



# Premier Explosives Limited



18<sup>th</sup> May, 2019

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

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

Dear Sir/Madam,

**Sub: Presentation on Fourth Quarter and Year ended 31<sup>st</sup> March, 2019 results.**

In connection with the conference call with the Investor Analysts, the schedule of which has already been intimated to you, on 16<sup>th</sup> May, 2019, Please find attached, the Presentation on the Fourth Quarter and Year ended 31<sup>st</sup> March, 2019 results.

This is for your kind information and record.

Thanking you,

Yours faithfully,  
For **Premier Explosives Limited**

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





RESULTS

# PRESENTATION

Q4 & FY19 Results



**Premier  
Explosives  
limited**



## CONTENTS



### RESULTS SUMMARY



### FINANCIAL OVERVIEW



### WAY FORWARD



### APPENDIX

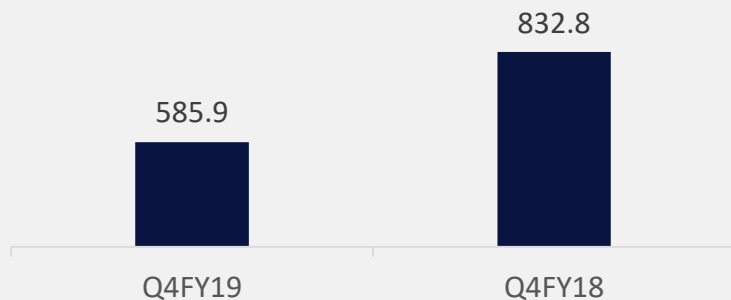
**Note:** All number mentioned are on Standalone basis.

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## RESULTS SUMMARY – Q4FY19

(INR mn)

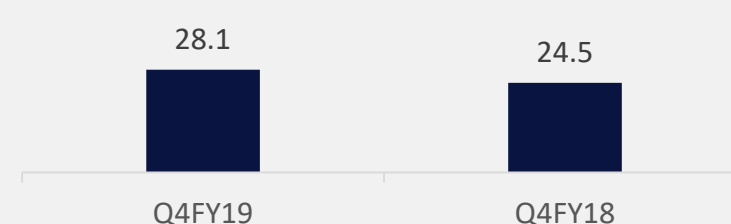
### Operating Revenue



### Operating Profit



### Profit After Tax (excluding OCI)



## Revenue Breakup

\*YoY Growth

### Explosives



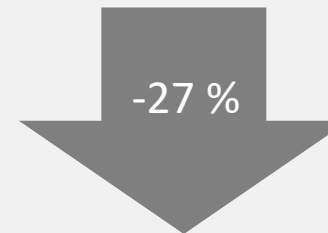
**Q4FY19**      **438.9**  
**Q4FY18**      **536.1**

### Defence



**104.7**  
**238.4**

### Services



**42.3**  
**58.3**

### Total



**585.9**  
**832.8**

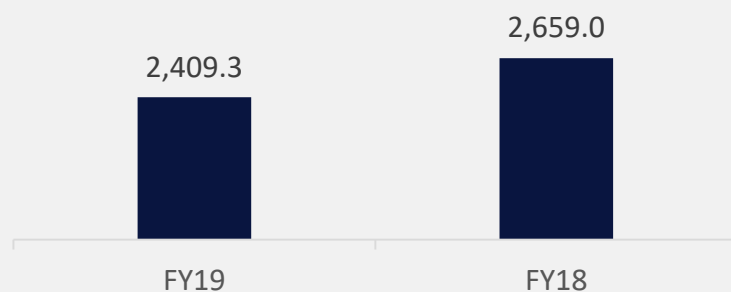
Total Order book as on 31<sup>st</sup> March, 2019 stands at INR **3,883.4** mn;

Explosives - INR **1,520.7** mn; Defence - INR **512.7** mn; Services - INR **1,850** mn

