



# Premier Explosives Limited

ISO 9001 REGISTERED



MGMT. SYS.  
RvA C024

DNV Certification B.V., The Netherlands

23<sup>rd</sup> May, 2018

To,  
**The Bombay Stock Exchange Limited**  
Corporate Relationship Department  
Floor – 25, P.J.Towers, Dalal Street,  
MUMBAI – 400 001  
Scrip Code: 526247

Dear Sir/Madam,

To,  
**National Stock Exchange of India Limited**  
Listing Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai-400051  
Trading Symbol: 'PREMEXPLN EQ'

**Sub: Presentation on Fourth Quarter ended 31/03/2018 results.**

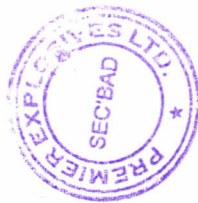
In connection with the conference call with the Investor Analysts, the schedule of which has already been intimated to you, on 22<sup>nd</sup> May, 2018 Please find attached, the Presentation on the Fourth Quarter ended 31st March, 2018 results.

This is for your kind information and record.

Thanking you,

Yours faithfully,  
For **Premier Explosives Limited**

**Vijayashree.K**  
Company Secretary  
Encl:a/a





**Premier  
Explosives  
Limited**



**Q4 & FY18 RESULTS**

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**RESULTS  
SUMMARY**



**FINANCIAL  
OVERVIEW**



**WAY  
FORWARD**



**APPENDIX**

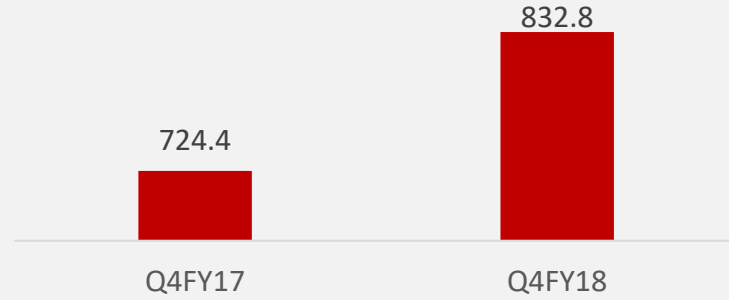
**Note:** All number mentioned are on Standalone basis.

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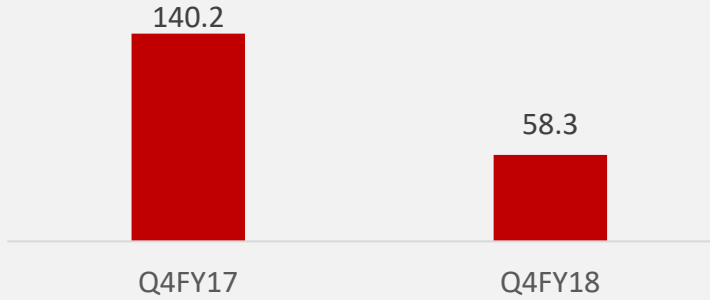
## RESULTS SUMMARY – Q4FY18

(INR mn)

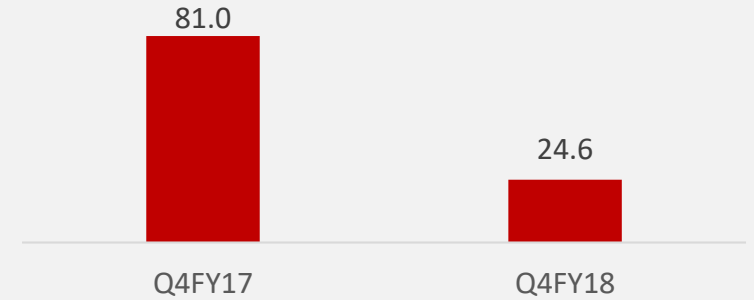
### Operating Revenue



### Operating Profit



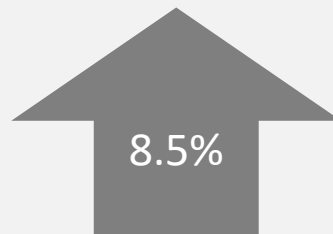
### Profit After Tax (from continuing operations)



