B.N.RATHI
SECURITIES LIMITED

# BHARAT ELECTRONICS LTD

**01 OCTOBER 2025**

## WHY IT IS A BUY:

- Healthy long term growth as Net Sales has grown by an annual rate of 13.87% and Operating Profit at 25.10%.
- Piotroski Score is at 8.00 a very strong score indicating a company with solid financial strength and fundamental performance.
- Company has delivered a profit growth of 23.8% CAGR over last 5 years.
- Company has a good Return on Equity (ROE) track record: 3 Years ROE 26.4%
- Company has been maintain a health dividend payout of 39.1%.
- Stock is technically in a BULLISH stance: Monthly chart Flag with Pole breakout.
- Highest FIIs Holdings at 18.56%.

## Strategic Initiatives and Focus Areas

The company is heavily focused on the 'Atma Nirbhar Bharat' (Self-Reliant India) initiative.

**Research & Development (R&D):** R&D remains a core strength, with focus on developing cutting-edge technology modules, subsystems, and systems for Defence and Professional Electronics. Notable projects fetching revenue in FY 2024-25 include ATDS, IACCS B-III Hardware & Services, and various SDR systems. Indigenous developments resulting in import substitution include Photonic Transmitter and Receiver for Atulya Radar, Network Management System software for SDR, and various GaN Amplifiers and MMICs.

**Cyber Security:** BEL has a strong presence in the cyber domain, is ISO 27001 certified, and has acquired cyber security projects from customers like ICMR and AIIMS.

**ESG and Sustainability:** BEL emphasizes Environmental, Social, and Governance (ESG) principles. It became the first Defence PSU to achieve RE100 status in the last quarter of FY 2024-25, highlighting its commitment to sourcing 100% renewable electricity.

**Strategic Alliances:** BEL is pursuing alliances for Co-development, Co-production, and Manufacturing ToT (Transfer of Technology) in key areas such as Weapon systems, AESA-based radars, Electronic Warfare Suites, Unmanned Systems, and AI & Robotics.

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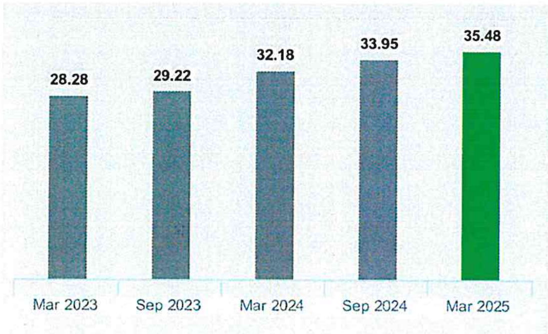
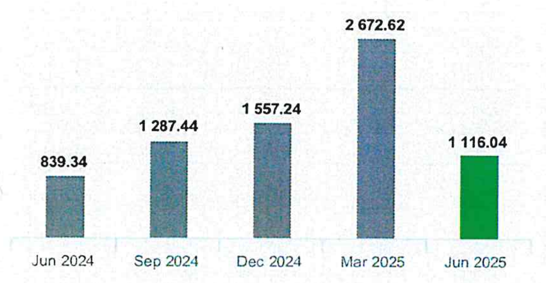
**Strong Return on Equity (ROE) track record: 3 Years ROE 26.4%**

The company has displayed increased efficiency by generating higher profit on overall capital.




Near term PBT trend positive




Near term PAT trend is positive

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## QUARTERLY RESULTS:

Consolidated Figures in Rs. Crores

| | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|---|---|---|---|---|---|---|---|
| **Sales** | 4162 | 8564 | 4244 | 4605 | 5771 | 9150 | 4440 |
| **Expenses** | 3090 | 6277 | 3295 | 3205 | 4101 | 6334 | 3201 |
| **Operating Profit** | 1072 | 2287 | 948 | 1400 | 1669 | 2816 | 1238 |
| **OPM%** | 26% | 27% | 22% | 30% | 29% | 31% | 28% |
| **Other Income** | 167 | 225 | 204 | 158 | 186 | 195 | 163 |
| **Interest** | 1 | 4 | 1 | 1 | 1 | 6 | 1 |
| **Depreciation** | 107 | 119 | 108 | 111 | 111 | 138 | 121 |
| **Profit before tax** | 1132 | 2390 | 1043 | 1445 | 1744 | 2867 | 1279 |
| **Ta%** | 25% | 25% | 25% | 25% | 25% | 26% | 25% |
| **Net Profit** | 860 | 1797 | 791 | 1093 | 1312 | 2127 | 969 |
| **EPS in Rs** | 1.18 | 2.46 | 1.08 | 1.49 | 1.79 | 2.91 | 1.33 |