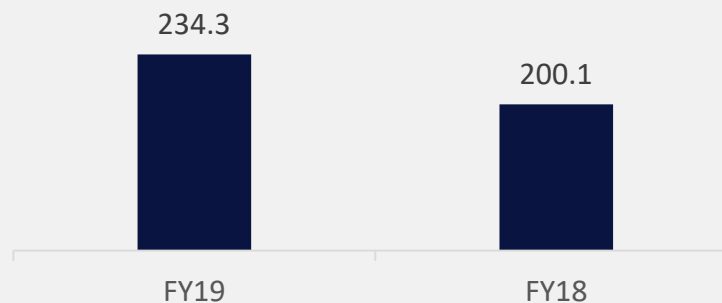
## RESULTS SUMMARY – FY19

(INR mn)

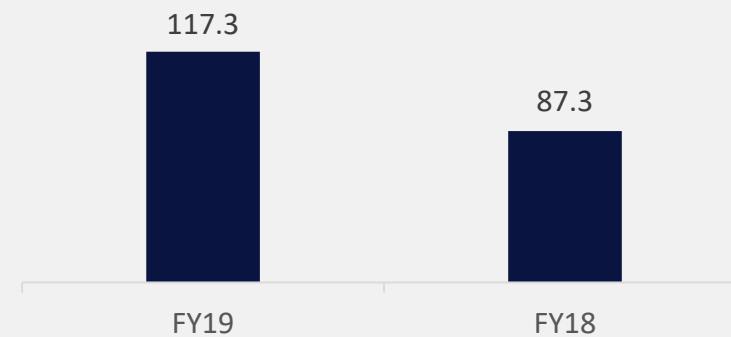
### Operating Revenue



### Operating Profit



### Profit After Tax (excluding OCI)



## Revenue Breakup (net of ED)

\*YoY Growth

### Explosives



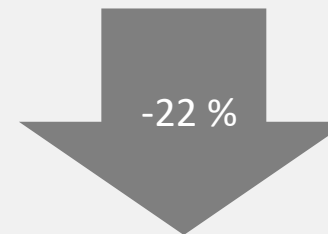
<b>FY19</b>	<b>1,540.6</b>
FY18	1,706.6

### Defence



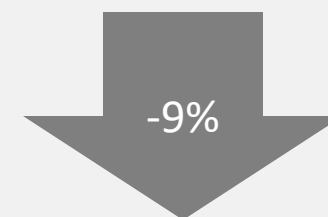
<b>689.5</b>
721.6

### Services



<b>179.2</b>
230.8

### Total



<b>2,409.3</b>
2,659.0

## PROFIT & LOSS - QUARTERLY

(INR mn)

Particulars	Q4FY19	Q3FY19	QoQ (%)	Q4FY18	YoY (%)
<b>Rev from Operations (net of ED)</b>	<b>585.9</b>	<b>693.6</b>	<b>-15.5%</b>	<b>832.8</b>	<b>-29.6%</b>
Total expenses (other than ED, Interest and Depreciation)	535.6	591.0	-9.4%	774.5	-30.8%
Operating profit	50.3	102.6	-51.0%	58.3	-13.7%
<b>OPM (%)</b>	<b>8.6%</b>	<b>14.8%</b>		<b>7.0%</b>	
Other income	5.8	7.5	-22.7%	7.4	-21.6%
Depreciation	11.6	10.6	9.4%	9.1	27.5%
Interest	15.9	14.0	13.6%	15.7	1.3%
PBT	28.6	85.5	-66.5%	40.9	-30.1%
PBT %	<b>4.9%</b>	<b>12.3%</b>		<b>4.9%</b>	
Tax	0.5	28.6	-98.3%	16.3	-96.9%
PAT for the period	28.1	56.9	-50.6%	24.5	-14.2%
Other Comprehensive Income, net of tax	(1.6)	(2.1)	-23.8%	(2.4)	33.3%
<b>Total comprehensive income</b>	<b>26.5</b>	<b>54.8</b>	<b>-51.6%</b>	<b>22.2</b>	<b>-19.4%</b>
<b>Equity</b>	107.5	106.4		106.4	
EPS (Basic and Diluted) Rs.	<b>2.62</b>	<b>5.35</b>	<b>-51.0%</b>	<b>2.37</b>	<b>-10.5%</b>

## PROFIT & LOSS – YEAR ENDED

(INR mn)