## Revenue Breakup (net of ED)

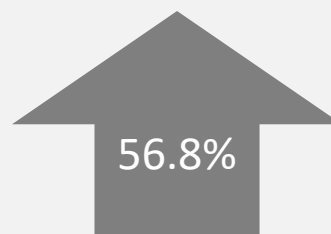
\*YoY Growth

### Explosives

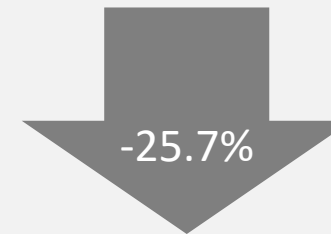

**Q4FY18**  
 Q4FY17

**536.10**  
 493.9

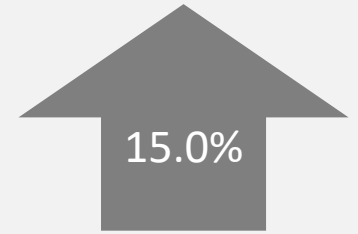
### Defence


**238.4**  
 152.0

### Services


**58.3**  
 78.5

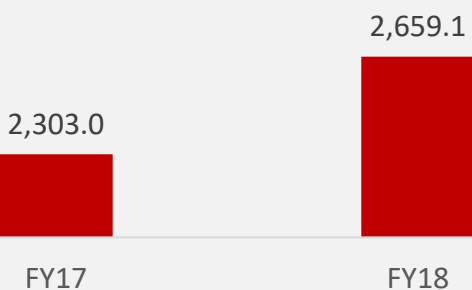
### Total


**832.8**  
 724.4

(INR mn)

## RESULTS SUMMARY - FY18

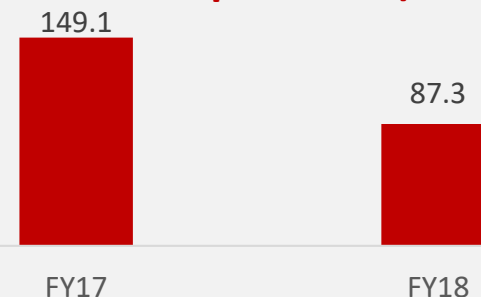
### Operating Revenue



### Operating Profit



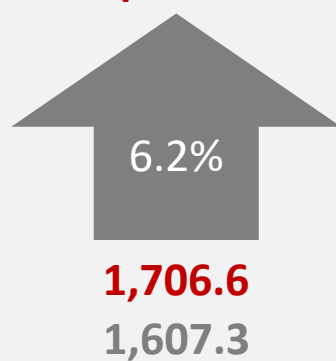
### Profit After Tax (from continuing operations)



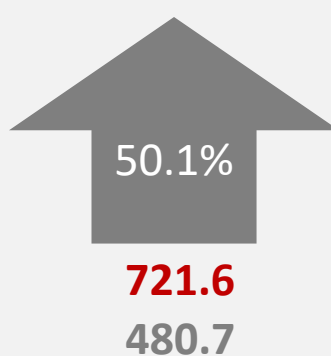
## Revenue Breakup (net of ED)

\*YoY Growth

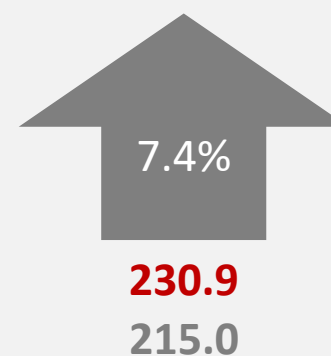
### Explosives



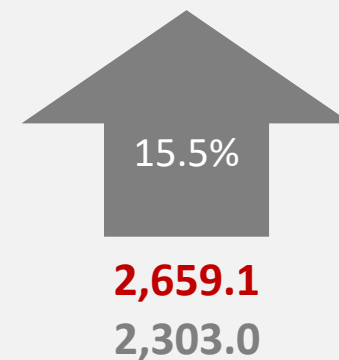
### Defence



### Services



### Total



Total Order book as on 31<sup>th</sup> March 2018 stands at INR 2,976 mn; Explosives - INR 1,590 mn; Defence - INR 1,081 mn; Services - INR 305 mn

