

IPO Highlights

Price Band	Rs. 413 – Rs. 428
Bid Lot	35 shares
Issue Date	13 th – 15 th March 2018
Issue Size	Rs. 919.11 Cr. – Rs. 952.79 Cr.
QIB	50% (1,09,96,874 shares)
HNI	15% (32,99,063 shares)
Retail	35% (76,97,813 shares)
Employees	4,58,203 shares
Total shares for offer	2,24,51,953 shares
Exchanges	NSE & BSE

Business Overview

Bharat Dynamics Limited (“BDL”) 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. BDL is the sole manufacturer in India for SAMs, torpedoes, ATGMs (Source: F&S Report). They are also the sole supplier of SAMs and ATGMs to the Indian armed forces (Source: F&S Report). Additionally, they are also engaged in the business of refurbishment and life extension of missiles manufactured. BDL is also the co-development partner with the DRDO for the next generation of ATGMs and SAMs.





BDL is the wholly-owned GoI company headquartered in Hyderabad and under the administrative control of the MoD, GoI and were conferred the 'Mini-ratna (Category -1)' status by the Department of Public Enterprises, GoI. Founded in 1970, BDL has over 4 decades of experience in manufacturing missiles and countermeasures and its allied equipments.

The company operates in an environment characterized by both increasing complexity in factors influencing national security and continuing economic challenges in India and globally. A significant component of their business outlook in this environment is to focus on execution, improving standards and quality and predictability of the delivery of their products to the Indian Army. They are also continued to invest in technologies to fulfil the requirements of the Indian armed forces and also invest in their people so that they have the necessary technical skills to succeed without limiting their ability.

BDL has been awarded various prestigious awards such as RakshaMantri’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. Company’s current order book as of October 31, 2017 is Rs.11,164crore.

The Revenue from Operations and Profit for the year has increased from Rs.2,840.82crore and Rs.443.55 crore respectively, in Fiscal 2015 to Rs.4,832.76 crore and Rs.490.32 crore, respectively, in Fiscal 2017 at a CAGR of 30.43% and 5.14% respectively. BDL has consistently declared dividends for the last 5 Fiscals.

Company Products & Services

Product	Description
SAMs	
 <p>Akash SAM</p>	<p>The Akash SAM is an all weather area defense system which can engage multiple targets simultaneously. The Akash SAM can target helicopters, fighter aircraft and unmanned aerial vehicles. In addition to the Akash SAM, BDL also supplies the ground support system and constructs infrastructure facilities for the Akash SAM to our customers. The company is currently supplying Akash SAMs to the MoD for the Indian Army.</p>
 <p>Long Range SAM ("LR SAM") and Medium Range SAM ("MR SAM")</p>	<p>The SAM is a high response quick reaction vertical launch supersonic missile to neutralise enemy aerial threats such as missiles, aircraft, guided bombs and helicopters. BDL is currently supplying LR SAMs and MR SAMs to the MoD for the Indian Army and Indian Navy respectively.</p>
ATGMs	
 <p>Milan 2T ATGM</p>	<p>The Milan 2T ATGM is a man portable second generation ATGM with a tandem warhead to destroy tanks. The Milan 2T ATGM can target both moving and stationary targets. BDL currently supplies Milan 2T ATGMs to the MoD for the Indian Army.</p>
 <p>Konkurs – M ATGM</p>	<p>The Konkurs – M ATGM is a second generation, semiautomatic tube launch optically tracked, wire guided and canard controlled missile which have been designed to destroy moving and stationary armoured targets. The Konkurs – M ATGM can be launched from vehicles and ground launchers. BDL currently supplies Konkurs – M ATGMs to the MoD for the Indian Army.</p>



C – 303 Anti Torpedo Decoy Launching System

The Anti Torpedo System is meant to counter the threat posed to any submarine by any active and / or passive homing torpedo. We are currently supplying the Anti Torpedo System to a defence PSU engaged in the construction of submarines and warships.



Submarine Fired Decoy ("SFD")

The SFD acts as preferred target in the presence of an own submarine to a passive or active homing torpedo.



Test Equipment for Konkurs and Konkurs-M ATGMs

Includes test equipment to monitor the health of the prior generation Konkurs ATGM and the current Konkurs-M ATGM.

Objects of the issue

- To carry out the disinvestment of 2,24,51,953 equity shares by the selling shareholder constituting 12.25% of the company's pre-offer equity share capital of the company.
- To achieve the benefit of listing the equity shares on the stock exchanges.

Key Financials

Rs in Cr.	2017	2016	2015
Revenue	5,062.56	4,463.5	3,279.85
Growth (%)	13.42%	36.08%	-
EBIDTA	527.07	622.29	767.20
EBIDTA Margin (%)	10.41%	13.94%	23.39%
PAT	490.31	562.06	443.54
Share Capital	122.18	97.75	115.00
EPS	40.1	40.3	31.8
RoNW	22.1%	30.3%	26.8%

Valuation*

No. of shares post issue :18,32,81,250 shares

Net earnings FY17: Rs. 490.31Cr

EPS (post issue): 26.75

P/E: 16

*Note :Valuation is done at the upper price band ie, at Rs.428

Disclaimer

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