

# Bharat Electronics Ltd



03-02-2026

**COMPANY NAME: BEL**

**RATING: BUY | CMP: 439 | TARGET: 531 | TIME FRAME: 9-12 MONTHS**

**Sector: DEFENCE**

**Why BEL is a BUY for Investment:**

Bharat Electronics Limited (BEL) is a Navratna Public Sector Undertaking (PSU) under the Ministry of Defence, Government of India, established in 1954 in Bangalore, Karnataka, India to meet the electronic equipment needs of the Indian armed forces and other government agencies. It manufactures and supplies electronic equipment and systems to the defence sector. Company also has a limited presence in the civilian market

The company develops advanced electronic equipment, systems, and services for the Indian defense sector, including Radar and Fire Control Systems, Weapon Systems, Communication, Network Centric Systems (C4I), Electronic Warfare Systems, etc. It operates 29 strategic business units (SBUs), including 4 new SBUs- Network & Cyber Security, Unmanned Systems, Seekers, and Arms & Ammunition. <sup>[1]</sup> The company is planning to expand into international defence and civilian markets.

The company exports Transmit & Receive (TR) Modules, Data Link II, RWRs, MAWS, LRSAM main equipment, Mechanical Parts, Training Simulators, Communication equipment, etc to France, USA, Spain, Israel, China, Germany, ASEAN, Armenia, Sri Lanka, and few other countries. The segmental revenue grew by 236% between FY22 and FY24.

**Scale & Reach of the company:**

- BEL is considered a **leading defence electronics powerhouse** in India.
- The company has 9 manufacturing units in Bengaluru, Ghaziabad, Pune, Machilipatnam, Panchkula, Chennai, Kotdwara, Hyderabad and Navi Mumbai. It has its overseas offices at New York (USA), Muscat (Oman), Colombo (Sri Lanka) and ASEAN Countries. It has various regional offices as well across India. Among the top 10 food & beverage companies in India.
- As of FY25, the total order book stands at Rs. 71,650 Cr. ~Rs. 18,715 crores. Orders were won in FY25 itself.

**Breakup of the Order book:**

1. Defence: 86%
2. Non-Defence: 11%
3. Exports: 3%

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## Why to invest in BEL:

**Q3 FY 2025-26 (Dec 2025 Quarter: Net Profit (PAT):** ₹1,580 crore up 21% followed by 24% rise in the revenue from operations YoY.

**Strong Order book** – A key reason for sustained financial growth is BEL's strong order book (long-term contracts) — recently reported around ₹73,000+ crore — giving revenue visibility for future fiscal periods.

**Strong operational performance:** BEL continues to maintain strong operational momentum with rising earnings, a growing order backlog, and expanding market presence in India's defence electronics sector.

**Strong ratios:** Company a robust current ratio around 1.6–1.8 indicating good short-term liquidity, and exceptionally high interest coverage, reflecting its ability to meet interest obligations with ease. Profitability ratios are strong, with Return on Equity (ROE) typically around 26–29 % and Return on Capital Employed (ROCE) around 35–38 %, demonstrating efficient use of capital and delivering solid returns to shareholders. On the valuation front, the stock trades at a relatively high Price/Earnings (P/E) ratio of about ~50–55x and a Price/Book (P/B) ratio above ~13–15x, reflecting market expectations of continued growth.

## Highlights from the recent financials:

### FY 2025-26 (ended December 2025):

BEL's revenue from operations rose ~24% year-on-year to ₹7,122 crore, reflecting strong demand across defence and related segments

**Profit After Tax (PAT):** Net profit grew ~20–21% YoY to around ₹1,580 – ₹1,590 crore, showing healthy earnings expansion.

**Profit Before Tax (PBT):** PBT increased ~22% YoY to over ₹2,147 crore, underscoring operational performance improvement.

### Future prospects of the company:

- Policy backing for indigenous manufacturing and import substitution, including expanded FDI in defence.
- Growing defence budgets and accelerated procurement timelines from the Indian Armed Forces.
- **Export markets**, with plans to grow the share of overseas revenues significantly, tapping into demand from foreign defence customers.
- Collaboration with global players (like Safran) to produce advanced precision weapons locally — adding new technological and revenue streams.

