

### Issue Highlights:

**Issuer: Bharat Dynamics Limited**

**Issue Type:** 100% Book Built Issue IPO

**Issue Open:** Tuesday, Mar 13, 2018

**Issue Close:** Thursday, Mar 15, 2018

**Issue Size:** 2,24,51,953 Equity shares (**Rs. 927.29\* Cr – Rs. 960.94^ Crs**)

**Face Value:** Rs.10 per Equity Share

**Price Band:** Rs.413 - Rs.428 per Equity Share

**Minimum Order Quantity Retail:** 35 Equity Shares and in multiples thereof

**Maximum Bid amount for Retail:** Rs. 2 Lakhs

**Listing:** NSE & BSE

### Issue Size and Investor Category Allocation

**QIB:** 50% of the issue size (Rs. 454.19\* Cr – 470.67^ Cr)

**NIB:** 15% of the issue size (Rs.136.26\* Cr – 141.20^ Cr)

**Retail Individual:** 35% of the issue size  
(Rs.317.93\* Cr – 329.47^ Cr)

**Employee Reservation:** Rs. 18.92\* Cr - Rs. 19.61 Cr^

**Retail & Employee Discount:** Rs.10/- per Equity Share

\* Lower Price Band; ^ Upper Price Band

### Book Running Lead Managers:

SBI Capital, IDBI Capital & Yes Securities

### Registrar:

Alankit Assignments Limited

### Key Strengths:

- Modern facilities and infrastructure to deliver quality products in a timely manner.
- Increase in indigenisation of our products and implementation of the 'Make in India' policy.
- Strong order book and established financial track record of delivering growth.

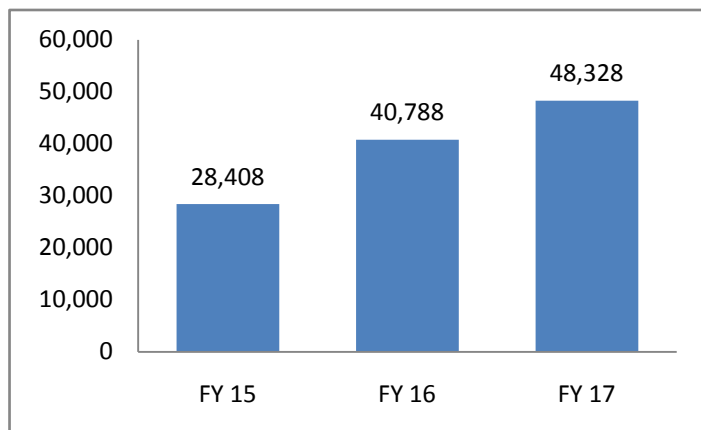
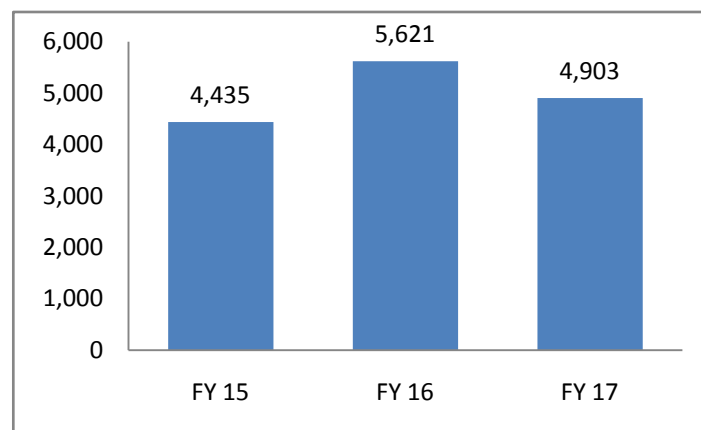
### Object of the Issue

The objects of the Offer are (i) to carry out the disinvestment of 22,451,953 Equity Shares by the Selling Shareholder constituting 12.25% of the Company's pre-

Offer Equity Share capital of the Company; and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. The Company will not receive any proceeds from the Offer and all the proceeds will go to the Selling Shareholder.

