

Date: June 20, 2008

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Market is trading at the lower in anticipation to inflation numbers. We expect inflation at 9.90% for the week ended June 7, last week inflation was at 8.75%. In this falling market many blue chip companies are available at a very low rate. One such company that hit badly in this falling market is BHEL Ltd. Bharat Heavy Electrical Ltd. is currently trading at its bottom. **We recommend you buy this stock below Rs.1400/- with a long-term view.**

BHEL

CMP	1410
52 Week High	2925
52 Week Low	970
Market Cap.	69,666 Cr

The biggest constraint in the power sector is the supply of equipment, especially the critical power equipment required for the larger projects. But, for BHEL, which commands about **65 per cent market share in the domestic power equipment industry.**

BHEL's is standing on a outstanding order book of Rs96,000 cr instills confidence. The successful acquisition of orders for super critical boilers and high technology gas turbines required for the bigger projects would only improve its order book further.

Considering the huge order backlog and the orders in pipeline, BHEL is expanding its capacities by 67 per cent to 10,000 mw by January 2008, which will further increase to 15,000 mw by December 2009.

BHEL is also expanding its forging and casting capacities and a new fabrication plant to help reduce its dependence on imports. These should also help lower costs in the years to come.

BHEL Ltd is currently trading at its bottom. This is one of the safest buy for all the investors. This blue chip company one must have in its portfolio.

Share Price Movement During The Last 12 Months				
Period	Price	CMP	Gain/Loss (Rs.)	% Gain/Loss
3-Days Back	1527	1423	-104	-6.80
5-Days Back	1518	1423	-95	-6.22
7-Days Back	1481	1423	-58	-3.91
15-Days Back	1548	1423	-125	-8.07
1-Month Back	1736	1423	-313	-18.03
3-Month Back	1823	1423	-400	-21.94
6-Month Back	2395	1423	-972	-40.58
9-Month Back	1899	1423	-476	-25.07
1-Year Back	1380	1423	43	3.11

Overall, a better industry outlook, strong order book, expansion of existing capacities and available near to its one year back prices will drive the stock from the current levels.

Please confirm your Order ASAP.

**Thanks & Regards,
MIDEAST PMS Department**