



**Premier
Explosives
Limited**



09.04.2017

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 Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex
Bandra (E),
Mumbai – 400 051
Trading Symbol: PREMEXPLN

Dear Sir/Madam

Subject: Investor Meetings

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform your that our company representatives, Dr. A.N. Gupta, Chairman & Managing Director and Promoter and Mr. T.V. Chowdary, Deputy Managing Director of the Company are planning to meet the Investors / Institutions at Chennai on 10th April 2017 and at Mumbai on 11th and 12th April 2017. Copy of presentation is attached.

Kindly take the same in your records and inform the stakeholders accordingly.

Thanking You,

Yours faithfully
For Premier Explosives Limited

Dr. A.N.Gupta
Chairman & Managing Director

INVESTOR PRESENTATION



**Premier
Explosives
limited**

April 2017

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

Mining, infrastructure and defence sectors



People

Highly trained manpower in handling high energy chemicals



Mission

Become a global player in quality formulations of high energy materials in a safe, green and economical way through an employee empowered organization



Vision

We envisage to be a global leader in our segment through relentless research and development of knowledge-based products for defence applications, mines, infrastructure and allied sectors



Overview



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Company in India to have deployed indigenous technology for manufacturing explosives and detonating fuse



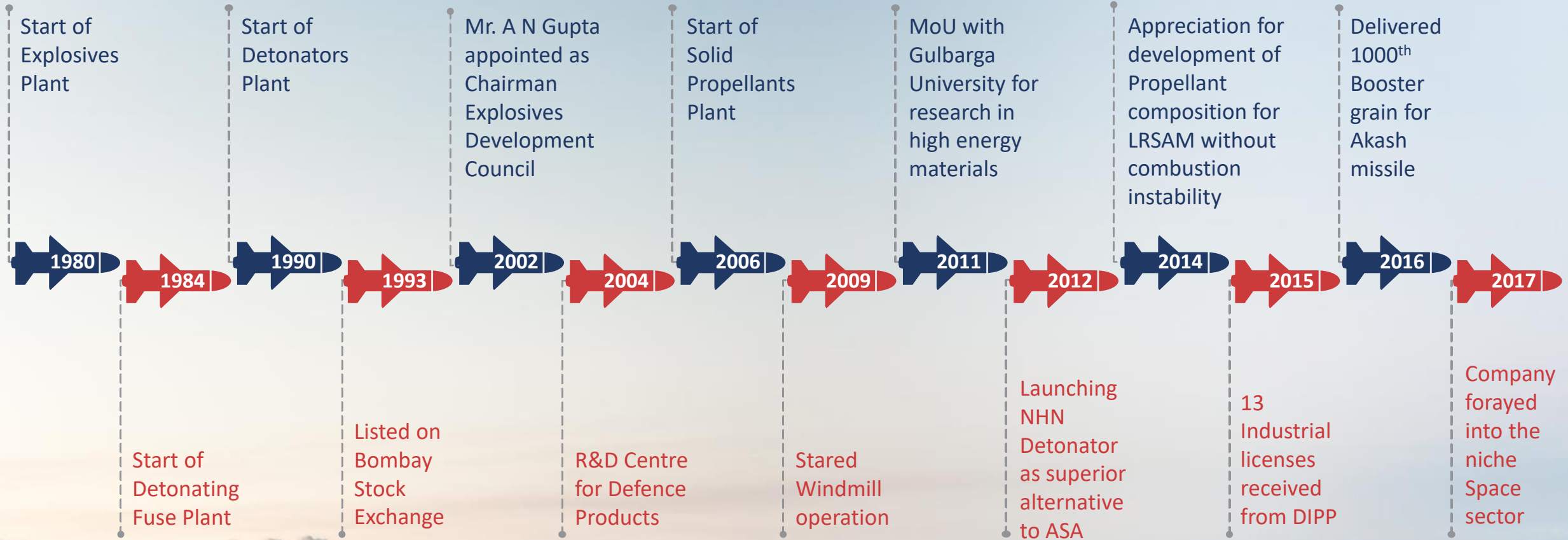
Company in the world to produce safer and greener NHN detonators on commercial scale replacing ASA detonators



Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes

Timeline

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Dr. A. N. Gupta
Chairman Promoter

Having earned his Masters degree in mining engineering, he has developed a penchant for learning and R&D. He has actively involved himself in product development projects of defence, new products and processes. A recipient of "Pickering and ISM Medal" from, Indian School of Mines, Dhanbad and Gold Medallist from Mining Geological and Metallurgical Institute of India. He is a Member of Society of Explosives Engineers, U.S.A. and was Chairman of Explosives Development Council constituted by Government of India and Chairman of Explosives Manufacturers Association of India. He has been given Asia Pacific Entrepreneurship Award 2015 in the Outstanding Category. He authored various articles about high energy materials including "Scaling up of CL-20 production to pilot plant scale" presented at the proceedings of National Symposium on Trends in Explosive Technology. He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology. He is also awarded HEMSI Honorary Fellowship 2016 by High Energy Materials Society of India.



Mr. T. V. Chowdary
Deputy Managing Director

A chemical engineer with over 36 years of experience in production of explosives, detonator, petrochemicals, coal tar pitches & enamels, mushrooms and solid propellants. Having project execution as his forte, he is excellent in HR management and is a steadfast trouble-shooter.



Col. Vikram Mahajan (Retd.)
Director (Marketing)

27 years of working with army, he holds an M.Tech & MBA in marketing. He has extensive knowledge about opportunities in defence sector.