### About the Issuer:

- Bharat Dynamics Limited is one of the leading defence PSUs in India engaged in the manufacture of Surface to Air missiles (SAMs), Anti- Tank Guided Missiles (ATGMs), underwater weapons, launchers, countermeasures and test equipment. It is the sole manufacturer in India for SAMs, torpedoes, ATGMs (Source: F&S Report).
- The Company is also the sole supplier of SAMs and ATGMs to the Indian armed forces (Source: F&S Report). Additionally, it is also engaged in the business of refurbishment and life extension of missiles manufactured.
- Currently they have three manufacturing facilities located in Hyderabad, Bhanur and Vishakhapatnam. Their Hyderabad manufacturing unit is engaged in the manufacture of SAMs, Milan 2T ATGMs, countermeasures, launchers and test equipment. Their Bhanur unit is engaged in the manufacture of the Konkurs – M ATGMs, the INVAR (3 UBK 20) ATGMs, launchers and spares. Their Vishakhapatnam unit is engaged in the manufacture of light weight torpedoes, the C-303 anti torpedo system, countermeasures and spares. All of their manufacturing facilities have ISO 14001:2004 certifications from TUV India Private Limited.
- They have been awarded various prestigious awards such as Raksha Mantri's institutional award for "Excellence" in performance for the year 2014 – 15 and the group / individual award in the "Innovation Category" for the year 2014 -15, in recognition of its consistent growth and adaptation and the PSE Excellence Award – 2015 by the Indian Chamber of Commerce in the Miniratna category for operational performance excellence.

**Revenue from Operations (Rs. Million)**

**Net Profit After Tax (Rs. Million)**

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in million)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a) Property, Plant and Equipment	5,988.43	6,053.42	5,576.39	3,878.64
(b) Capital Work-in-Progress	1,761.20	1,301.20	1,250.79	1,351.10
(c) Investment Property	0.10	0.10	0.10	0.10
(d) Intangible Assets	1,585.59	1,601.38	1,391.17	1,298.30
(e) Intangible Assets under development	28.88	11.29	11.28	71.59
(f) Financial Assets				
(i) Investments	36.89	29.47	29.47	29.26
(ii) Loans	37.12	32.27	38.25	37.98
(iii) Other Financial Assets	484.02	502.04	548.00	515.29
(g) Deferred Tax Assets (net)	1,924.76	1,513.25	768.32	397.96
(h) Other Non-current Assets	323.21	330.16	344.05	357.97
<b>Total Non - current Assets</b>	<b>12,170.20</b>	<b>11,374.58</b>	<b>9,957.82</b>	<b>7,938.19</b>
<b>(2) Current Assets</b>				
(a) Inventories	21,594.08	22,511.25	20,576.62	14,756.67
(b) Financial Assets				
(i) Trade Receivables	1,297.71	3,564.12	1,448.57	3,347.87
(ii) Cash and Cash Equivalents	4,661.18	461.99	2,325.17	1,239.23
(iii) Bank balances other than (ii) above	8,449.00	16,918.08	30,099.68	35,450.00
(iv) Loans	22.78	28.93	25.62	24.52
(v) Other Financial Assets	19,190.07	17,287.32	14,875.94	7,413.63
(c) Current Tax Assets (Net)	47.86	39.23	-	201.19
(d) Other Current Assets	15,416.89	13,822.42	17,096.90	13,748.40
<b>Total Current Assets</b>	<b>70,679.57</b>	<b>74,633.34</b>	<b>86,448.50</b>	<b>76,181.51</b>
<b>Total Assets</b>	<b>82,849.77</b>	<b>86,007.92</b>	<b>96,406.32</b>	<b>84,119.70</b>

