



BHARAT DYNAMICS LIMITED

(A Govt. of India Enterprise, Ministry of Defence)

CIN :- L24292TG1970GOI001353

Corporate Office: - Plot No. 38-39, TSFC Building, Near ICICI Towers, Financial District,
Nanakramguda, Hyderabad-500032

Registered Office: - Kanchanbagh, Hyderabad-500058

Ref: BDL/CS/SE/Results-2017-18

Date: 30 May 2018

To, The Manager Compliance Department The National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai- 400051	To, The Manager Compliance Department BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001
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Dear Sir/Madam,

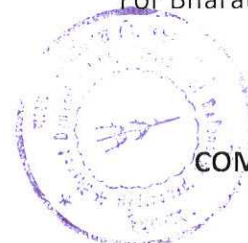
Sub: Audited Financial Results for the quarter/year ended 31.03.2018– Reg.

Pursuant to Regulations 33 of SEBI (LODR) Regulations, 2015, please find enclosed Audited Financial Results and declaration under Reg.33(3)(d) for quarter/year ended 31.03.2018 along with the Auditor's Report. The said results have been considered and approved by the Board at its 247th Meeting held on 30.05.2018. Arrangements have also been made to publish the extract of the results in a national daily (English) and Local daily (Telugu) and (Hindi) newspapers.

2. Further, we would like to inform you that the Board of Directors of the Company have recommended a final Dividend @ **Rs.7.29 per share** (face value of Rs.10/- each) for the year ended 31.03.2018. This Dividend upon approval by the shareholders at the ensuing Annual General Meeting (AGM) will be paid within 30 days from the date of AGM.

Thanking you,

Yours Sincerely,
For Bharat Dynamics Limited



N. Nagaraja
N.NAGARAJA

COMPANY SECRETARY

Encl: As above.

भारत डायनामिक्स लिमिटेड

(भारत सरकार का उद्यम)

रक्षा मंत्रालय

कान्चनबाग, हैदराबाद - ५०० ०५८.

BHARAT DYNAMICS LIMITED

(A Government of India Enterprise)

Ministry of Defence

Kanchanbagh, Hyderabad - 500 058.



Corporate Office: Plot No.38-39, TSFC Building, Gachibowli, Financial District, Hyderabad-500032

(CIN: L24292TG1970GOI001353)

E-mail: bdlcompsecy@bdl-india.com, Website :www.bdl-india.in, Ph:040-223456101 Fax :040-23456110

Statement of audited results for the quarter and year ended 31 st March 2018

(₹ in lakh)

Sl.No.	PARTICULARS	Quarter ended			Year ended	
		31.3.18 (Refer Note 8)	31.12.17 (Unaudited)	31.3.17 (Refer Note 8)	31.3.18 (Audited)	31.3.17 (Audited)
1	Income from operations					
	(a) Gross sales/income from operations	2,00,277.25	78,155.97	1,59,811.22	4,31,803.75	4,74,625.39
	(b) Other operating income	1,862.66	4,093.64	5,335.25	26,956.00	14,036.25
	Total income from operations	2,02,139.91	82,249.61	1,65,146.47	4,58,759.75	4,88,661.64
2	EXPENSES					
	Cost of materials consumed	97,630.42	67,008.44	97,464.06	2,90,759.21	3,12,522.69
	Changes in inventories of finished goods and work-in-progress	42,120.54	(15,400.21)	4,129.04	(5,370.00)	(12,438.01)
	Employee benefits expense	18,304.87	12,387.12	18,029.68	52,933.98	44,838.65
	Depreciation and amortisation expense	1,817.11	1,495.29	2,251.49	6,347.75	6,201.58
	Other expenses	5,535.96	13,807.68	28,088.22	53,634.39	86,881.98
	Total expenses	1,65,408.90	79,298.32	1,49,962.49	3,98,305.33	4,38,006.89
3	Profit/ (Loss) from operations before other income,finance costs and exceptional items (1-2)	36,731.01	2,951.29	15,183.98	60,454.42	50,654.75
4	Other income	3,015.82	5,240.13	6,159.26	17,255.91	29,994.26
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	39,746.83	8,191.42	21,343.24	77,710.33	80,649.01
6	Finance cost	99.17	73.55	143.12	327.92	367.75
7	Profit/(Loss) from ordinary activities before exceptional items and tax (5 - 6)	39,647.66	8,117.87	21,200.12	77,382.41	80,281.26
8	Exceptional items	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7 - 8)	39,647.66	8,117.87	21,200.12	77,382.41	80,281.26
10	Tax expense (including deferred tax).	5,981.66	7,500.00	12,725.77	24,567.25	27,875.70
11	Net Profit/ (Loss) after tax (9-10)	33,666.00	617.87	8,474.35	52,815.16	52,405.56
12	Other comprehensive income / (Loss) (net of tax)	1,775.44	-	(177.77)	-	(711.08)
13	Total comprehensive income / (Loss) for the period (11+12)	35,441.44	617.87	8,296.58	52,815.16	51,694.48
14	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer Note 4)	18,328.12	9,164.06	12,218.75	18,328.12	12,218.75
15	Other equity excluding revaluation reserves	-	-	-	1,77,309.87	2,07,278.84
16	Earnings per share Basic and diluted (₹) (not annualised)	18.37	0.34	3.96	26.65	24.51

