

Company Name: HBL Engineering Ltd.

CMP: ₹840 (as on 13 Jan 2026)

M Cap: ₹ 23,284 Cr.

Target ₹1090

Company Overview:

HBL Power System Ltd manufactures and services different types of batteries, e-mobility, and other products. Among segments, Industrial batteries (Lead, Nickel-Cadmium & Lithium batteries) account for 71% of revenues, defence biz account for 12% (batteries for defence aircraft, missiles etc) and industrial electronics (Rail Signalling, train management system) account for the rest.

Investment Rationale:

- HBL is one of the leading companies in industrial nickel batteries and VRLA (Valve Regulated Lead Acid) batteries.
- HBL is one of the key beneficiaries of the "Atmanirbhar Bharat" initiative with 100% indigenized technology for electronic fuzes (artillery, grenades) and supplies specialized batteries for missiles (Agni Prime), torpedoes, and submarines.
- HBL has diversified its revenue stream and focused on higher margin Ni-Cad and lithium-ion batteries and increased its share of exports (23% in FY25 vs 18% in FY23). Besides, the company lowered its dependency from telecom sector towards railways including Kavach systems, Train Collision Avoidance System (TCAS), Train Management System (TMS), and signalling works
- HBL has strong financial profile with 3-year Revenue/EBITDA/PAT CAGR of 17%/41%/43% respectively. HBL also has converted 65% of EBITDA into cashflow from operations on an average in last 3 years. Company had an order book of ₹4,479 crore (as of 31st Jul'25) providing revenue visibility of more than 2 years.
- Management has guided for ₹4,500 crore revenue by FY30.

View:

HBL is one of the leading companies in Industrial batteries and industrial electronics (Rail Signalling, train management system) and is one of the key players in the 50,000

Stock Idea

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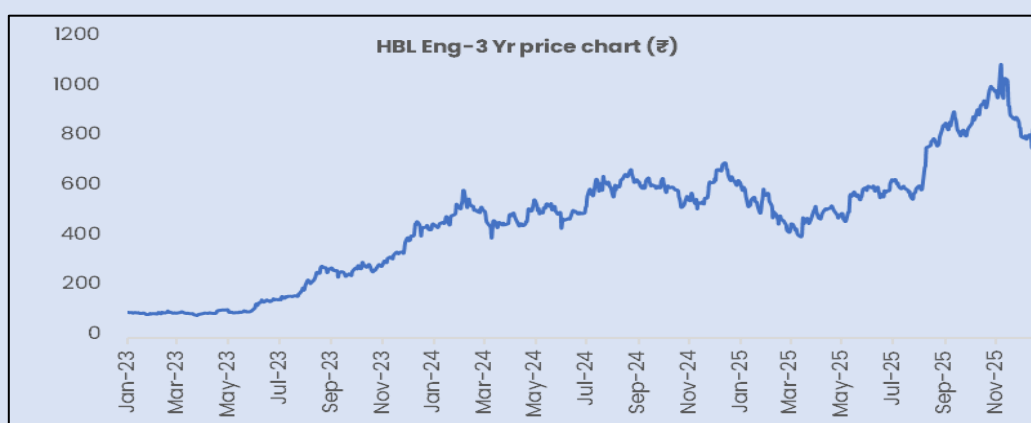
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crore Kavach Phase-I implementation phase. The stock corrected after bumper Q2FY26 corporate earnings majorly on statement from management wherein the bumper sales from Electronics segment in revenue was suggested as one-off. Besides, there also concerns for uncompleted Loco TCAS orders. However, in a recent corporate filing to exchanges ([link](#)), the company stated that for 2024 order of 2200 Loco TCAS units, it delivered 75% by cut-off date of 13 Dec 2025. However, undelivered units from all other players together is estimated at ~7,000 units (which will be floated as new tender). Three other tenders totalling 11,429 units have already been floated (to be decided before 31st Mar'26), thus taking the total demand at 18,429 units (7,000+11,429), which was unforeseen by the company.

At the CMP of ₹840, the scrip trades at P/E of 37.00x FY27E EPS and we advise to BUY the scrip at the CMP and at dips for target of ₹ 1,090.

Particulars (₹ crore)	FY24	FY25	FY26E	FY27E
Revenue	2,233	1,967	2,742	3,110
EBITDA	423	393	919	933
Net Profit	281	277	611	629
EPS (₹)	10.1	10.0	22.1	22.7

Source: EF Research



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