Particulars	FY19	FY18	YoY (%)
<b>Rev from Operations (net of ED)</b>	<b>2,409.3</b>	<b>2,659.0</b>	<b>-9.4%</b>
Expenses (excl ED, Int and Dep)	2,175.0	2,458.8	-11.5%
Operating profit	234.3	200.2	17.0%
<b>OPM (%)</b>	<b>9.7%</b>	<b>7.5%</b>	
Other income	25.9	22.0	17.7%
Depreciation	41.8	36.3	15.2%
Interest	55.2	51.5	7.2%
PBT	163.2	134.4	21.4%
PBT %	<b>6.8%</b>	<b>5.1%</b>	
Tax	45.9	47.1	-2.5%
PAT	117.3	87.3	34.4%
OCI, net of tax	(8.2)	(7.9)	3.8%
<b>Total comprehensive income</b>	<b>109.1</b>	<b>79.4</b>	<b>37.4%</b>
<b>Equity</b>	<b>107.5</b>	<b>106.4</b>	
EPS (Basic) Rupees	<b>11.00</b>	<b>8.42</b>	<b>30.6%</b>

## STATEMENT OF ASSETS & LIABILITIES

**(INR mn)**

Particulars	Mar-19 (Audited)	Mar-18 (Audited)
Non Current Assets	1,635.7	1,283.8
Current Assets	1,323.3	1,778.0
<b>Total Assets</b>	<b>2,959.0</b>	<b>3,061.8</b>
Equity Share Capital	107.5	106.4
Other equity	1,986.2	1,876.2
Non Current Liabilities	238.3	244.2
Current Liabilities	627.0	835.0
<b>Total Equity and Liabilities</b>	<b>2,959.0</b>	<b>3,061.8</b>



# Space Opportunities



## Currently

**Under a GOCO contract, PEL has been operating and maintaining solid propellant plant of ISRO at SHAR, Sriharikota. First contract of ten years ended in July 2018 and another 10 –year contract commenced in January 2019.**

**Now**

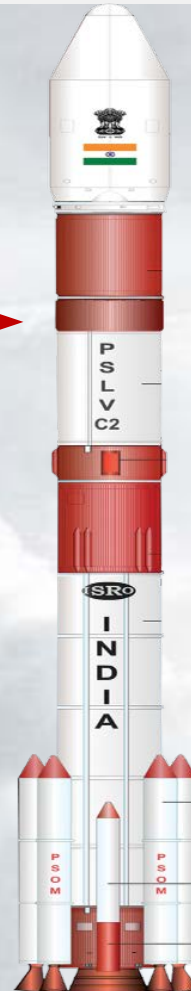


**from 1 per quarter to 1 per month**

## PSOM-XL for ISRO

Main motor – ISRO continues  
to produce on their own

The Government has identified a piece of land which is much closer to SHAR. Post the allotment of land, we plan to manufacture solid propellant initially and backward integration later.



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

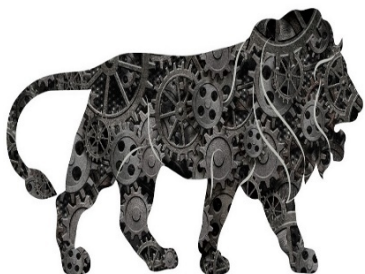
- Chaffs
- Flares



## INDUSTRIAL LICENSES RECEIVED FROM DIPP

Product	Award Date
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
Site Mixed Explosives	17-Jun-16
Ammonium Perchlorate	12-Oct-18
Medium Calibre Ammunition (20mm to 57mm), Large Calibre Ammunition (APFSDS and BMCS)	31-Oct-18
Sub Assemblies for ammunition, Single base/Double base/Triple base/Multi base propellants, RDX and HMX	
License for manufacture of propellants, Ammonium Perchlorate and HTPB	12-Nov-18

## 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.



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)



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)



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



## KEY STRATEGIES





## 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>**

Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes and reached a milestone of delivering 2000<sup>th</sup> Booster grain for Akash missile in 2018-19.