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in million)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	916.41	1,221.88	977.50	1,150.00
(b) Other Equity	15,389.99	20,902.73	17,534.88	15,376.71
<b>Total Equity</b>	<b>16,306.40</b>	<b>22,124.61</b>	<b>18,512.38</b>	<b>16,526.71</b>
<b>(2) Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Other Financial Liabilities	497.76	516.30	563.57	529.93
(b) Provisions	273.21	178.73	11.42	21.89
(c) Other Non-current Liabilities	3,506.37	4,638.19	12,143.00	18,622.95
<b>Total Non-current Liabilities</b>	<b>4,277.34</b>	<b>5,333.22</b>	<b>12,717.99</b>	<b>19,174.77</b>
<b>(3) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	15,248.11	14,950.87	13,431.05	5,140.76
(ii) Other Financial Liabilities	1,532.94	1,171.27	1,037.31	1,091.41
(b) Other Current Liabilities	35,985.84	36,194.97	46,991.29	40,176.02
(c) Provisions	9,499.14	6,232.98	3,532.48	2,010.03
(d) Current Tax Liabilities (Net)	-	-	183.82	-
<b>Total Current Liabilities</b>	<b>62,266.03</b>	<b>58,550.09</b>	<b>65,175.95</b>	<b>48,418.22</b>
<b>Total Equity and Liabilities</b>	<b>82,849.77</b>	<b>86,007.92</b>	<b>96,406.32</b>	<b>84,119.70</b>

**SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED**

(₹ in million)

Particulars	For the six months period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>INCOME</b>				
<b>I Revenue from Operations</b>				
Sales of products manufactured	10,104.28	34,185.97	30,512.16	22,055.55
Sales of products traded	7,952.52	14,141.59	10,275.42	6,352.66
	18,056.80	48,327.56	40,787.58	28,408.21
<b>II Other Income (net)</b>	747.87	2,298.18	3,847.55	4,390.33
Changes in inventories of finished goods and work-in-progress	3,097.84	1,354.99	1,378.62	(266.26)
<b>III Total Income (I + II)</b>	<b>21,902.51</b>	<b>51,980.73</b>	<b>46,013.75</b>	<b>32,532.28</b>

**SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED**

(₹ in million)

	Particulars	For the six months period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>IV</b>	<b>EXPENSES</b>				
	Cost of materials consumed	12,608.16	31,192.37	26,231.51	18,538.87
	Other manufacturing expenses	1,807.85	2,383.92	3,330.53	1,199.83
	Employee benefits expense	2,224.20	4,483.85	3,262.34	3,124.76
	Finance costs	15.52	36.78	35.15	33.24
	Depreciation and amortisation expense	302.49	621.86	532.20	666.75
	Other expenses	2,049.11	5,884.18	4,150.94	2,474.09
	Selling and distribution expenses	15.06	55.90	58.37	55.43
	<b>Total expenses (IV)</b>	<b>19,022.39</b>	<b>44,658.86</b>	<b>37,601.04</b>	<b>26,092.97</b>
<b>V</b>	<b>Profit/ (Loss) before exceptional items and tax (III-IV)</b>	<b>2,880.12</b>	<b>7,321.87</b>	<b>8,412.71</b>	<b>6,439.31</b>
<b>VI</b>	Exceptional Items	-	-	-	-
		<b>2,880.12</b>	<b>7,321.87</b>	<b>8,412.71</b>	<b>6,439.31</b>
	(1) Current tax	1,471.76	3,125.99	3,165.89	2,342.30
	(2) Deferred tax	(317.55)	(707.31)	(373.87)	(338.47)
	<b>Total Tax expense</b>	<b>1,154.21</b>	<b>2,418.68</b>	<b>2,792.02</b>	<b>2,003.83</b>
		<b>1,725.91</b>	<b>4,903.19</b>	<b>5,620.69</b>	<b>4,435.48</b>
<b>X</b>	<b>Other comprehensive income</b>				
	Items that will not be reclassified subsequently to profit or loss				
	(a) Remeasurement of the defined benefit plans	(271.50)	(108.74)	10.14	(5.95)
	(b) Income tax relating to items that will not be reclassified to profit or loss	93.96	37.63	(3.51)	2.02
	Loss				
	<b>Total other comprehensive income</b>	<b>(177.54)</b>	<b>(71.11)</b>	<b>6.63</b>	<b>(3.93)</b>
		<b>1,548.37</b>	<b>4,832.08</b>	<b>5,627.32</b>	<b>4,431.55</b>
<b>XII</b>	<b>Earnings per equity share</b>				
	Basic and diluted EPS (in Rupees)	14.22	40.13	40.32	31.81

**Source for Note: DRHP**
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