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Defence Edge.



RATING

MANAGEMENT ★ ★ ★ ★ ★

BUSINESS ★ ★ ★ ★ ★

FINANCIALS ★ ★ ★ ★ ★

VALUATION ★ ★ ★ ★ ★

Ranking 1 to 5, denoting lowest and 5 highest

24-11-2025

CMP: ₹402.90

Rating: BUY

Range: ₹399 - ₹407

Target 1/2: ₹431/₹491

Expected Upside Potential: 22%



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



QUALITY. TECHNOLOGY. INNOVATION.

BHARAT ELECTRONICS LIMITED

Sector: Capital Goods

Stock Info :	
Mkt Cap (₹ in Cr)	2,94,510.99
52-Weeks Low/High	240/436
Traded Volume (lakhs)	236.96
No. of Equity Shares (Cr)	373.00
Face Value (Rs.)	1.00
NSE Code	BEL
BSE Code	500049
Free Float Market Cap (Cr)	1,43,906.32

Source: NSE/BSE

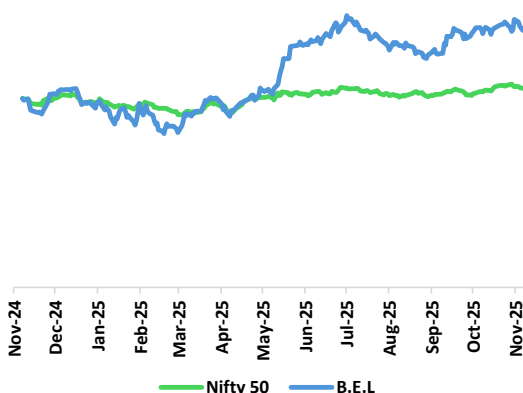
Particulars	FY24	FY25
Current Ratio	1.54	1.76
EPS	5.50	7.23
BV per share	22.0	26.95
EBITDA Margin	25.00	29.00
ROCE	36.44	39.22
RoE	27.10	29.56
Net Profit Ratio	20.28	22.97

Source: Company

Particulars	% of Total Shares
Central Government	51.14
Mutual Funds/UTI	15.02
FPIs	17.56
Individuals	9.33
Others	6.95
Total	100.00

Source: Company, NSE, BSE

Stock Performance



About Company:

Bharat Electronics Limited (BEL) stands as a leading aerospace and defence electronics company that has been instrumental in advancing India's self-reliance in critical defence technologies and indigenous capabilities. Established in 1954 as a Government of India enterprise under the Ministry of Defence, BEL has evolved into India's premier defence equipment manufacturer, revolutionizing the Indian defence sector with cutting-edge electronics solutions and systems over the past seven decades. With a formidable presence across multiple locations and operating through 29 Strategic Business Units strategically positioned at nine manufacturing complexes across India—including Bengaluru, Ghaziabad, Pune, Machilipatnam, Panchkula, Chennai, Kotdwara, Hyderabad, and Navi Mumbai—BEL has established itself as a versatile company with diverse multi-technology and multi-product capabilities, tank electronics, gun and weapon system upgrades, and precision-guided electronic fuzes.

Key Highlights:

❑ **Profitability Expansion with Enhanced Margin Profile:** The company reported Profit Before Tax (PBT) of ₹3,023 crore up in Q2 FY26, representing a growth of 21.5% compared to ₹2,488 crore in the comparable period of FY25. Profit After Tax (PAT) reached ₹2,255 crore in H1 FY26, up 20.77% from ₹1,867 crore in H1 FY25, demonstrating superior bottom-line expansion compared to top-line growth, indicating operational leverage and improved cost management. EBITDA margin expanded significantly to 30.15% (H1 FY26) from 27.26% (H1 FY25), a 289 basis point improvement, reflecting the company's commitment to cost optimization, indigenization initiatives, and improved operational efficiency across its manufacturing complexes.

❑ **The company's order book position strengthened further during the quarter.** As of October 31, 2025, the order book stood at ₹75,600 crore (compared to ₹74,453 crore as of October 1, 2025), providing strong multi-year revenue visibility and execution runway. The company acquired orders worth ₹12,539 crore till October 1, 2025, which increased to ₹14,750 crore by October 31, 2025, in H1 FY26, also ₹27,000+ crore order inflows in FY26 (excluding QRSAM) and approximately ₹57,000 crore including QRSAM order expected by March 2026. The company continues to execute major defence programs effectively, with strong contributions from LRSAM (Long Range Surface to Air Missile) for Navy (approximately ₹5,000 crore pending order book), Electronic Fuzes (₹4,500 crore pending), BMP-II Tank Upgrades (₹3,000 crore pending), and Akash Army System (₹2,700 crore pending). The top 7 orders comprise approximately ₹25,000 crore of the ₹74,000+ crore order book, demonstrating concentrated delivery focus and predictable revenue streams. Defence continues to dominate the revenue composition at approximately 90% of total business, with non-defence contributing 10%, maintaining the company's established strategic positioning aligned with India's defence modernization priorities and government procurement focus.

❑ **Beyond its dominant defence portfolio, BEL has strategically diversified into promising non-defence segments including Homeland Security, Smart City Solutions, Cyber Security, Software Solutions, Electronic Voting Machines (EVMs), Rail and Metro Solutions, Space Electronics, Solar Power Plants, and Healthcare Solutions.** The company has established a global footprint through its international marketing offices in New York (USA), Muscat (Oman), Colombo (Sri Lanka), and across ASEAN countries, enabling it to tap into emerging export markets and expand its reach for proven defence and non-defence products. As a strong advocate of India's "AtmaNirbhar Bharat Abhiyaan" and "Make in India" initiatives, BEL has been at the forefront of indigenous design and manufacturing capabilities, demonstrating India's prowess in developing world-class defence electronics.

Key Risks:

❑ **Supply Chain Disruptions and Input Component Constraints;** due to the tumultuous geopolitical environment and global supply chain complexities, the industry faces potential delays in receiving critical input materials and components.

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Price: The price is moving above all the key moving averages (9, 12, 26). The moving averages are aligned in a bullish stacking formation (9-day MA > 12-day EMA > 26-day EMA), with all slopes directed upwards. This hierarchical arrangement demonstrates robust technical strength across multiple timeframes—short-term, medium-term, and long-term—confirming a healthy, well-structured uptrend.

Momentum Indicator Strength: The RSI (14) stands at a healthy level of 64.01, placing it in the optimal momentum zone between 50 and 70. This indicates that bullish momentum remains intact and well-established without excessive overbought conditions.

Bollinger Band: The Bollinger Band envelope with settings (20, 2) spans from ₹363.9 (lower band) to ₹437.9 (upper band), positioning signals strong bullish conviction, as the price is operating well within the upper portion of the volatility range.

BEL exhibits a compelling bullish signal with demonstrable strength in the technical trend. The stock is characterized by a bullish moving average alignment, healthy RSI momentum without overbought extremes, price trading in the upper band of the volatility envelope, and multiple support levels anchoring the downside.

Disclaimer

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- **BUY** –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** –We expect the stock to deliver 5% -12% returns over the next 9 months.
- **REDUCE** –We expect the stock to deliver 0% -5% returns over the next 9 months.
- **SELL** –We expect the stock to deliver negative returns over the next 9 months.
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- **NM** –Not Meaningful. The information is not meaningful and is therefore excluded. **NOTE** –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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