



Bharat Electronics Ltd.

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Equentis Wealth Advisory Services Ltd

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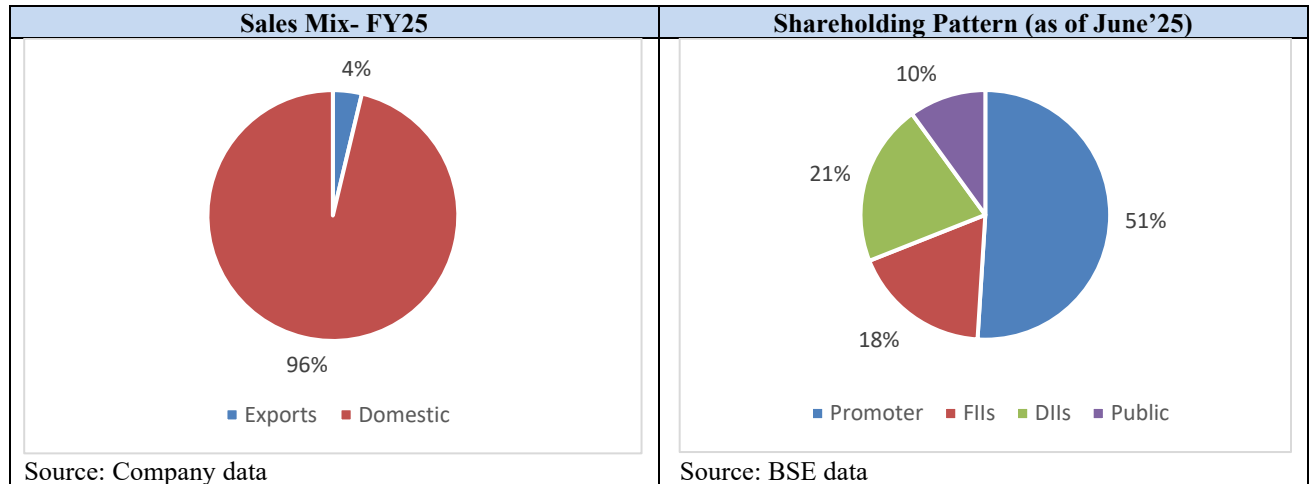
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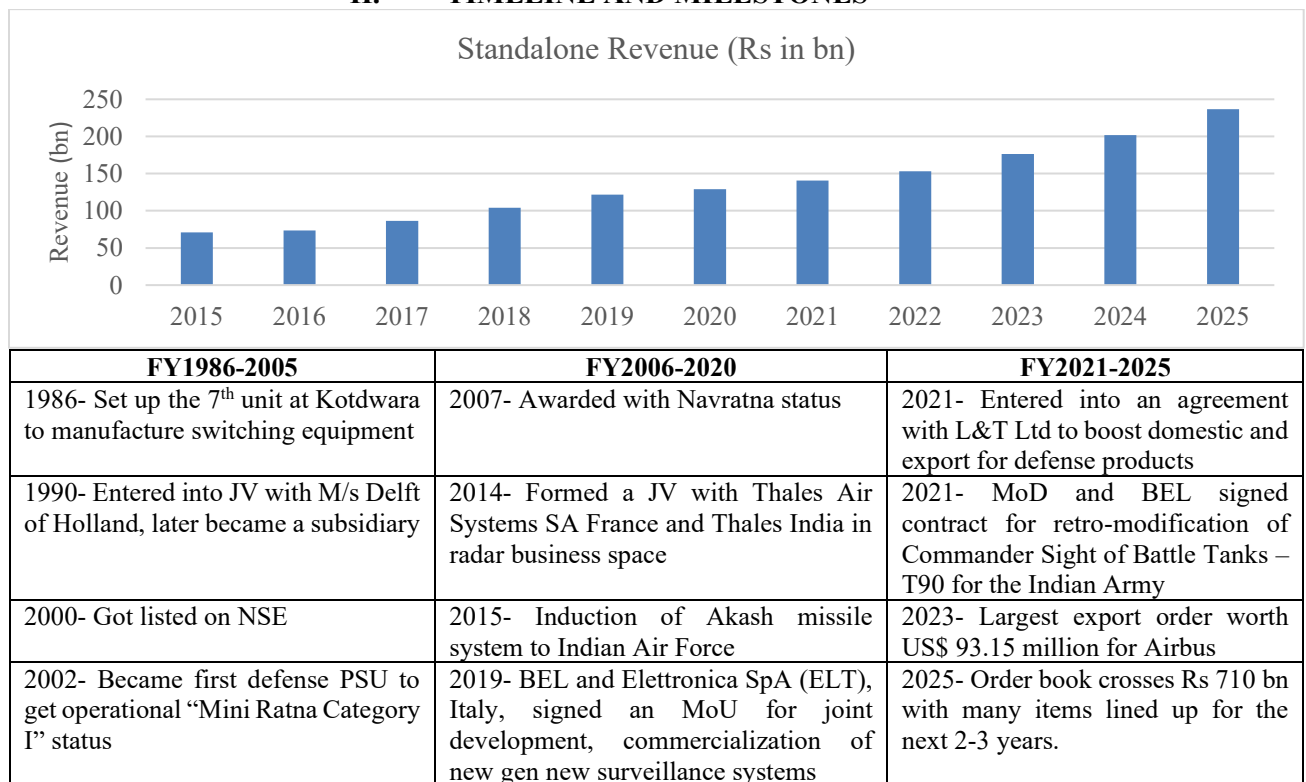
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I. COMPANY BACKGROUND