## ANNUAL RESULTS:

Consolidated Figures in Rs. Crores

| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|---|---|---|---|
| **Sales** | 12164 | 12968 | 14109 | 15368 | 17734 | 20268 | 23769 |
| **Expenses** | 9255 | 10209 | 10895 | 12024 | 13645 | 15217 | 16932 |
| **Operating Profit** | 2909 | 2759 | 3214 | 3344 | 4090 | 5051 | 6837 |
| **OPM %** | 24% | 21% | 23% | 22% | 23% | 25% | 29% |
| **Other Income** | 73 | 99 | 125 | 232 | 281 | 670 | 742 |
| **Interest** | 16 | 8 | 10 | 9 | 19 | 12 | 13 |
| **Depreciation** | 338 | 372 | 387 | 401 | 429 | 443 | 467 |
| **Profit before tax** | 2628 | 2478 | 2942 | 3166 | 3923 | 5266 | 7099 |
| **Tax %** | 30% | 28% | 30% | 26% | 25% | 25% | 26% |
| **Net Profit** | 1887 | 1825 | 2100 | 2400 | 2986 | 3985 | 5323 |
| **EPS in Rs** | 2.58 | 2.50 | 2.87 | 3.28 | 4.08 | 5.45 | 7.28 |

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## BALANCE SHEET:

Consolidated Figures in Rs. Crores

| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|---|---|---|---|
| **Equity Capital** | 244 | 244 | 244 | 244 | 731 | 731 | 731 |
| **Reserves** | 8968 | 9828 | 10816 | 12042 | 13131 | 15595 | 19243 |
| **Borrowings** | 34 | 8 | 3 | 53 | 61 | 63 | 61 |
| **Other Liabilities** | 11575 | 14271 | 18430 | 21574 | 21567 | 23136 | 20788 |
| **Total Liabilities** | 20821 | 24351 | 29492 | 33912 | 35490 | 39524 | 40824 |
| **Fixed Assets** | 2298 | 2713 | 2652 | 2675 | 2963 | 3035 | 3419 |
| **CWIP** | 849 | 828 | 883 | 1006 | 855 | 894 | 1052 |
| **Investments** | 964 | 1110 | 1306 | 1572 | 650 | 682 | 743 |
| **Other Assets** | 16710 | 19700 | 24651 | 28659 | 31022 | 34913 | 35610 |
| **Total Assets** | 20821 | 24351 | 29492 | 33912 | 35490 | 39524 | 40824 |

## SHAREHOLDING PATTERN:

Numbers in percentages

| | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|---|---|---|---|---|---|---|---|
| **PROMOTERS** | 51.14% | 51.14% | 51.14% | 51.14% | 51.14% | 51.14% | 51.14% |
| **FII** | 17.77% | 17.56% | 17.43% | 17.27% | 17.34% | 17.55% | 18.56% |
| **DII** | 23.37% | 22.63% | 20.62% | 20.22% | 20.94% | 20.87% | 20.60% |
| **PUBLIC** | 7.72% | 8.66% | 10.82% | 11.37% | 10.58% | 10.43% | 9.70% |

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## TECHNICAL ANALYSIS:


The above monthly chart of prices are traded higher since the March 2023 to July 2024. Later on the prices took correction with the lower tops and lower bottoms and breached the pattern of **"Flag with Pole".** Prices breached the trend line resistance and closed well above the same suggesting the bullishness. The RSI 21 period is trading at 71 levels and breached the trend line resistance which has the potential for the positive stance and we expect the prices to trade higher in the coming months.

**Sources:**

www.nseindia.com www.bseindia.com www.moneycontrol.com
www.screener.in www.in.tradingview.com

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Mr. Satish Kumar Avusula – Fundamental & Technical Analyst

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