Sharp research focus has lead PEL won several awards including the "Defence Technology Absorption Award 2007" from DRDO, presented by the Prime Minister of India



- Over 1,200 dedicated and experienced employees
- About 550 people trained in propellant and pyrotechnic products
- Team comprises of about 100 engineers / scientists
- Excellent relationship & conducive working environment
- Very low attrition rate
- Received the Best Industrial Relations Award from Government of Andhra Pradesh

Awards & Accolades



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Year	Award	
2016	HEMSI Honorary Fellowship 2016	From High Energy Materials Society of India
2015	Outstanding Entrepreneur Award	from Enterprise Asia
2014	Appreciation for development of Propellant composition for LRSAM without combustion instability	from Director, DRDO
2013	Inc. India Innovative 100 Award for plant-scale manufacture of NHN detonators	from Inc. India
2011	Appreciation for development of Propellant Casting of Motors and Igniters for First and Second Stages of Agni-4	From Director, Advanced Systems Laboratory
2010	Appreciation for development of Pyrogen Igniters for Agni A4	from ASL
2008	Appreciation for development of Pyrogen Igniters for Agni A3	from ASL
2007	Defence Technology Absorption Award-2007, received from Dr. Manmohan Singh, Prime Minister of India	from DRDO
2007	Best R&D Effort Award	from AIMO
2005	Best Technology Development Award for R&D achievements	from FAPCCI
2004-07	Best Greenery Development Award	from AP Pollution Council



Dr. A. N. Gupta

receiving the DRDO's
'Defence Technology Absorption Award'

LETTERS OF APPRECIATION

Year	Organisation	Work/Innovation/R&D
2011	DRDO	Development of Propellant Casting of Second Stage Motors and Igniters for First and Second Stages of Agni-4
2010	DRDO	Development of Pyrogen Igniters for Agni A3-04
2008	ASL	Development of Pyrogen Igniters for Agni A3-03
2007	ASL	Development of Rocket Motor Propellant casting and igniters for Composite Motor

Registrations & Ratings

DSIR recognized
in-house R&D
center



NABL
accredited
quality control
laboratory



ISO 9001:2008
certification



CE
marking
for exports



REACH
membership



ICRA rating (A
Stable for long
term, A1 for short
term)



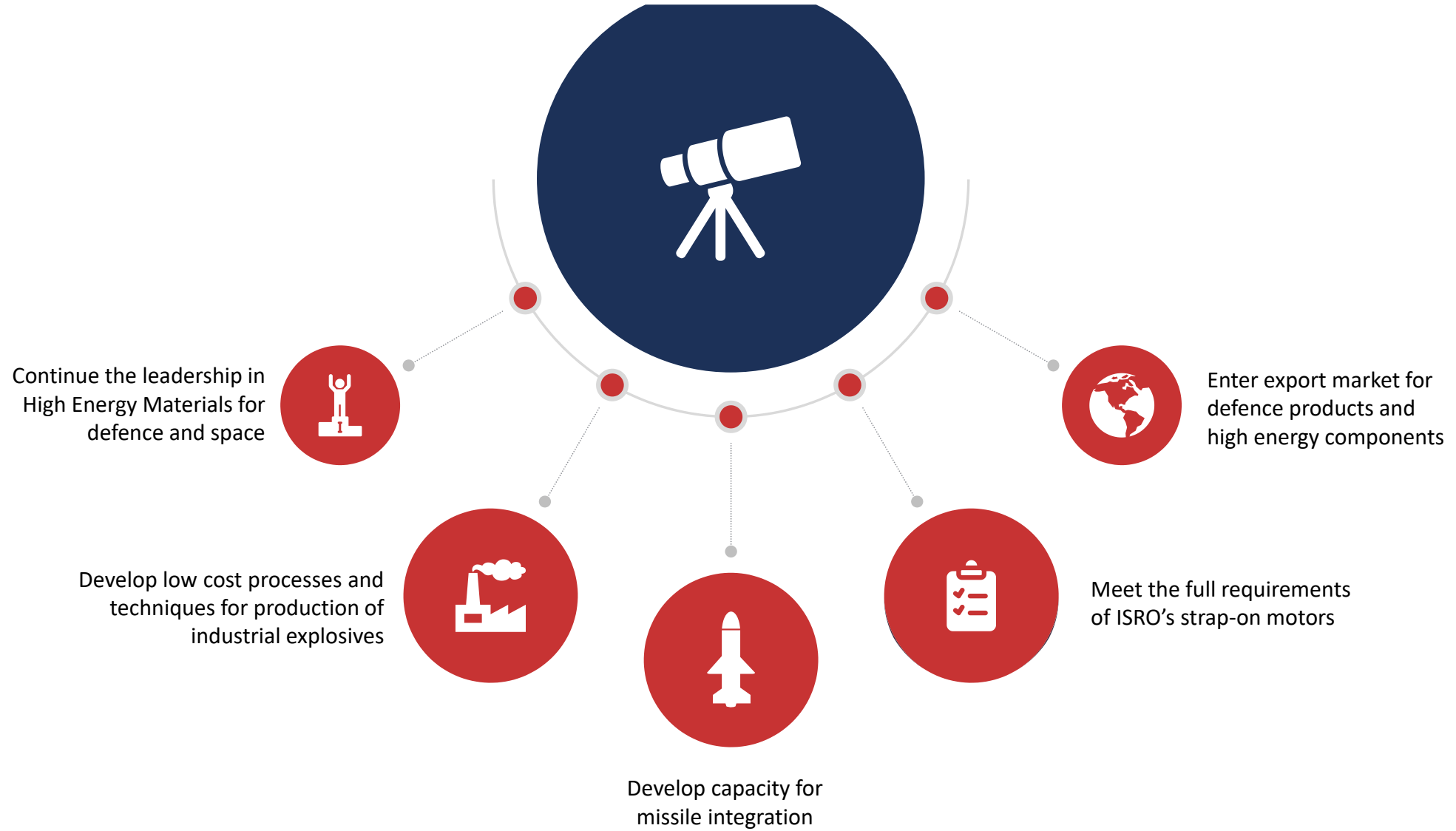
D&B rating
(5A2)



AS 9100C
Certification



Vision - 2022





Commercial explosives

Manufacturing a comprehensive range of sophisticated explosives at various locations. The range includes Bulk Explosives, Cartridge Explosives, Cast Booster, Detonators, Detonating Fuse, etc. These products are used by mining and infrastructure industries.