## RESULT UPDATE (INR Mn)

| Particulars                                               | Q4FY18       | Q3FY18       | QoQ (%)      | Q4FY17       | YoY (%)       |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|---------------|
| <b>Rev from Operations (net of ED)</b>                    | <b>832.8</b> | <b>674.9</b> | <b>23.4%</b> | <b>724.3</b> | <b>15.0%</b>  |
| Total expenses (other than ED, Interest and Depreciation) | 774.5        | 636.4        | 21.7%        | 584.1        | 32.6%         |
| Operating profit                                          | 58.3         | 38.5         | 51.4%        | 140.2        | -58.4%        |
| <b>OPM (%)</b>                                            | <b>7.0%</b>  | <b>5.7%</b>  |              | <b>19.4%</b> |               |
| Other income                                              | 7.4          | 5.8          | 27.6%        | 2.6          | 184.6%        |
| Depreciation                                              | 9.1          | 9.1          |              | 8.9          | 2.2%          |
| Interest                                                  | 15.7         | 10.9         | 44.0%        | 15.0         | 4.7%          |
| PBT                                                       | 40.9         | 24.3         | 68.3%        | 118.9        | -65.6%        |
| PBT %                                                     | <b>4.9%</b>  | <b>3.6%</b>  |              | <b>16.4%</b> |               |
| Tax                                                       | 16.3         | 8.3          | 96.4%        | 37.9         | -57.0%        |
| PAT from continuing operations                            | 24.6         | 16.0         | 53.8%        | 81.0         | -69.6%        |
| PAT from discontinued operations                          | -            | -            |              | 3.30         |               |
| PAT for the period                                        | 24.6         | 16.0         | 53.8%        | 84.3         | -70.8%        |
| Other Comprehensive Income, net of tax                    | (2.4)        | (1.8)        | -33.3%       | (1.7)        | -41.20%       |
| <b>Total comprehensive income</b>                         | <b>22.2</b>  | <b>14.2</b>  | <b>56.3%</b> | <b>82.6</b>  | <b>-73.1%</b> |
| <b>Equity</b>                                             | 106.4        | 106.4        |              | 88.60        |               |
| EPS for continuing operations (Basic)                     | <b>2.37</b>  | <b>1.54</b>  |              | <b>9.15</b>  |               |

## PROFIT & LOSS

(INR mn)

| Particulars                                               | FY18           | FY17           | YoY (%)       |
|-----------------------------------------------------------|----------------|----------------|---------------|
| <b>Rev from Operations (net of ED)</b>                    | <b>2,659.1</b> | <b>2,303.0</b> | <b>15.5%</b>  |
| Total expenses (other than ED, Interest and Depreciation) | 2,458.9        | 2,013.2        | 22.1%         |
| Operating profit                                          | 200.2          | 289.8          | -30.9%        |
| <b>OPM (%)</b>                                            | <b>7.5%</b>    | <b>12.6%</b>   |               |
| Other income                                              | 22.0           | 6.7            | 228.4%        |
| Depreciation                                              | 36.3           | 33.5           | 8.4%          |
| Interest                                                  | 51.5           | 42.8           | 20.3%         |
| PBT                                                       | 134.4          | 220.2          | -39.0%        |
| PBT %                                                     | <b>5.1%</b>    | <b>9.6%</b>    |               |
| Tax                                                       | 47.1           | 71.1           | -33.8%        |
| PAT from continuing operations                            | 87.3           | 149.1          | -41.4%        |
| PAT from discontinued operations                          | -              | 5.5            |               |
| PAT for the period                                        | 87.3           | 154.6          | -43.5%        |
| Other Comprehensive Income, net of tax                    | (7.9)          | (6.7)          | -17.9%        |
| <b>Total comprehensive income</b>                         | <b>79.4</b>    | <b>147.9</b>   | <b>-46.3%</b> |
| <b>Equity</b>                                             | <b>106.4</b>   | <b>88.6</b>    |               |
| EPS for continuing operations (Basic)                     | <b>8.42</b>    | <b>16.83</b>   |               |

