64,170 | 128,924 | 150,964 |
| Gross profit margin | % | 22.6% | 23.1% | 24.2% | 25.4% | 26.7% | 27.4% | 24.1% | 19.3% | 30.7% | 31.5% |
| Net profit (after tax) | Rs m | 4,445 | 6,582 | 9,534 | 16,792 | 24,147 | 28,593 | 31,382 | 43,106 | 60,112 | 70,400 |
| Net profit margin | % | 6.3% | 8.1% | 9.8% | 12.4% | 13.9% | 14.6% | 11.8% | 13.0% | 14.3% | 14.7% |
| Adjusted EPS | Rs | 1.8 | 2.7 | 3.9 | 6.9 | 9.9 | 11.7 | 12.8 | 17.6 | 24.6 | 28.8 |
| Return on equity | % | 10.0% | 13.2% | 16.9% | 25.2% | 30.0% | 29.2% | 26.5% | 29.9% | 33.3% | 30.9% |
| Average P/E | Times | 9.8 | 18.3 | 20.1 | 28.7 | 28.7 | 36.1 | 25.5 | 29.8 | 22.9 | 13.0 |

Data Source: Ace Equity, Safal Niveshak Research



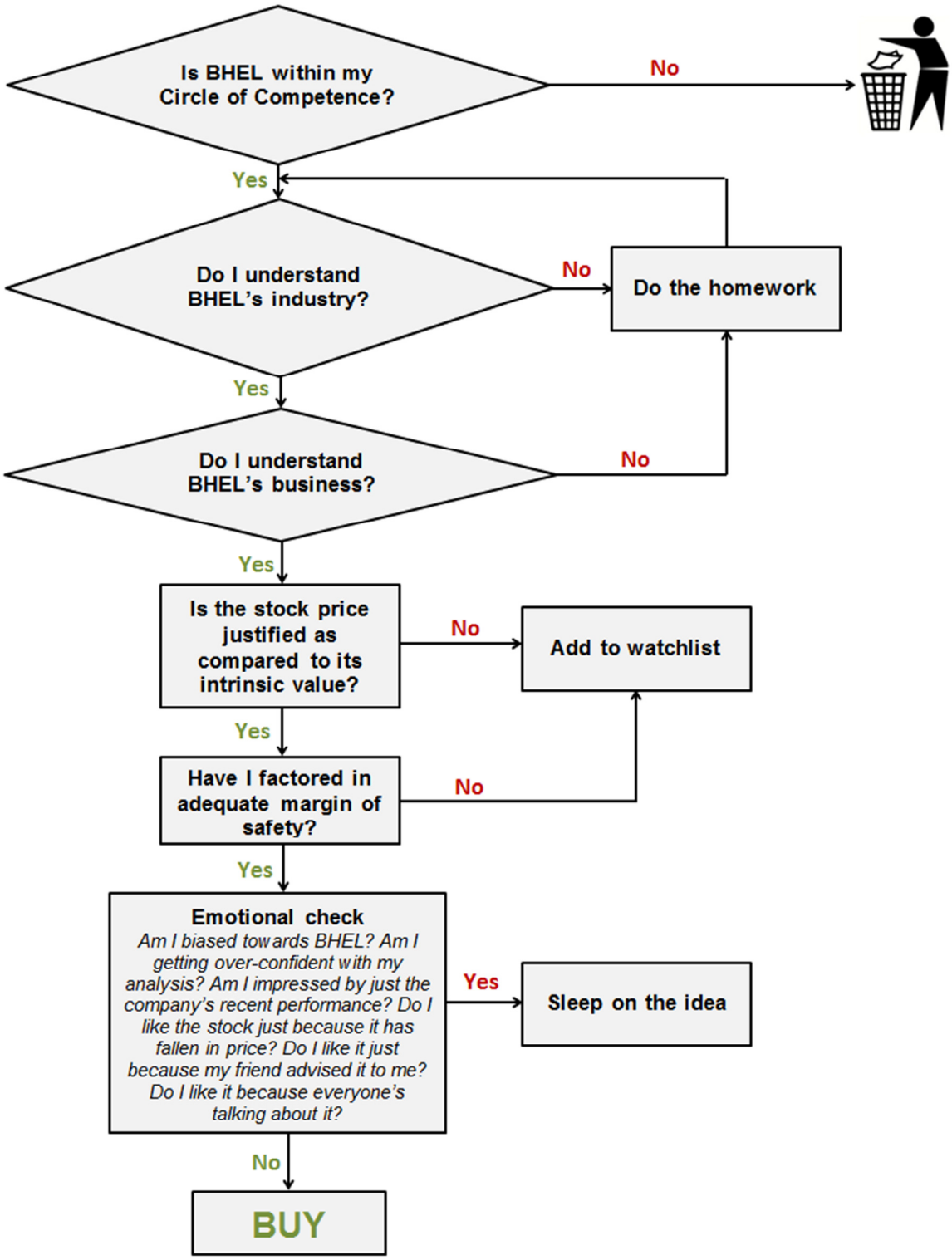

Data Source: Ace Equity, Safal Niveshak Research

| Shareholding Pattern (June-12) | |
|---|---|
| **Category** | **% Stake** |
| Promoter | 67.7 |
| Mutual Funds & Fin. Insti. | 13.1 |
| FIIs | 12.9 |
| Individuals | 3.1 |
| Others | 3.2 |

| Latest Stock Summary | |
|---|---|
| Latest Price (Rs) | 225 |
| 52 Week High/Low (Rs) | 365 / 198 |
| Face Value (Re) | 2.0 |
| Market Cap. (Rs m) | 549,853 |
| Latest P/E (TTM, x) | 7.7 |
| Latest P/BV (x) | 2.2 |