Defence products

Since 2003, PEL has been manufacturing solid propellants for Agni, Astra, Akash and LRSAM strategic missiles and Pinaka rockets. In collaboration with DRDE, PEL has been producing tear gas grenades and is the only private producer in the country. PEL also manufactures Explosive Bolts, Pyro Actuators, Smoke Markers, Cable Cutters and many other products including Blazer Plates for the Indian defence services.



Operation & maintenance services

Undertaking operations and maintenance services for solid propellant plants of:

- Satish Dhawan Space Centre SHAR of ISRO at Sriharikota, Andhra Pradesh
- Solid Fuel Complex (SFC) of Advanced Systems Laboratory at Jagdalpur, Chattisgarh



Cartridge Explosives

- Cartridge explosives are used in quarrying, construction, coal mines, lime stone mines etc.



Bulk Explosives

- Precursor emulsions manufactured at centralised facilities.
- Final product is manufactured by mobile processing units (shown below) at mining site and poured directly into blast holes



Cast boosters

- High detonation pressure explosives, used in blasting relatively insensitive bulk explosives
- Detonator initiates cast boosters, which in turn initiates bulk explosives



Detonators

- A device used to trigger the explosives
- Electrical and non-electrical detonators



Detonating Fuse

- Flexible, water proof cord having PETN core
- Used to simultaneously detonate explosive charges across a fairly large area from a single detonator

Major Customers



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Coal India Limited

Singareni Collieries Limited

Neyveli Lignite Limited

NMDC

Karnataka EMTA

Cement manufacturers

Exports to Greece, Jordan, Turkey, Nepal, Thailand, Philippines, Indonesia, etc.

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

Defence Licences

Product	UoM	Capacity
Propellants	Tons	1,000
Pyros	Nos.	20,00,000
CL –20	Kgs.	10,000
HNS	Kgs.	10,000
HNF	Kgs.	10,000
Ammunition 40mm and above	Nos.	10,00,000
Missiles & Rockets	Nos.	1,00,000 - each
Mines, Bombs and Torpedoes	Nos.	1,00,000 - each
MOB dispersion Devices	Nos.	10,00,000

Propellants

Pyrogen igniters

Case-bonded propellants

Free standing grains

Fuel rich

Gas generators

Pyros

Pyro cartridges

Pyro actuators

Smoke / flash generators

IR generators

Specialized squibs

Explosives

CL - 20

HNS - IV

Explosive bolts

BKNO₃ Igniters



Pyrogen igniters / grains

Astra Motor cast with Smoke-less Propellant



Propellant Castings



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



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

Premier Air Target Imitator



18



**Indigenously
Designed
Developed and
Manufactured
(IDDM)
for Airforce**

Special Products



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Explosive Bolts



Pyrocartidges



IR Flare



IED-3 Detonator



Cable Cutter



Pyrotechnic Igniter



Special Products



20

Gas Generator



Riot control Devices



Canisters



TBI



Squibs



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

Under development

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

Major Customers



Bharat Dynamics Limited (Production orders)



DRDO and their laboratories (Design & Development orders)



Bharat Electronics Limited



ECIL



State police, Central police, etc. (Tear gas grenades)

- LRSAM original composition developed after almost 5 years trials suffered the problem of combustion instability.
- Premier solved the problem and developed an alternative propellant which was successfully tested on 10th November 2014 in Israel. Successful Home-On-Target test proved Premier's propellant has performed with 100% stability.

1000 is not just a number. It is the demonstration of consistency, sustainability and promptness in delivery of quality materials.

Delivery of 1000th Booster grain to Bharat Dynamics Limited, the sole integrator of Akash missile

Delivery flagged off by Sri Udaya Bhaskar (CMD, BDL)

Chief guest Dr. Satish Reddy, Scientific Advisor to Raksha Mantri



1000th BOOSTER GRAIN FOR AKASH MISSILE

India is the largest importer of defence equipment in the world

- Defence spending increased @ CAGR of ~12% in last 10 years
- Defence budget is estimated at ~Rs 300,000 crore for 2016-17