See accompanying notes to the financial results.

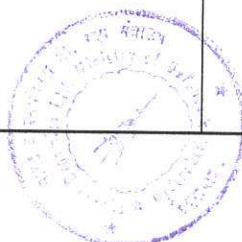


Notes:

1.Statement of Assets & Liabilities as at 31 March 2018 is given below

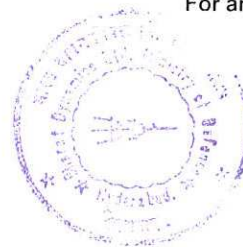
(₹ in Lakh)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	72,016.16	59,698.53
(b) Capital Work-in-Progress	12,984.34	13,475.45
(c) Investment Property	0.97	0.97
(d) Intangible Assets	14,820.96	16,013.71
(e) Intangible Assets under development	-	112.94
(f) Financial Assets		
(i) Investments	368.94	294.68
(ii) Loans	294.25	322.73
(iii) Other Financial Assets	5,030.98	5,020.42
(g) Deferred Tax Assets (net)	19,255.98	14,144.71
(h) Other Non-current Assets	3,297.25	3,301.62
Total Non - Current Assets	1,28,069.83	1,12,385.76
(2) Current Assets		
(a) Inventories	1,92,586.64	2,24,041.57
(b) Financial Assets		
(i) Investments	23,529.92	-
(ii) Trade Receivables	52,856.37	15,455.05
(iii) Cash and Cash Equivalents	2,998.94	9,310.67
(iv) Bank balances other than (iii) above	32,680.00	1,64,490.00
(v) Loans	223.68	289.26
(vi) Other Financial Assets	1,75,800.33	1,72,873.28
(c) Current tax Assets	-	940.39
(d) Other Current Assets	51,091.54	1,38,224.33
Total Current Assets	5,31,767.42	7,25,624.55
Total Assets	6,59,837.25	8,38,010.31
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	18,328.12	12,218.75
(b) Other Equity	1,77,309.87	2,07,278.84
Total Equity	1,95,637.99	2,19,497.59
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Other Financial Liabilities	5,173.88	5,163.01
(b) Provisions	-	1,787.21
(c) Other Non-current Liabilities	35,826.18	42,912.46
Total Non-current Liabilities	41,000.06	49,862.68
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables	1,01,150.56	1,52,936.42
(ii) Other Financial Liabilities	24,015.89	13,867.26
(b) Other Current Liabilities	2,31,412.47	3,51,033.05
(c) Provisions	63,285.87	50,813.31
(d) Current tax Liabilities, net	3,334.41	-
Total Current Liabilities	4,23,199.20	5,68,650.04
Total Liabilities	4,64,199.26	6,18,512.72
Total Equity and Liabilities	6,59,837.25	8,38,010.31