Data Source: Ace Equity, Safal Niveshak Research

# 6. "Should I Buy BHEL" Checklist



# 7. Final Evaluation Checklist

In trying to get the odds of investing in a stock more in my favour instead of being the "man with a hammer", here's another checklist that gives me a 360-degree view of the company and its stock, plus my emotional status with respect to the same.

| Business Climate | Viewpoints |
|---|---|
| 1. Is this a cyclical business? | No. It's good to avoid a cyclical business, unless I'm an industry insider. |
| 2. What are the macro-trends affecting the company? | 1. Economic growth - Uncertain, but with a positive bias;<br>2. Power capacity expansion - Will happen, but at its own slow pace<br>3. Industrial growth - Cyclical, but will maintain a momentum given that India is a growth economy |
| 3. What is the outlook for the company's industry? | Depends on pace of power sector reforms, so "cautiously" optimistic. |
| 4. Is it a recession-proof business? | Not really, but given the ever-present demand for more power, the power equipment industry will do fine whether GDP growth is 6% or 10%. |
| | |
| **Growth & Moat** | |
| 1. Will the company be around in 20 years? | Yes. It's long years of execution and brand name, plus continuous demand for its products will ensure its survival. |
| 2. Will earnings and sales and the dividend grow over 5 years? | If past and future business potential are any indicators, then yes. |
| 3. What's their competitive advantage and moat? | Zero debt, huge cash position, negligible sales & marketing expenses, consistent growth in net profit, reasonable working capital requirements, high return on assets and return on equity. |
| 4. Have sales historically increased annually? | Yes, at an average annual rate of 25% over the past 10 years. |
| 5. Does the company focus on short term profit and forget the long term viability of the business? | Latter, as proved by its past long-term track record. |
| | |
| **Management Quality** | |
| 1. Are they shareholder oriented? | High and rising return rations and industry-beating profitability suggest that the management is shareholder friendly. Plus, dividend payout has been reasonably high. |
| 2. Are they buying shares lately? | No. |
| | |
| **Business Quality** | |
| 1. How is the return on equity picture? | The average has been 25% over the past 10 years, and has risen to 30%+levels in the recent years. This is despite the company's debt-free status. |
| 2. What is the downside risk? | 1. Power reforms not picking up;<br>2. Company diversifying into unrelated areas thereby compromising shareholder returns for the sake of growth;<br>3. Industrial accident, where a manufacturing flaw in its equipment blows up a power station (a black swan) |
| 3. What is the debt level of the company? Is it increasing or declining? | Zero, so very comfortable. |
| 4. Is the business predictable? What is the predictability of the business? | Yes and high. Continuous demand for power and the bulging order book provides good visibility for the next 4-5 years. |
| | |
| **Valuation Check** | |
| 1. What is the earning yield? Is it undervalued? | At 7.7x P/E, the earnings yield (of the inverse of P/E) stands at around 13%, which makes the stock attractive on this basis. |
| 2. What is the valuation of the company? What is the margin of safety? | Based on 5 methods, the intrinsic value of the stock stands at Rs 180 per share. This is after assuming a margin of safety of 25%. |
| 3. Is this company undervalued? If yes, could it be a value trap? | Not at the current price. Even if it gets undervalued in a market crash, it won't be a value trap given its clean balance sheet and growing business. |
| | |
| **Self-Confidence Check** | |
| 1. If the share price went down by 20% within a month after I bought, would I worry about having made a mistake, or would I buy more shares? | I would do a quick check of my original assumptions, and if fundamentals have not changed, I would not sell the stock and instead buy some more of it (though only till that it forms not more than 5-6% of my total investment portfolio). |
| 2. Is this a speculation, or an investment? | Bought at the right price, it will be an investment because it will be based on a thorough analysis and after a reasonable margin of safety. |
| 3. What can go wrong? | 1. Worsening of economic growth and slower than expected rise in power capacity addition. Plus, any foray by the company into unrelated areas given that it is sitting on huge cash. |
| 4. What is the expected holding time frame? | Till the intrinsic value is reached or till the company maintains its earning power, whichever is farther. Sell, if intrinsic value is not reached in 3-4 years and reinvest in a better opportunity |
| 5. What price will you sell? | If bought at the right price, sell the stock when it reaches your intrinsic value calculation if the company shows no potential for increasing the intrinsic value over the long term. |
| | |
| **Emotional Check** | |
| 1. How am I feeling with respect to the stock? Are there any indications my gut is giving me? | The business seems good, and the financial numbers also prove the same. However, the stock is slightly expensive based on intrinsic value calculations. Typical case of a "good company but not a good stock". |
| 2. Am I wanting to buy it now or when the price is right? | When the price is right - when the stock is 5% near or below the intrinsic value (calculated after a 25% margin of safety). |
| 3. Am I overconfident about my analysis? | Not really, and that's why I'm willing to wait rather than buy the stock now when it's slightly overpriced. |
| 4. Am I getting obliged to buy the stock because of the amount of research I've put into it? | No, as my above views suggest. |
| 5. Am I willing/reluctant to accept differing opinions on the stock? | Yes, I am open to someone playing the "devil's advocate". |
| 6. Am I buying/avoiding the stock because others are doing so? | I am not buying before it falls to reach my intrinsic value calculations. |

# Your Feedback is Important!

So that was my take on BHEL as part of the Safal Niveshak StockTalk initiative. I've tried to be as comprehensive in my analysis, while trying to keep the report very simple. Let me know what you think of this report and the improvements therein.

As you must have noticed, I've added two new sections to the report – Risk Statement, and a Final Evaluation Checklist. Let me know your feedback on these.

Also let me know your feedback on the entire report in the Comments section of the post on the website.