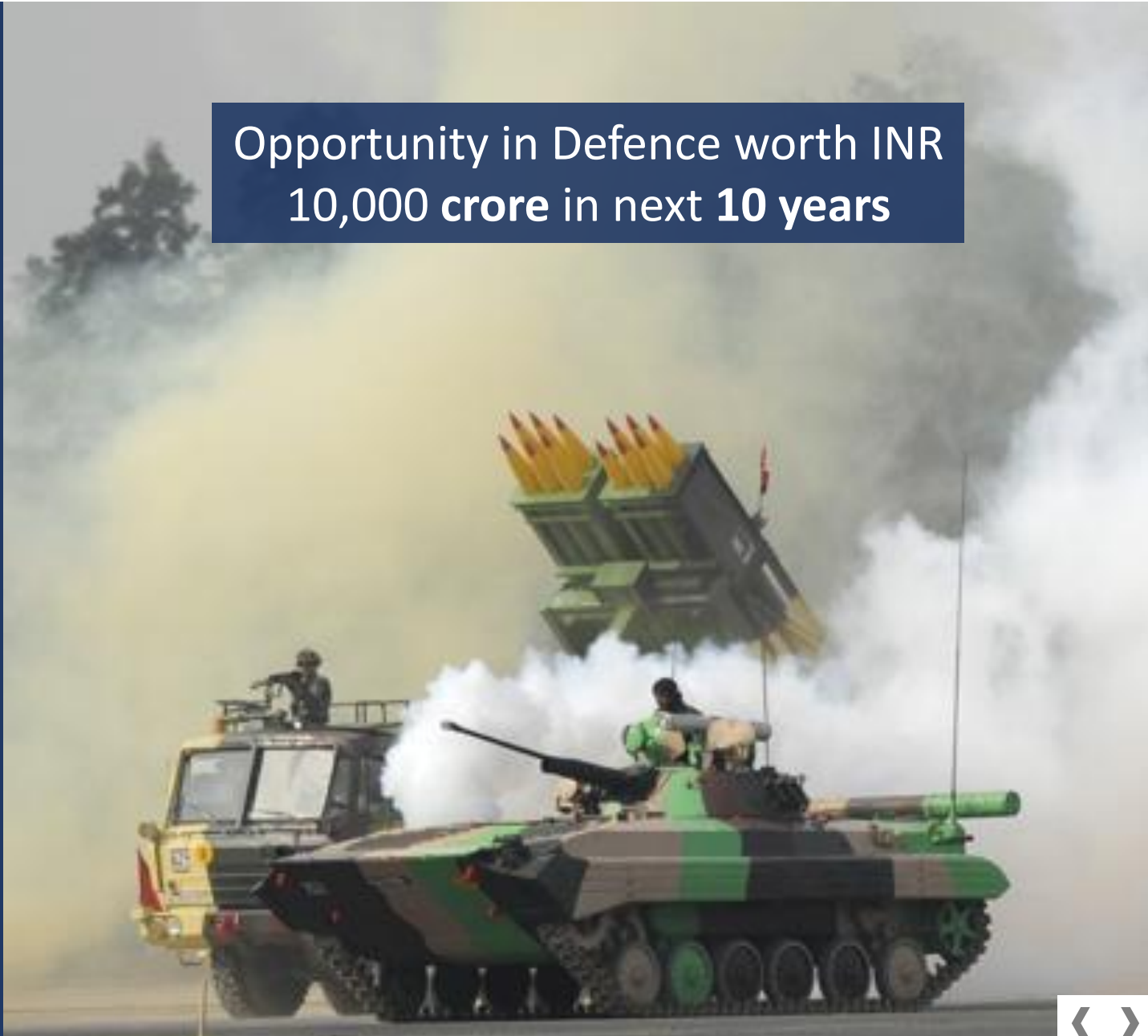
New Defence Procurement Procedures (DPP 2016) – promotes “MAKE IN INDIA” ; Strategic Partnership (SP) Model

- Boost for private sector participation for all types of defence acquisition i.e. ‘Buy Indian-IDDMM’ (Indigenously Designed, Developed & Manufactured)
- Increase in FDI to 49% together with critical definition to ensure foreign collaboration will lead to manufacturing in India
- Offset clause stipulates 30%-50% imported orders to be sourced from Indian suppliers including Technology Transfer
- Make in India with transfer of technology opens future world market in Design & Development

Received 9 industrial licenses

Strategic tie-ups with global majors to capitalize on growth opportunities under “Make in India” program