- **About company-** Bharat Electronics Ltd. (BEL), a globally recognized defence company, was founded in 1954 by the Government of India under the Ministry of Defence to cater to the specialized electronic requirements of the Indian defence services. BEL has grown into a multi-product, multi-technology and multi-unit company with over six decades of experience. The company is engaged in designing, developing, manufacturing, and supplying a diverse array of electronic products/systems and has established a presence in both defence and non-defence segments in the domestic and global markets. The company operates nine state of art manufacturing units and two R&D units. BEL is among the elite group of Public Sector Undertakings, which has been awarded the Navratna status.
- **Revenue Streams and Shareholding Pattern-**



II. TIMELINE AND MILESTONES



Source: Company data & Equentis Research

KNOW YOUR PROMOTER

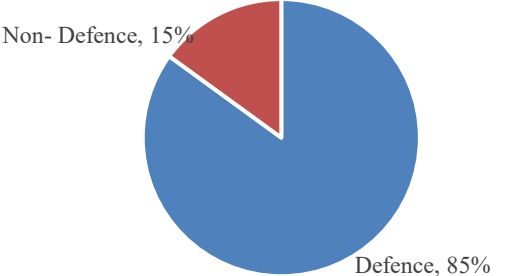
President of India is the promoter of the company, holding 51% stake in the company.

III. KNOW YOUR MANAGEMENT TEAM

Name	Position Held	Comments	
Mr Manoj Jain	Chairman & MD	<ul style="list-style-type: none"> He completed his BE (Electronics) from REC Jaipur (MNIT). He has been associated with BEL since 1991, and in his career spanning over three decades he has made a substantial contribution to the field of R&D. He assumed additional charge as Chairman & MD in June 2024. He has received various R&D awards, Key Contributor Awards, Raksha Mantri's Award and SODET Awards. 	
Mr Kamesh Kasana	Director (Other Units)	<ul style="list-style-type: none"> He holds a degree in Bachelor of Technology (Electronics and Communication Engineering) from NIT Kurukshetra & a Post Graduate diploma in Business Administration. He has been associated with BEL since 1993, bringing with him over 3 decades of distinguished experience in defence electronics. He has made significant contributions to the indigenization, modernization and strategic growth of BEL's portfolio, playing a vital role in strengthening India's defence capabilities. He assumed Charge as Director (Other units) in July 2025. 	
Mr Damodar Bhattad S	Director (Finance)	<ul style="list-style-type: none"> He is a qualified Chartered Accountant. He joined BEL in 1988 as Accounts Officer and in a career spanning over 34 years, served the company in various roles. He assumed the charge of Director (Finance) in Jan 2023, earlier to his elevation, worked as general manager(finance). 	
Mr Kaipa Venkata Suresh Kumar	Director (Marketing)	<ul style="list-style-type: none"> He is a postgraduate in Electronics & Communications engineering. He joined BEL in 1989, where he worked on multiple technologies at multiple units. He took charge as Director (Marketing) in June 2023. He is a recipient of the prestigious Raksha Mantri's Excellence Award. He has been serving as the Chief Indigenization Officer of BEL since 2021 and has made significant contributions. 	
Dr Binoy Kumar Das	Director General (Electronics & Communication Systems)	<ul style="list-style-type: none"> He holds B.Tech. degree, and M.Tech. and Ph.D. from IIT, Kharagpur. Prior to taking over as DG (ECS) on April 29, 2022, he was Director. He was an integral part of the Indian Missile Program for 33 years and worked relentlessly towards Test and Evaluation of various state-of-the-art Missile Systems. 	