- 2 The Company was Listed on NSE and BSE w.e.f 23 March 2018.
- 3 Ministry of Corporate Affairs (MCA) has exempted the company engaged in defence production from the requirement of Segment Reporting.
- 4 The company has bought back 30546875 shares of ₹ 10/- at a premium of ₹137.49 per share under Buy Back scheme during September 2017. Consequent to buyback of equity shares, the earning per share(EPS) has been calculated by using the weighted average number of shares outstanding during the period. The number of equity shares considered for EPS for the year 2017-18 is 198178082.
- 5 Earning Per Share (EPS) has been adjusted for all the previous reported periods due to :
 - (i) Sub division of the equity shares from face value of ₹ 1000/- per share to ₹ 10/- per share during the month of May 2017
 - (ii) Issue of 9,16,40,625 Bonus shares of ₹ 10/-(Rupees ten only) each in the ratio of 1:1 i.e., one equity share for every fully paid-up equity share held, during the month of February 2018.
- 6 An interim dividend of ₹ 1.36 per equity share of ₹ 10/- each for the year 2017-18 was paid on 12 March 2018.
- 7 A Final dividend of ₹ 7.29 per equity share for the financial year 2017-18 has been recommended by the Board of Directors at the meeting held on 30 May 2018.
- 8 The figures of fourth quarter are the balancing figures between the audited figures of the full financial year and the unaudited figures upto the third quarter of the financial year.
- 9 The financial results for the year ended 31 March 2018 have been audited by statutory auditors of the company
- 10 The audited results for the year ended 31 March 2018 is subject to supplementary audit by the Comptroller and Auditor General of India u/s 143(6) of the Companies Act,2013
- 11 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at the Meeting held on 30th May 2018.
- 12 The previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current period figures
- 13 The Company has no subsidiaries / Joint ventures / Associates.
- 14 Post the applicability of Goods and Service Tax (GST) w.e.f 1st July 2017 , the Income from operation are disclosed net of GST. Accordingly , Total Income from operations for the quarter and year ended March 31,2018 are not comparable with the figures of previous periods.

For and on behalf of Board of Directors



V. UDAYA BHASKAR
Chairman and Managing Director

Place : Hyderabad
Date: 30 May 2018



INDEPENDENT AUDITORS' REPORT

To the Members of Bharat Dynamics Limited

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bharat Dynamics Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and other explanatory information and a summary of the significant accounting policies (herein after referred to as "Standalone Ind AS financial statements").

2. Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

5. Emphasis of Matters:

We draw the attention to:

Note number 28 of the standalone Ind AS financial statements which accounting of certain sales, based on acceptance of quality by the Customer and prices by the representative of the customer, awaiting the amendments to the contract.

Our opinion is not modified in respect of the above matter.

6. Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the Paragraph 3 and 4 of the Order.
- (2) As required under Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) With respect to Directions issued by the Comptroller and Auditor General of India under Section 143 (5) we give our report in Annexure C: and
- (h) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements vide Note No. 36(6) of Notes to the Ind AS Financial Statements
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) No amounts are required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Hyderabad

Date: 30-05-2018



For **S.R. MOHAN & CO.**
Chartered Accountants
FR No. 002111S
S. Sandeep Reddy,
S. SANDEEP REDDY
M. No. 242470
Partner



S.R. MOHAN & CO.

CHARTERED ACCOUNTANTS

☎ : 23201123
: 23201223
Fax : 23205535

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 7 (1) of Independent Auditors' Report to the Members of Bharat Dynamics Limited On the standalone Ind AS financial statements for the year ended on March 31, 2018

1. (a) Subject to sub-clause (c) herein below the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of five years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except the following properties for which the title is yet to be received by the Company.