Opportunity in Defence worth INR
10,000 crore in next 10 years



Forward integration

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

Backward integration

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



Tie up with international OEMs for technology



Outsource hardware and fuses from Indian vendors



Cater to Indian defence forces and select international markets



Chaffs and flares



No supplies for the last few years



Naval and Army requirements can be huge

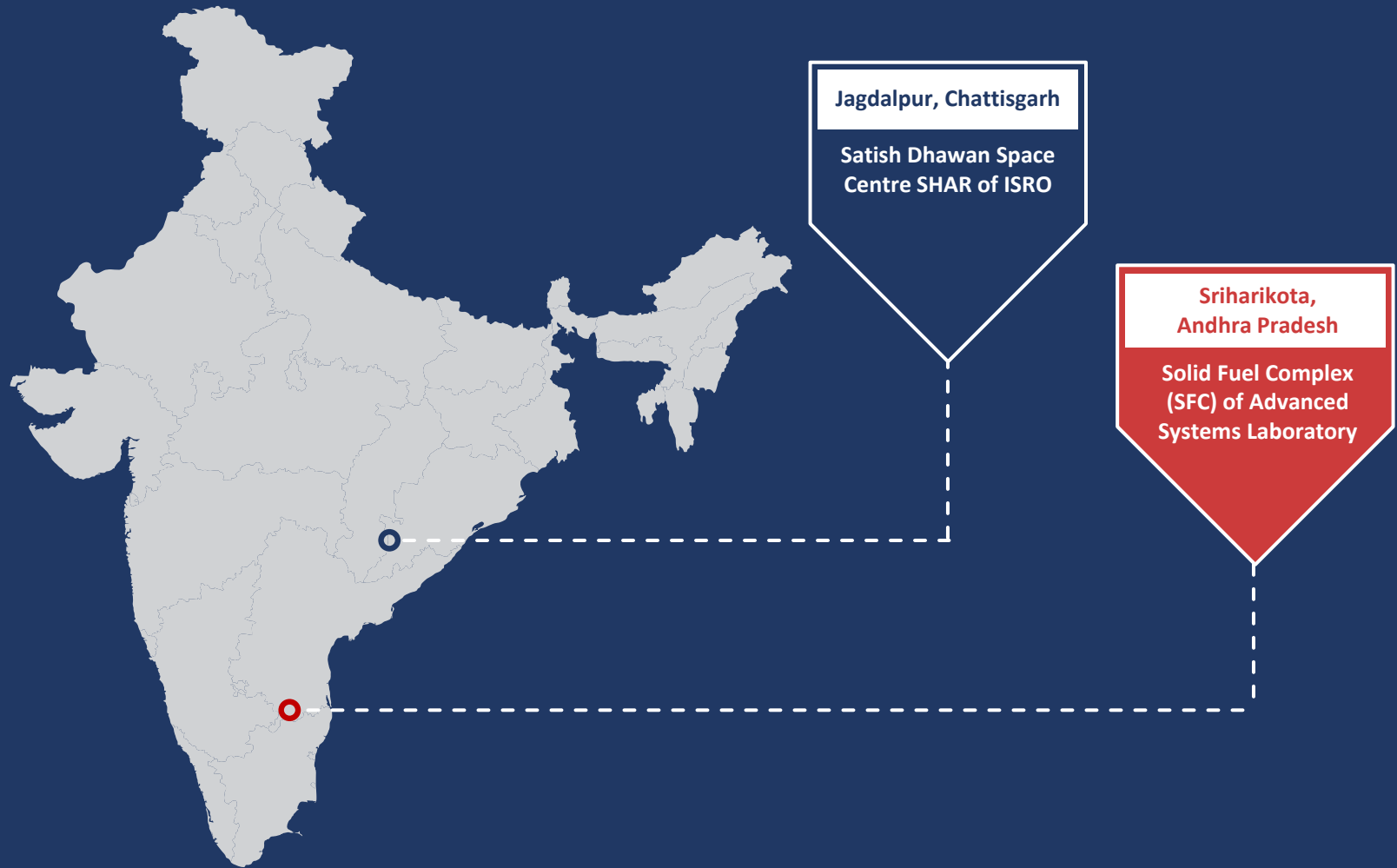


International market also can be addressed

Operating and maintaining the solid propellant production facilities of two prestigious agencies, namely:

- Satish Dhawan Space Centre SHAR of ISRO at Sriharikota, Andhra Pradesh
- Solid Fuel Complex (SFC) of Advanced Systems Laboratory at Jagdalpur, Chattisgarh

These operations exposed PEL to advanced processes in manufacture of solid propellants



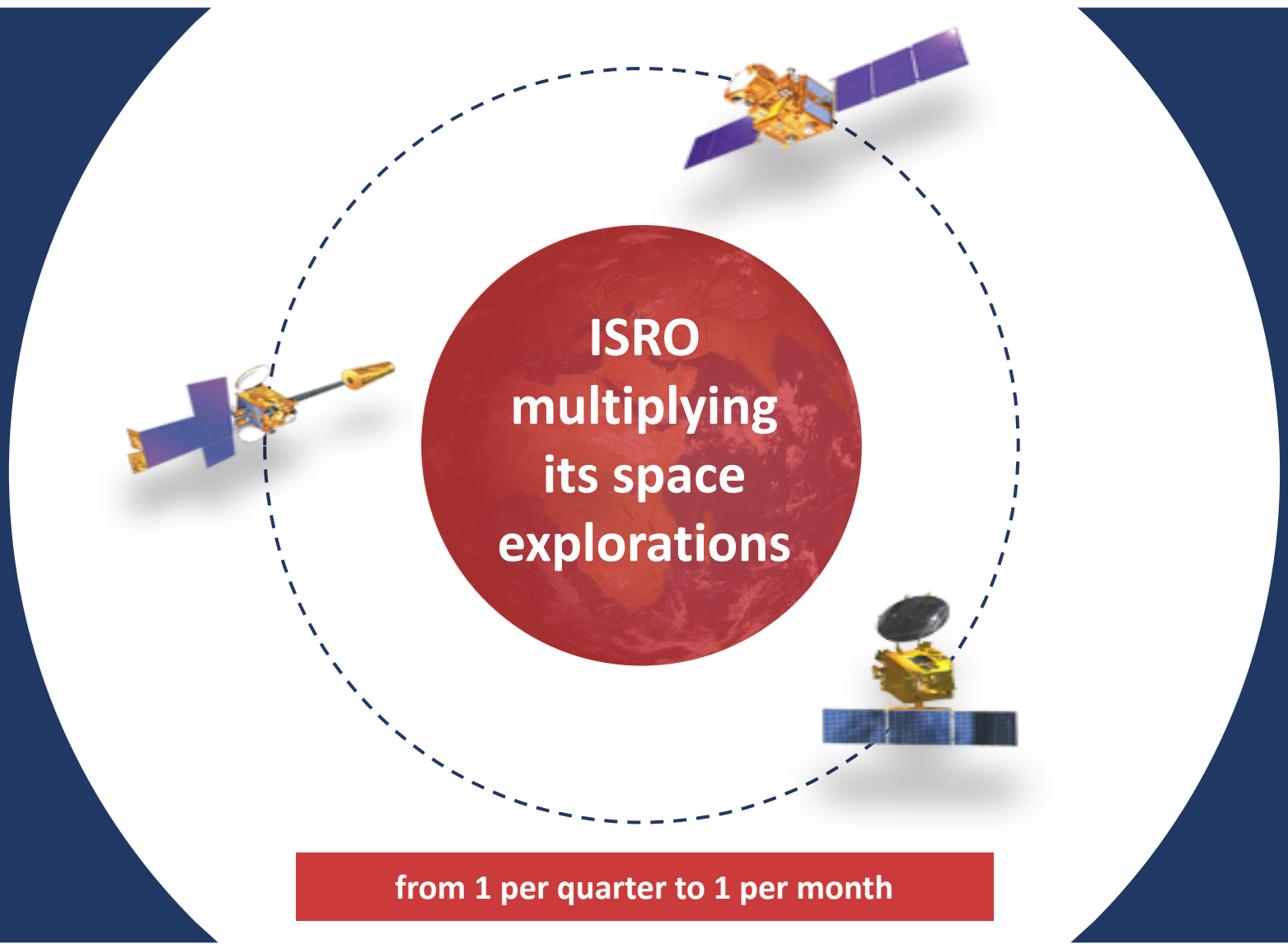
Space Opportunities



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

Now



ISRO
multiplying
its space
explorations

from 1 per quarter to 1 per month

Main motor – ISRO continues to produce on their own



**PSOM-XL strap on motors (6)
– ISRO to outsource
production to PEL
*(trial order execution in May 2017)***

STRENGTHS

- First mover advantage
- First private producer of propellants
- Orders on hand Rs.72 crores spreading up to 2017
- Trained manpower
- Available spare capacity for propellant production & expanding
- 250 acres of land available for expansion

OPPORTUNITIES

- 'Self reliance' in defence products
- 'Make in India' in general manufacturing
- Got Industrial Licences for ammunition, etc.
- Advanced stage of negotiations with OEMs
 - meeting the defence offset obligations
 - forming partnership for manufacture in India
- Export of defence products in long term

ROADMAP

- Enhance production of solid propellants (Akash, Astra, LRSAM, MRSAM, etc.)
- Increase product offerings within missiles (Sustainer grains, Insulation)
- Backward integration
- Gain volumes in Premier Air Target, Chaff Cartridge, etc.
- Obtain technology and start production of ammunition (BMCS, APFSDS, etc.)