Source: Company website

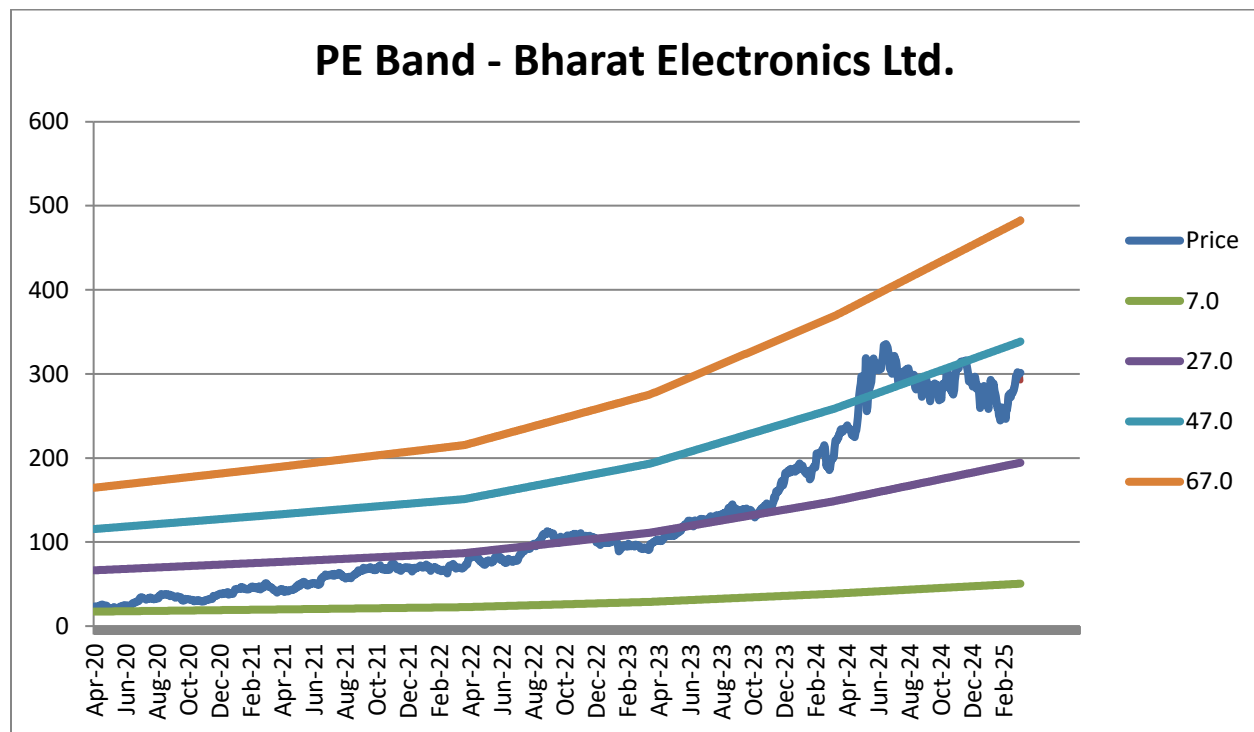
IV. COMPANY AND INDUSTRY OVERVIEW

Argument	Comment	
Present in highly specialized defence electronics market	<ul style="list-style-type: none"> The company has a diversified product portfolio and operates within the domestic defence electronics segment with a market share of ~60%. BEL's comprehensive product offerings include radars, missile systems, defence communications, electronic warfare, avionics, navigation systems etc. catering to the Army, Navy, and Air force. BEL is expanding its global presence. In a bid to develop new markets in the Indian Ocean Region (IOR) and friendly foreign countries (FFCs), BEL has operationalised overseas marketing offices in Oman, Vietnam, and Sri Lanka. BEL has also expanded its Singapore and New York Regional Offices to handle marketing activities. 	
Diversifying into non-defence segment	<ul style="list-style-type: none"> BEL is exploring opportunities in the non-defence segment and is focusing on areas such as civil aviation sector, anti-drone Systems, satellite assembly & integration, solar, railway & metro solutions, network & cyber security solutions, energy storage products for EVs, homeland security & smart cities, medical electronics, AI etc. The management aims to increase the share to more than 15% in the long run. 	<p>Customer Mix - FY25</p>  <p>Non- Defence, 15%</p> <p>Defence, 85%</p>
Healthy order book	<ul style="list-style-type: none"> BEL's order inflow in FY25 was Rs 180 bn. The total order book at the end of FY25 stood at Rs 710 bn. The orders in the pipeline include projects like LRSAM, LRUs for our LCA 83 aircraft, Akashteer, Arudhra radar, BSF project, D-29 EW, HimShakti, Shatragut & Samaghat (EW systems), ATULYA radar, Shakti, ADFCR, etc. The company has indicated that order inflows for FY26 are expected to exceed Rs 270 bn (excluding QRSAM). 	
Industry dynamics- focus on indigenization	<ul style="list-style-type: none"> The Indian defence landscape is experiencing rapid evolution as the Indian government is working towards reducing the country's dependence on imports through various initiatives like indigenization, weapon platform modernization and the Make-In-India which is likely to boost domestic manufacturing. BEL has been doing its bit to promote the government's Make-In-India initiative by focusing on in-house R&D, outsourcing from Indian private industries, public-private partnership, JVs, expanding capacity and modernization. In the Union budget for FY26, capital allocations pertaining to modernization and infrastructure development of the defence services have been increased to Rs 1.8 trillion. 	