## PREMIER EXPLOSIVES LIMITED



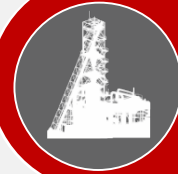
### Who we are

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

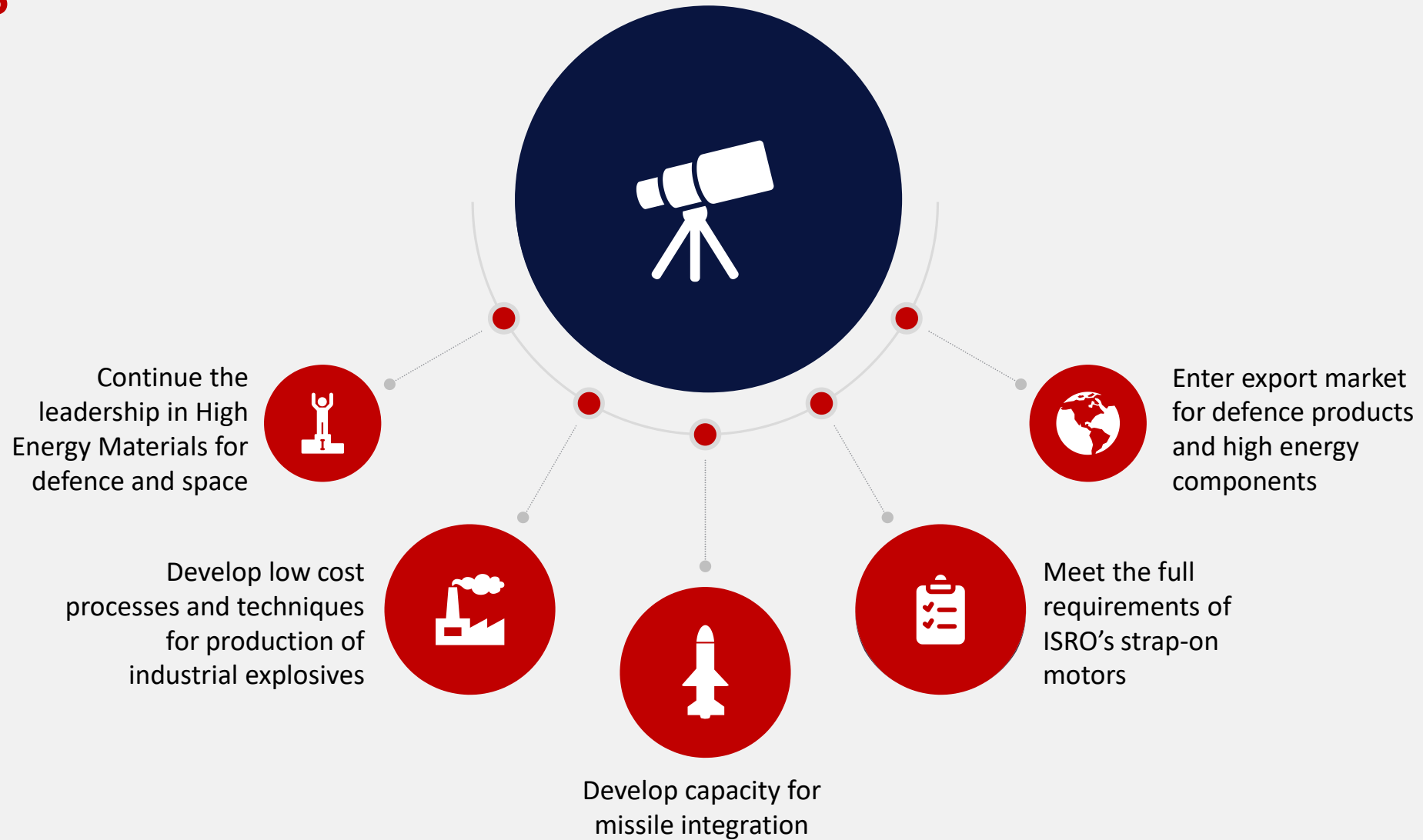
Defence, Mining and infrastructure sectors