◆ 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)



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)

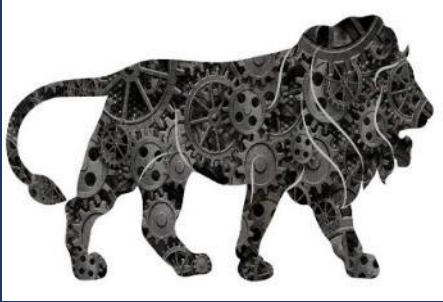


Laboratories of the company have been certified by DSIR and accredited by NABL

- **Strong traction from Defence products:** PEL, predominantly an explosives manufacturing company, is now seeing strong traction in the defence business. Over the last five years, while the revenues from commercial explosives business have grown by 12% CAGR, the revenues from defence products have increased by 33% CAGR.

Revenues (INR Mn)	FY11	FY12	FY13	FY14	FY15	FY16	9MFY17	5 – year CAGR
Explosives	731	850	805	1,026	1,081	1,307	1,104	12%
Defence	90	89	136	268	250	372	328	33%
Services	118	129	142	147	155	161	136	6%
Wind Power	5	5	6	7	5	3	3.9	-11%
Total	944	1,073	1,088	1,447	1,490	1,843	1,582	14%

- **Very low competition:** The commercial explosives business is highly competitive with over 40 players pan-India. On the other hand, in the defence products (especially for the propellants) there are only a few players from the private sector.
- **Low debt:** PEL has very low debt on the books and thus leaves immense room for debt raising, if required, for future capital expansion.
- **Gearing up for growth:** PEL has the right technology and approvals in place to leverage on the growth in demand for defence products. Further, PEL is also working towards entering the ammunition business. Share of defence products in the total revenues is expected to rise from current 20%.



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.



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



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



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



Signed NDAs and MOUs with global missile players



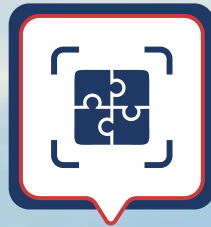
Incorporated a subsidiary company PELNEXT DEFENCE SYSTEMS PVT. LTD. for manufacture of ammunition



Capacity expansion and on going negotiations for technological tie-ups for new defence products



Reap offset opportunities



Backward integration for solid propellants – raw materials and insulation



Acquired 250 acres land for new defence projects



Explore export opportunities for NHN based detonators



Developing electronic detonator with new features



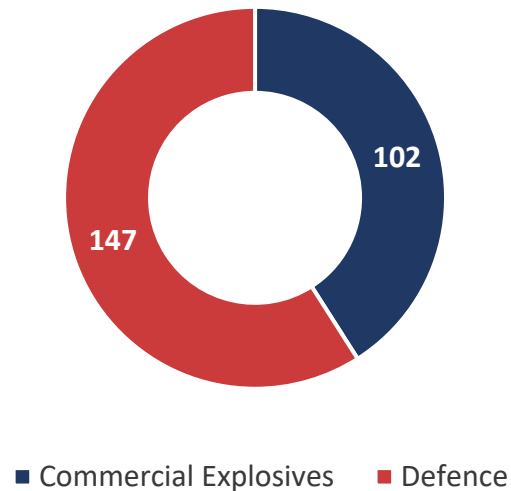
Focusing on exports to South East Asia and Africa

Order Book - Update



Order book update	As on 01.04.2017 (Rs. Cr)
Commercial Explosives	102
Defence	147
Total	249

Order Book



Recent Orders:

- Received an order, from ISRO (Indian Space Research Organization) for production of PSOM-XL Developmental Motor for use in the Polar Satellite Launch Vehicle (PSLV). With receipt of this order, the Company would be foraying into the niche-Space sector, which is a significant milestone for the Company. (January 04, 2017)
- Received an order, from Ministry of defence for supply of Chaffs & Flares worth Rs. 33.18 crores. (December 30, 2016)

Revenue Breakup – Segment Wise

(INR mn)

(INR mn)	FY16	FY15	Chg (%)	9MFY17	9MFY16	Chg (%)
Commercial explosives	1,307.3	1,080.8	21.0%	1,104.4	879.6	25.6%
Defence explosives	371.8	249.7	48.9%	328.7	258.7	27.1%
O&M	161.2	154.9	4.1%	136.5	117.7	16.0%
Wind power	2.8	4.6	-39.1%	3.9	2.6	50.0%
Total	1843.1	1490.0	23.7%	1,582.5	1,262.6	25.3%

Profit & Loss

(INR mn)

(INR mn)	FY12	FY13	FY14	FY15	FY16	9MFY17	9MFY16	Chg (%)
Revenue	1,083.2	1,094.0	1,454.0	1,494.9	1,849.8	1,582.5	1,262.6	25.3%
Operating profit	173.9	96.9	162.6	125.4	176.1	145.0	106.7	35.9%
Profit before exceptional items	162.0	78.1	129.5	76.2	110.0	94.8	57.7	64.3%
Net exceptional items: Income / (Expense)	3.9	(3.7)	-	-	(27.0)	-	(28.6)	-
PBT	165.9	74.4	129.5	76.2	83.0	94.8	29.1	226.9%
Tax	46.5	21.0	37.4	23.0	26.3	30.2	6.3	-
PAT	119.4	53.4	92.1	53.2	56.7	64.6	22.7	184.6%
EPS (INR)	14.69	6.57	11.17	6.10	6.41	7.29	2.57	183.7%