## Statement of Assets & Liabilities (as per IND AS)

(INR mn)

| Particulars                         | Mar-18         | Mar-17         |
|-------------------------------------|----------------|----------------|
|                                     | (Audited)      | (Audited)      |
| Non Current Assets                  | 1,283.8        | 1,143.6        |
| Current Assets                      | 1,778.0        | 1,033.9        |
| <b>Total Assets</b>                 | <b>3,061.8</b> | <b>2,177.5</b> |
| Equity Share Capital                | 106.4          | 88.6           |
| Other equity                        | ,1876.2        | 1,148.8        |
| Non Current Liabilities             | 244.2          | 243.00         |
| Current Liabilities                 | 835.0          | 697.1          |
| <b>Total Equity and Liabilities</b> | <b>3,061.8</b> | <b>2,177.5</b> |



# Space Opportunities



## Currently

**PEL has been  
operating and maintaining  
solid propellant plant of  
ISRO at SHAR, Sriharikota  
for the past 10 years**

**Now**



**from 1 per quarter to 1 per month**

## PSOM-XL for ISRO

**Main motor – ISRO continues to produce on their own**

The company has received a letter from Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for provisional offer of 202 acres of land at Routhurmala village in Chittoor district of Andhra Pradesh for establishing a unit to manufacture Solid Propellant.



**PSOM-XL strap on motors (6)  
– ISRO to outsource  
production to PEL**  
*(trial order successfully tested in January 2018)*



## Emerging Business - Defence & Space

### Propellants

Pyrogen igniters

Case-bonded propellants

Free standing grains

Fuel rich

Gas generators

Strap-on motors for satellite launchers

Air Target Imitator

### Pyros

Pyro cartridges

Pyro actuators

Smoke / flash generators

IR generators

Specialized squibs

### Explosives

CL - 20

HNS - IV

Explosive bolts

BKNO<sub>3</sub> Igniters

### Counter-measures

Chaffs

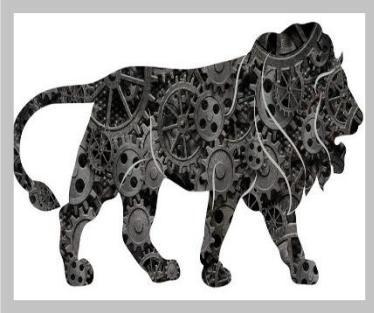
Flares



## INDUSTRIAL LICENSES RECEIVED FROM DIPP

| Product                                                      | Award Date |
|--------------------------------------------------------------|------------|
| Site Mixed Explosives                                        | 17-Jun-16  |
| Military fuses of all types including filling and assembling | 01-Jul-15  |
| Munition 20 mm and above including filling and assembling    | 01-Jul-15  |
| War heads of all types including filling and assembling      | 01-Jul-15  |
| Flexible Liner shape charge                                  | 11-Jun-15  |
| Explosives Reacting Armour                                   | 11-Jun-15  |
| Single Base Propellant                                       | 11-Jun-15  |
| Ammunition of 40mm and above calibre                         | 12-May-15  |
| Rockets and Missiles                                         | 12-May-15  |
| Mines related to Defence                                     | 12-May-15  |
| Bombs related to Defence                                     | 12-May-15  |
| Cartridge Explosives                                         | 12-May-15  |
| Site Mixed Explosives                                        | 01-May-15  |
| Mob Dispersion devices                                       | 20-Apr-15  |

## GROWTH DRIVERS



Defence Procurement Policy 2016; linking it to “Make in India” policy, created the top priority procurement category, Indigenously Designed Developed and Manufactured (IDDM), which will be an encouragement for local entrepreneurs.

Strategic Partnership Policy and Defence Procurement Organisation formulated in May 2017 are expected to create a large defence eco system in the coming years.



Defence manufacturing in India is at inflection point, with capital expenditure expected at \$245 billion in next decade. At 30 % of this capex, offset market is estimated at \$75 billion (Source: CII, Business Standard)



Indian explosives industry, estimated to be INR 40 bn p.a., is considered among the top 5 in the world. Coal requirements for the power sector are projected to reach to about 1,070 MT by 2020. Out of this, domestic coal supply is projected to increase to 756 MT by 2022, (Source: Industry)



Having been a member of Missile Technologies Control Group (MTCR), India now can access advanced technologies.

