

## "BDL: मिसाइलों का दमदार राजा, डिफेंस की उड़ान में अविजित योद्धा!"



Bharat Dynamics Limited (BDL) has faced a sharp ~40% correction from its May 2025 ATH of ₹2,096 to current levels around ₹1,244, driven by weak Q3 FY26 execution, but strong order inflows signal long-term defense sector potential with reversal signs.

### Technical Analysis

Current price ₹1,243.60 (Feb 14, 2026), 52W high ₹2,096.60/low ₹1,240; 1M -2.40%, 6M -21.84%, 1Y +6-9%. Trading below all MAs (MA5 ₹1,653 Sell, MA200 ₹1,855 Sell), RSI 35 (Sell zone nearing oversold), STOCH 19 (oversold), MACD -16.67 (Sell), CCI -83 (Sell); high volatility ATR 17. Key support at 0.618 Fib ₹1,400-1,420 (demand zone), breakdown below ₹1,250 risks ₹1,200; reversal setup forming with base building—bullish if holds. Long-term position: Yes, accumulate on dips (support ₹1,240), targets ₹1,800-2,250.

### Fundamental Analysis

Q3 FY26: Revenue ₹566.63 Cr (-31.90% YoY, -50.60% QoQ), PAT ₹72.92 Cr (-50.43% YoY), EBITDA margin 4.59% (down from 15.25%); 9M FY26 revenue +25.09% YoY at ₹1,961 Cr, PAT +10.94% at ₹307 Cr. Order book robust: ₹4,557 Cr new Q3 orders, 9M ~₹54B, Q4 expected +₹40-50B; PE 80-85, P/B 15, ROCE 10.19%, mkt cap ₹45,622 Cr. Interim dividend ₹4.50/share announced. Strong defense visibility offset by execution delays.

### Continuous Downfall Reasons

Yes, 40% drop from May 2025 ATH: Weak Q3 results (revenue/PAT plunge, margin contraction), component integration delays, buy-out parts dependency (Akash/Astra missiles), inventory non-provisioning issues, independent director controversies.

### Lifetime Low/Reversal Outlook

No new lifetime lows (post-ATH downtrend), but basing at Fib support suggests reversal potential to ₹1,900-2,000 if ₹1,400 holds; breakdown extends weakness. Long-term: Strong yes for positions—defense growth tailwinds favor accumulation despite near-term volatility.

### **Recent News Events**

Q3 results (Jan 30): Disappointing numbers but ₹4.50 dividend and strong orders; led to selling pressure.

Defence orders: Nov 2025 ₹2,461 Cr from Army (ATGM/SAM systems). Impact: Short-term negative on execution woes, positive long-term visibility.

### **Positive Points**

Massive order pipeline: ₹4,557 Cr Q3 new, 9M ₹54B, Q4 ₹40-50B expected.

9M revenue/PAT growth +25%/11%, attractive dividend.

Brokerages maintain BUY (TP ₹1,800-2,250), defence sector prospects.

### **Negative Points**

Q3 revenue/PAT -32%/-50%, EBITDA margin 4.59%.

Execution challenges, cost inflation +42%, governance fine.

Technical bearish momentum, 6M -22% decline.

### **Macro View**

Defence sector boom via Make in India, rising budget allocations (₹6.2L Cr FY26), global tensions boosting exports; PSU defence re-rating ongoing but volatile on quarterly misses.

### **Micro View**

Core missile systems (Akash/Astra/ATGM) focus, robust order inflow but production ramp-up delays; FY26-28 revenue acceleration expected from order execution.

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