## KEY FINANCIALS FOR THE Q1FY26:

### Consolidated Quarterly Results:

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Sales +	8,564	4,244	4,605	5,771	9,150	4,440	5,792	7,154
Expenses +	6,277	3,295	3,205	4,101	6,334	3,201	4,090	5,027
Operating Profit	2,287	948	1,400	1,669	2,816	1,238	1,702	2,127
OPM %	27%	22%	30%	29%	31%	28%	29%	30%
Other Income +	225	204	158	186	195	163	154	139
Interest	4	1	1	1	6	1	2	2
Depreciation	119	108	111	111	138	121	126	135
Profit before tax	2,390	1,043	1,445	1,744	2,867	1,279	1,728	2,128
Tax %	25%	25%	25%	25%	26%	25%	26%	26%
Net Profit +	1,797	791	1,093	1,312	2,127	969	1,287	1,580
EPS in Rs	2.46	1.08	1.49	1.79	2.91	1.33	1.76	2.16

### Profit & Loss Statement:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	12,164	12,968	14,109	15,368	17,734	20,268	23,769
Expenses	9,255	10,209	10,895	12,024	13,645	15,217	16,932
Operating Profit	2909	2759	3214	3,344	4,090	5,051	6,837
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	3,166	3,923	5,266	7,099
Tax %	30%	0	0	26%	25%	25%	26%
Net Profit	1,887	1,825	2,100	2,400	2,986	3,985	5,323
EPS in Rs	2.58	2.5	2.87	3.28	4.08	5.45	7.28

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## Balance Sheet:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	244	244	244	244	731	731	731
Reserves	8,968	9,828	10,816	12,042	13,131	15,595	19,243
Borrowings	34.00	8.00	0.00	53.00	61	63	61
Other Liabilities	11,575	14,271	18,434	21,574	21,567	23,136	20,788
<b>Total Liabilities</b>	<b>20,821</b>	<b>24,351</b>	<b>29,494</b>	<b>33,912</b>	<b>35,490</b>	<b>39,524</b>	<b>40,824</b>
Fixed Assets	2,298	2,713	2,652	2,675	2,963	3,035	3,419
CWIP	849	828	883	1,006	855	894	1,052
Investments	964	1110	1306	1,572	650	682	743
Other Assets	16,710	19,700	24,653	28,659	31,022	34,913	35,610
<b>Total Assets</b>	<b>20,821</b>	<b>24,351</b>	<b>29,494</b>	<b>33,912</b>	<b>35,490</b>	<b>39,524</b>	<b>40,824</b>

## Key Ratios:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Debtor Days	161	189	170	145	145	133	140
Inventory Days	275	204	233	230	240	257	273
Days Payable	89	126	155	139	124	128	100
ROCE %	30%	0	28%	27%	30%	35%	39%

## Shareholding Pattern:

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	51.14%	51.14%	51.14%	51.14%	51.14%	51.14%	51.14%
FIIIs	17.56%	17.43%	17.27%	17.34%	17.55%	18.56%	18.14%
DIIIs	22.63%	20.62%	20.22%	20.94%	20.87%	20.60%	20.88%
Public	8.66%	10.82%	11.37%	10.58%	10.43%	9.70%	9.84%
No of Shareholders	13,64,873	25,18,663	27,72,002	26,53,676	26,78,435	25,42,378	24,98,588

## Stock price CAGR:

Stock Price CAGR	
10 Years:	28%
5 Years:	57%
3 Years:	67%
1 Year:	56%

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## Technical View on the Stock:

Bharat Electronics Limited | 10 - MSE | 543200 | 44113 | 142025 | 049 | 10 | 113751432311  
EMA(21) close: 421.84  
EMA(50) close: 411.28  
EMA(100) close: 405.81  
EMA(200) close: 394.98



TradingView

The stock price is above major moving averages such as the 50-day, 100-day and 200-day SMAs/EMAs, which is generally a bullish long-term structure indicating the uptrend remains intact. MACD and momentum indicators are still favoring buyers, though some shorter-term oscillators can read neutral/overbought at times — typical in long uptrends. The stock has seen a sharp up move in the past few months owing to improved visibility, sector outlook and attractive valuations. The stock is holding on to its gains and is showing resilience even in the weak market conditions that were present in the markets last few days. On the weekly charts the stock is well placed near to its long-term moving averages indicating potential massive breakout on the higher side. The parabolic SAR is trading above its price action on weekly chart reflect up trend in the stock will remain intact in near term.

### Conclusion:

BEL appeals to investors due to its robust order book with long-term visibility, strategic role backed by government policy, consistent financial performance, and strong balance sheet, making it a compelling option for medium-to-long-term investment in the Indian defence sector — provided investors are comfortable with its PSU dynamics and valuation levels

### Sources:

[www.nseindia.com](http://www.nseindia.com) | [www.bseindia.com](http://www.bseindia.com) | [www.moneycontrol.com](http://www.moneycontrol.com) | [www.screener.in](http://www.screener.in) |  
[www.in.tradingview.com](http://www.in.tradingview.com) | [www.bloomberg.com](http://www.bloomberg.com)

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