## KEY STRATEGIES



Part of the **'Make in India'** initiatives



Backward integration for solid propellants – raw materials and insulation



Started manufacture of Chaffs to Air force and supplied first order in April 2017



Market expansion in explosives and defence business with new Industrial licenses obtained



Acquired 250 acres land for new defence projects



Developed Air Target Imitator, which is expected to be given IDDM recognition



Signed NDAs and MOUs with global missile players



Plans to enter the ammunition business and negotiating for technological tie-up with foreign OEMs



Incorporated a subsidiary company PELNEXT DEFENCE SYSTEMS PVT LTD for manufacture of ammunition



Explore export opportunities for NHN based detonators



Capacity expansion in solid propellants and detonating fuse



Developing electronic detonator with new features



Reap offset opportunities



Focusing on exports to South East Asia and Africa



## PREMIER EXPLOSIVES LIMITED

**1<sup>st</sup>** Company in India to have deployed indigenous technology for manufacturing explosives

**1<sup>st</sup>** Company in the world to produce safer and greener NHN detonators on commercial scale replacing ASA detonators

**1<sup>st</sup>** And only Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes and reached a milestone of delivering 1000<sup>th</sup> Booster grain for Akash missile in July 2016



# PREMIER EXPLOSIVES LIMITED



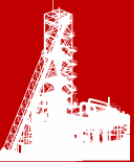
## Who we are

A leading manufacturer of high energy materials for industrial and defence applications



## Our facilities

Six manufacturing facilities located in M.P, Maharashtra, T.N. & Telangana



## User industries

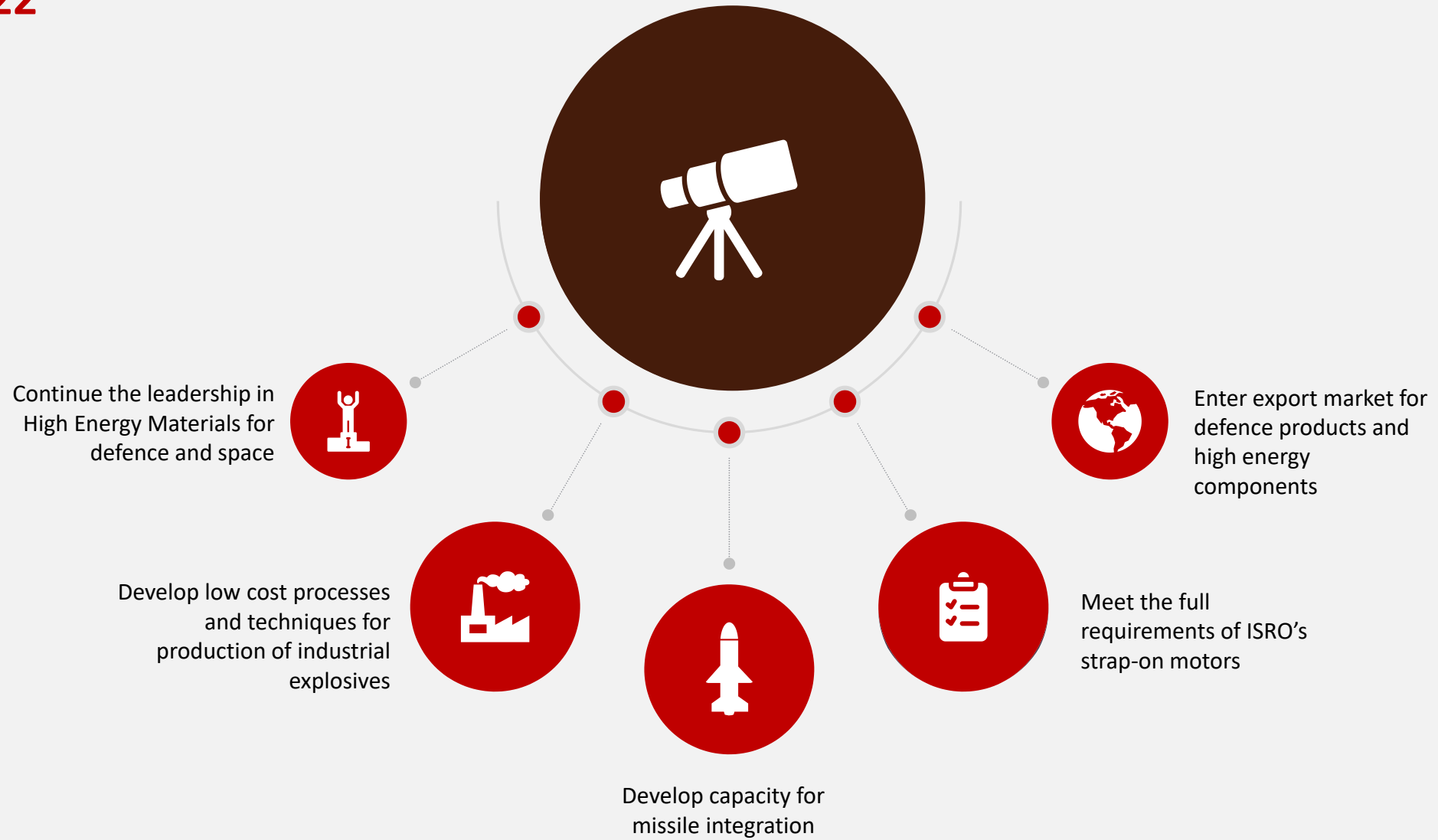
Defence, Mining and infrastructure sectors