### People

Highly trained manpower in handling high energy chemicals

## Vision - 2025



# 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



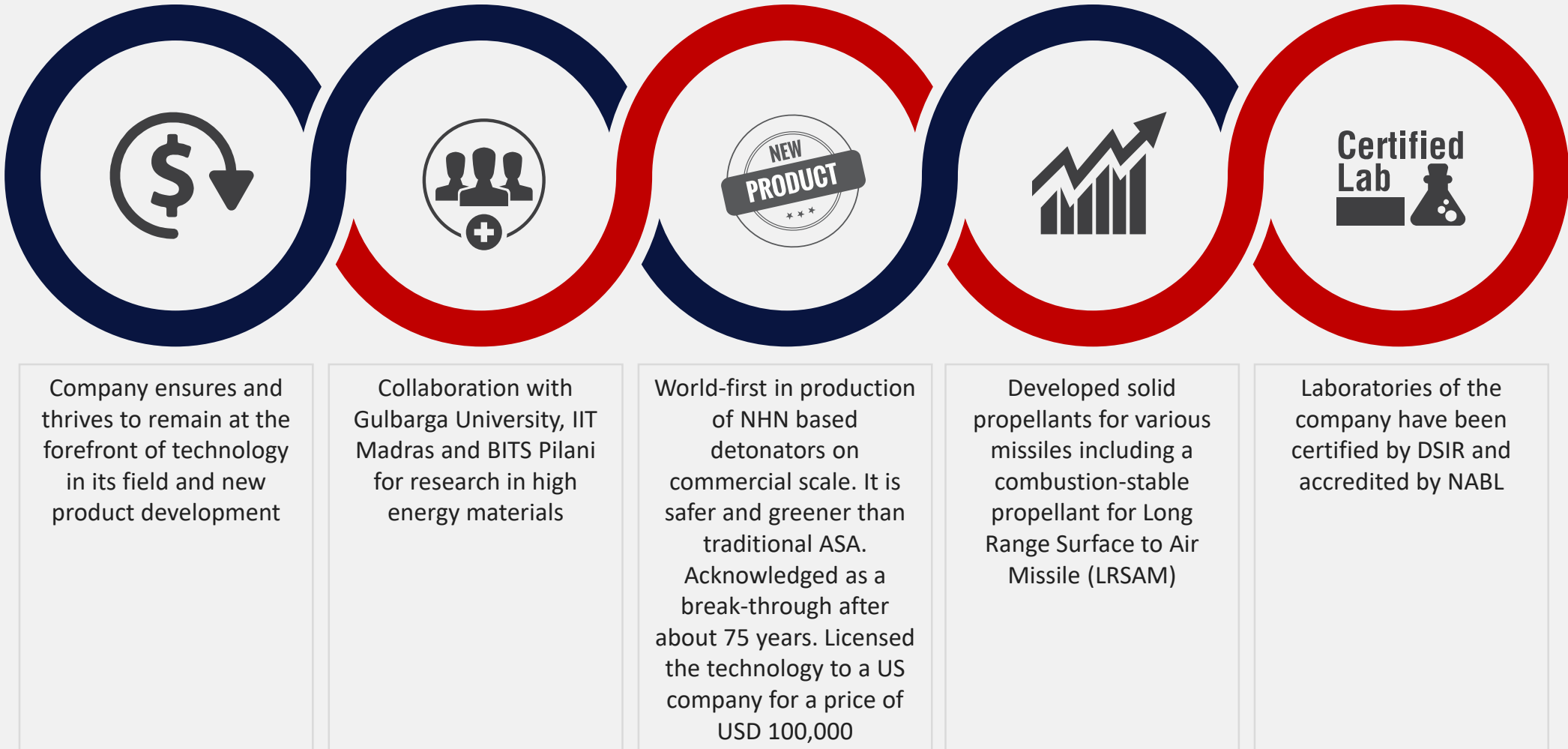
**Mr. T. V. Chowdary**

Dy. Managing Director

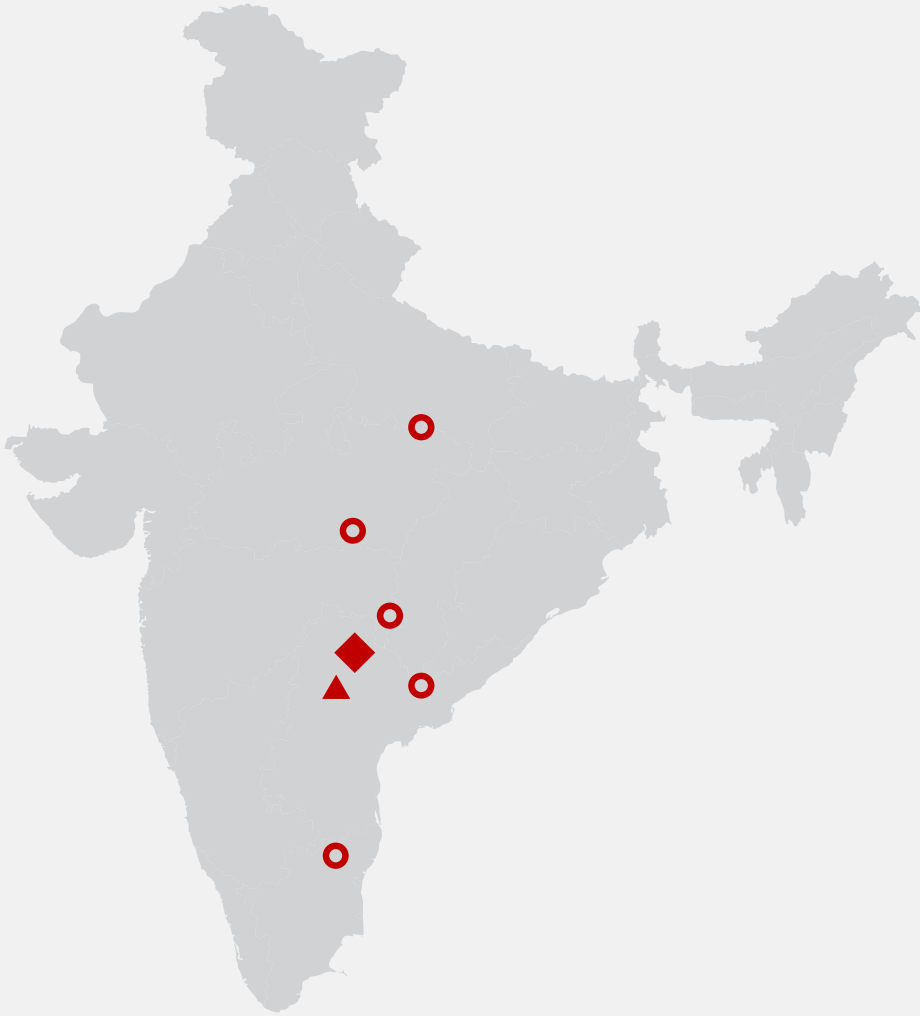
- Chemical engineer
- 35+ years of experience in chemistry and production of explosives, detonators, petrochemicals, etc
- Spearheading defence products of the company including solid propellants for missile and satellite launch vehicles
- Project execution as his forte,
- Excellent in HR management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



## Research and Development



## 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)



### ▲ Katepally (Telangana) (Under construction)

Solid propellants  