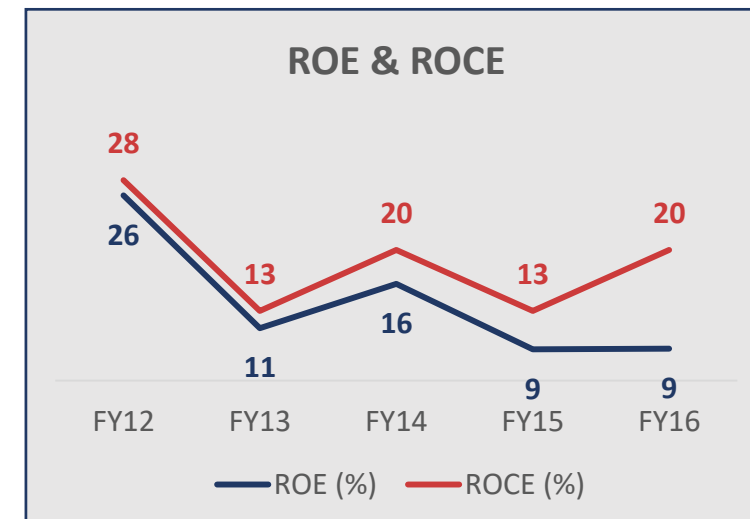
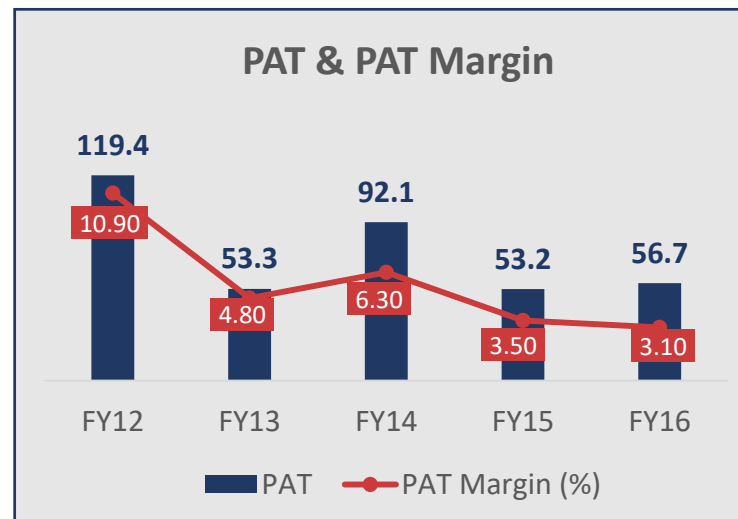
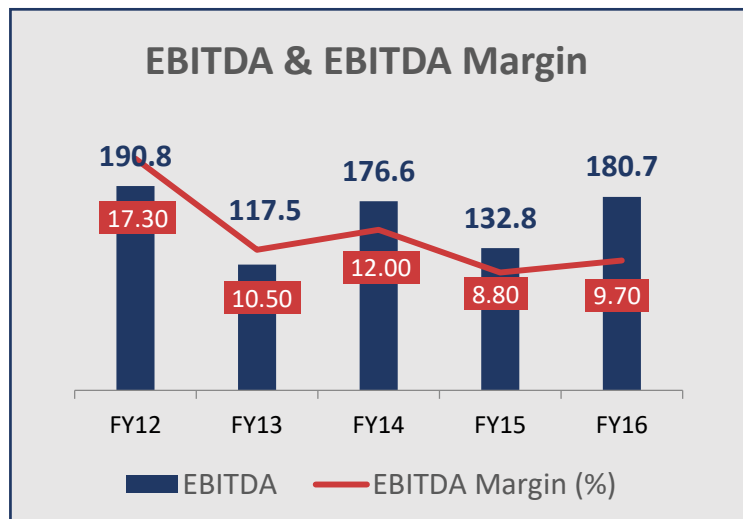
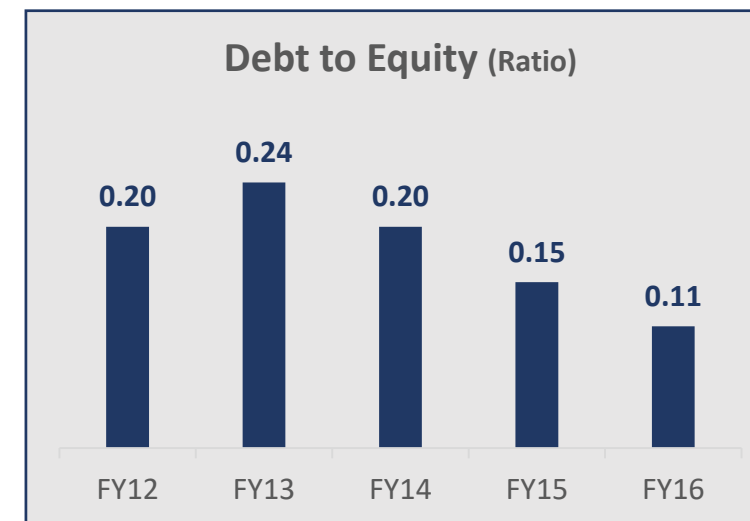
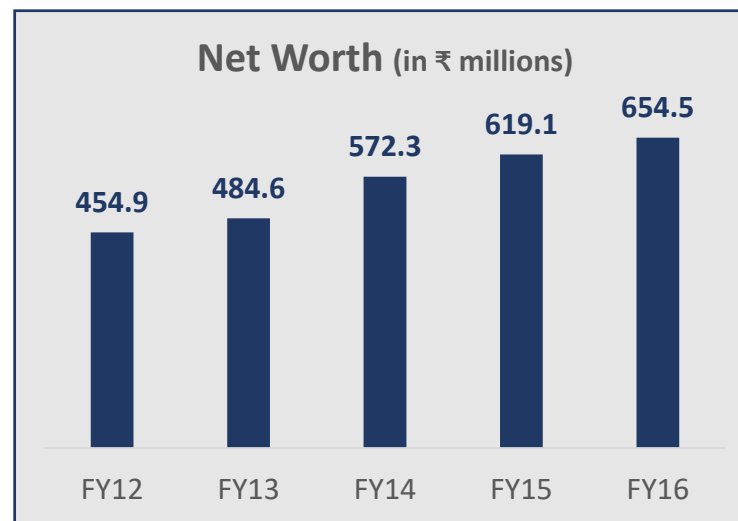
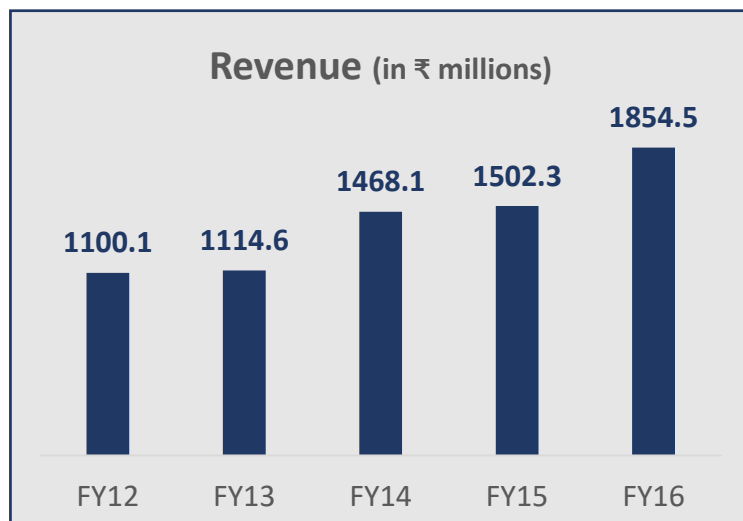
Balance Sheet