## People

Highly trained manpower in handling high energy chemicals

## Vision - 2022



## Strengths

### In-house Development

- **Pyrogen Igniters** for Strategic missiles  
Non Aluminium composition for **Astra**  
(Air to Air Missile)
- **LRSAM** composition without combustion Instability
- **Sledge rocket** motors

### Production under ToT

- **Akash** booster / sustainer grains
- **LRSAM** motors
- **MRSAM** motors
- **ARM** motors
- **Sledge rocket** motors
- **Pyrogen igniters** for ANSP
- Daisy II motor for **Agni**
- **Pinaka** rockets – Mark I and II
- **Astra** motor

## Projects for Indian Air Force

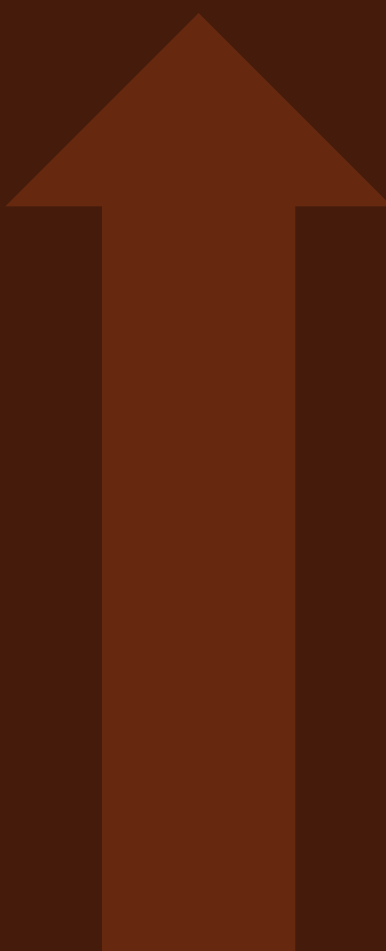
### On going

- Chaffs and flares
- Air target imitator (*for Air Defence, Indian Army*)

### Under development

- 70mm Rockets
- Air Glide Bombs
- Re- graining of existing Missiles
- Indigenization of Power cartridges
- Canopy severance system

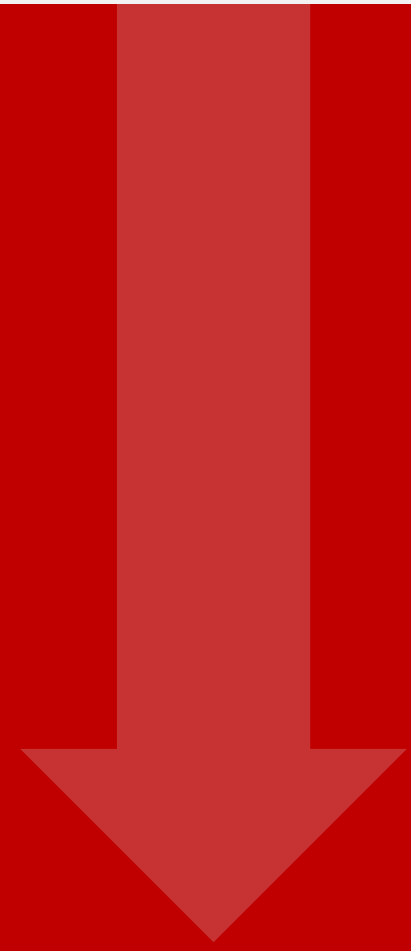
## Missile value chain



### Forward integration

- Solid propellant
- Rocket motor hardware
- Thermal insulation
- War-heads
- Hot integration