HMX/RDX  
Ammunition  
Mines  
Warheads

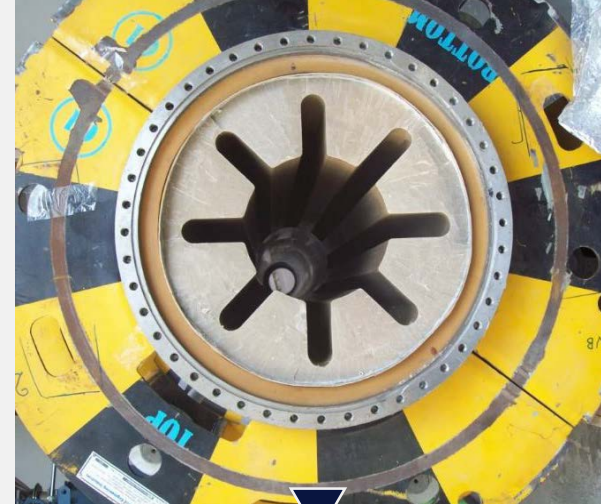




Pyrogen igniters / grains



Astra Motor cast with  
Smoke-less Propellant



Non-explosive Propellant  
Cast  
Air Booster For K-15



HP DAISY-2 (Agni)  
being shifted to Curing



## Premier Air Target Imitator



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



## Contact

### **PREMIER EXPLOSIVES LIMITED**

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Tel. +91 40 6614 6801

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### **S-Ancial Technologies Pvt. Ltd.** (Investor Relations)



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