Nature of Asset	Amount (Rs. In Lakhs)	Reasons
Freehold Land at Kanchanbagh (including Investment Property valued at 0.97 Lakh)	29.39	Land allotted free of cost by the State Government. No Title Deed is issued. Value is fair value as per Ind AS 16
Freehold Land at Ibrahim Patnam	5831.28	Land is acquired through TSIIC. As per their rules Land will be registered only after setting up of the Factory.
Freehold Land at Visakhapatnam	376.13	State Government yet to execute to the title deeds.
Lease hold land at Visakhapatnam	-	Lease Deed is not executed by the Lessor.

2. The Inventory of finished goods, raw materials, stores, spare parts, except those in transit and with third parties have been physically verified by the management during the year. We consider that the frequency of the verification is reasonable, having regard to the nature of business and size of the Company, discrepancies noticed on physical verification are appropriately dealt with in the accounts.
3. According to the information and explanations given to us, the Company has not given unsecured loans to companies/firms/parties covered in the register maintained under section 189 of the Companies Act, 2013, hence other matters relating to the loans and advances to parties listed under Section 189 are not applicable.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence compliance with the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended with regard to acceptance of deposits are not applicable to the Company
6. According to the information and explanations given to us, the Company is required to maintain cost records under Section 148 (1) of the Companies Act, 2013. We have broadly reviewed these records and are of the opinion that prima facie, the prescribed accounts and records are made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate and complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, and Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the records of the Company and information and explanations given to us none of these undisputed taxes are in arrears as at March 31, 2018 for a period exceeding six month from the date they become payable.
 - (b) According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect Central Sales Tax Act and Value Added Tax:

(Rs. In lakhs)

Name of the Statute	Nature of Dues	Disputed Amount(Rs.in Lakhs)	Paid under Protest/ Adjusted as required under law	Balance	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act	Central Sales Tax	284.36	71.09	213.27	2007-08	TS VAT AT
Central Sales Tax Act	Central Sales Tax	332.14	166.07	166.07	2010-11	TS VAT AT
Central Sales Tax Act	Central Sales Tax	5550.83	693.85	4856.98	2011-12	Writ pending with High Court at Hyderabad



Central Sales Tax Act	Central Sales Tax	5024.27	0	5024.27	2012-13	Writ pending with High Court at Hyderabad
Central Sales Tax Act	Central Sales Tax	4266.81	0	4266.81	2013-14	Writ pending with High Court at Hyderabad
AP Vat Act	VAT	6468.12		6468.12	2010-11	Writ pending with High Court at Hyderabad
Service Tax	Finance Act, 1994	2355.51	0	2355.51	2012-13 to 2014-15	Principal Commissioner, Service Tax, Hyderabad
TOTAL		24281.04	931.01	23551.03		

8. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, government and the Company has not issued any debentures.
9. The Company has not raised any money by way of initial public offer or further public offer or by way of term loans during the year, hence other matter contained in Companies (Auditor's Report) Order, 2016 (CARO) is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers has been noticed or reported during the year.
11. Provision of Section 197 of the Companies Act, 2013 is not applicable to the Company.
12. The Company is not NIDHI company hence matter relating to NIDHI company in CARO is not applicable to the Company
13. According to the information and explanations furnished to us, and based on our examination of books and records, we are of the opinion that all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per applicable Accounting Standards.
14. The Company has not made any preferential offer of equity shares during the year and accordingly other matters relating to preferential offer are not applicable.

15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provisions of Section 192 of the Companies Act, 2013 are not applicable
16. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act.

Place: Hyderabad
Date: 30-05-2018



For S.R. MOHAN & CO.
Chartered Accountants
FR No. 602111S
S. Sandeep Reddy.
S. SANDEEP REDDY
M. No. 242470
Partner



ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 7 (2) (f) of Independent Auditors' Report to the Members of Bharat Dynamics Limited On the standalone Ind AS financial statements for the year ended on March 31, 2018

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of Bharat Dynamics Limited (the Company) as at March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. **Management's Responsibility:**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.