### Backward integration

- 
- Ammonium Perchlorate
  - HTPB
  - RDX / HMX
  - CL20
  - Single base, Double base, Triple base propellants



## Counter-measures

## Ammunition

### Chaffs and flares



No supplies for the last few years



Naval and Army requirements can be huge



International market also can be addressed



Tie up with international OEMs for technology



Outsource hardware and fuses from Indian vendors



Cater to Indian defence forces and select international markets

## Technocrats at the helm



**Dr. A. N. Gupta**

**Chairman & Managing Director**

- Masters in mining engineering
- R&D oriented
- Highly skilled in Product development and Project execution
- Strategic vision for defence business
- Recipient of "Pickering and ISM Medal" from, Indian School of Mines, Dhanbad
- Gold Medallist from Mining Geological and Metallurgical Institute of India
- Member of Society of Explosives Engineers, USA
- Recipient of Asia Pacific Entrepreneurship Award 2015 in the Outstanding Category
- Author of various articles about high energy materials
- Presented his paper 'A Safer and Green Detonator with NHN Substituting ASA' at the 40th Annual Conference on Explosives & Blasting Technique held in USA
- Conferred Doctor of Science by Gulbarga University in recognition of his distinguished contributions to the field of science and technology
- Awarded HEMSI Honorary Fellowship 2016 by High Energy Materials Society of India



**Mr. T. V. Chowdary**

**Dy. Managing Director**

- Chemical engineer
- 35+ years of experience in chemistry and production of explosives, detonators, petrochemicals, etc
- Spearheading defence products of the company including solid propellants for missile and satellite launch vehicles
- Project execution as his forte,
- Excellent in HR management
- Steadfast trouble-shooter.

## Research and Development

Company ensures and thrives to remain at the forefront of technology in its field and new product development



Collaboration with Gulbarga University, IIT Madras and BITS Pilani for research in high energy materials



World-first in production of NHN based detonators on commercial scale. It is safer and greener than traditional ASA. Acknowledged as a break-through after about 75 years. Licensed the technology to a US company for a price of USD 100,000



Developed solid propellants for various missiles including a combustion-stable propellant for Long Range Surface to Air Missile (LRSAM)

Laboratories of the company have been certified by DSIR and accredited by NABL



## Plant Locations



### ◆ **Peddakandukur (Telangana)**

Detonator, Detonating fuse,  
Packaged explosives,  
product research &  
Special Products Divisions



### ○ **Bulk Explosives**

Singrauli (Madhya Pradesh)  
Chandrapur (Maharashtra)  
Godavarikhani (Telangana)  
Manuguru (Telangana)  
Neyveli (Tamil Nadu)



### ✦ **Pushpathur (Tamil Nadu)** Windmill





**Pyrogen igniters / grains**

**HP DAISY-2 (Agni)  
being shifted to Curing**



**Astra Motor cast with  
Smoke-less Propellant**

**Non-explosive Propellant Cast  
Air Booster For K-15**





## Premier Air Target Imitator



**Indigenously  
Designed  
Developed and  
Manufactured  
(IDDM)  
for Air Defence,  
Indian Army  
(under trials)**





**Premier  
Explosives  
Limited**



### **PREMIER EXPLOSIVES LIMITED**

“Premier House”, 11, Ishaq Colony,  
(Near AOC Centre), Secunderabad – 500 015.

### **S-ANCIAL GLOBAL SOLUTIONS PVT. LTD.**

#### **(Investor Relations)**

215, Shivshakti Industrial Estate, J. R. Boricha Marg,  
Lower Parel (E), Mumbai - 400 013.

**Rahul Rajagopalan**

rahul@s-ancial.com

022 6536 1001

**Thank You**