V. MANAGEMENT OUTLOOK

- Management expects 15% revenue growth YoY. EBITDA margin target has been set around 27% for FY26, supported by increased indigenization and operating leverage.
- The management indicated its intention to increase its R&D investment. For FY26 it is anticipated to be more than Rs 16 bn.
- Capital expenditure is projected at around Rs 10 bn in FY26 to expand production capacity.
- Guidance for order inflows stands at approximately Rs 270 bn (excluding QRSAM). The management stated that if QRSAM materializes this year, total orders will cross Rs 500 bn.

VI. VALUATION



Source: Ace Equity

VII. KEY MONITERABLES

- ✓ **Delayed execution of projects:** As per the management commentary, execution timelines and project delivery are critical. Large order inflows (QRSAM, NGC) are subject to procedural and negotiation delays.
- ✓ **Working Capital:** The management stated that the significant decline in net cash from operating activities was due to lower order intake.

VIII. FINANCIAL SUMMARY (Standalone)

Particulars (INR mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	(FY22-25)
								3Y CAGR
Net Sales	1,20,846	1,29,211	1,40,638	1,53,138	1,76,462	2,01,694	2,36,580	16%
YoY	17.00%	6.92%	8.84%	8.89%	15.23%	14.30%	17.30%	
EBITDA	27,234	25,028	31,556	32,904	39,583	49,982	67,676	27%
YoY	56.00%	-8.10%	26.08%	4.27%	20.30%	26.27%	35.40%	
<i>EBITDA Margins (%)</i>	22.54%	19.37%	22.44%	21.49%	22.43%	24.78%	28.61%	
APAT	19,273	17,938	20,654	23,489	30,067	40,200	52,882	31%
YoY	38.00%	-6.93%	15.14%	13.73%	28.00%	33.70%	31.55%	
<i>PAT Margins (%)</i>	15.95%	13.88%	14.69%	15.34%	17.04%	19.93%	22.35%	
EPS Diluted (Rs)	2.6	2.5	2.8	3.2	4.1	5.5	7.2	31%
Balance Sheet								
Net worth	90,189	98,529	1,08,079	1,19,843	1,35,820	1,60,824	1,96,977	
Net Debt	0	0	0	0	0	0	0	
RATIOS								3Y Avg. FY23-25
ROCE %	27%	22%	26%	24%	26%	29%	35%	30%
RoE %	21%	18%	19%	20%	22%	25%	26%	24%
Debt/Equity (x)	0	0	0	0	0	0	0	
CASHFLOWS								3Y Avg. FY23-25
Cashflow from Operations	14,660	25,325	51,035	41,612	10,866	46,480	4,804	
Free Cashflow	7281	17,897	46357	36,077	5,227	40,009	-4,933	

Source: Company Financial Reports

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