(INR mn)

(INR mn)	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Share Capital	81.3	81.3	83.6	88.6	88.6
Reserve & Surplus	373.6	403.3	488.7	530.5	565.9
Non Current Liabilities	90.8	115.5	115.4	90.3	74.7
Current Liabilities	235.0	298.9	385.6	423.2	567.7
Total Liabilities	780.7	899.0	1,073.3	1,132.6	1,296.9
Non Current Assets	430.4	491.7	520.9	499.0	522.3
Current Assets	350.3	407.3	552.4	633.6	774.6
Total Assets	780.7	899.0	1,073.3	1,132.6	1,296.9

Last 5 Years Performance



Shareholding Structure

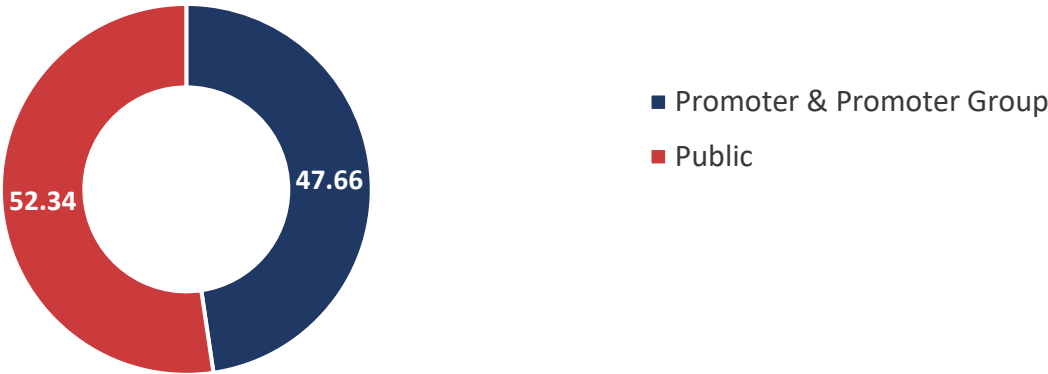
Share Price Evolution



Market Data	As on 07.04.2017
Market Capitalization (Rs Cr)	340.52
Price (Rs.)	384.40
Shares outstanding (Mn)	8.9
Face Value (Rs.)	10
52 week High – Low (Rs.)	417 - 304

Source: Bloomberg

% Shareholding



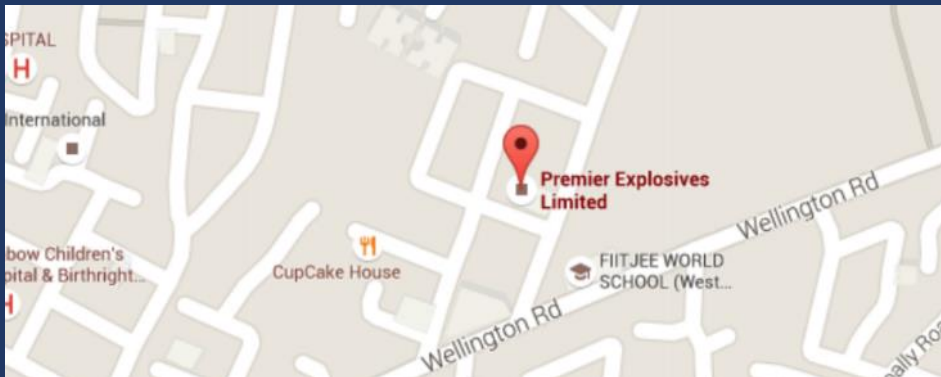
Source: BSE

Key Institutional Investors	Position
Sundaram Asset Management Co Ltd	318,172
L&T Mutual Fund	195,400
Gandhi Securities & Invest	124,500
Wallfort Financial Services	100,000

Source: Bloomberg



Premier Explosives limited



Contact

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