



Premier Explosives Limited

August 19, 2025



To
The General Manager
Department of Corporate Relations
BSE Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001

Scrip code: 526247

To
The Vice President,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip code: PREMEXPLN

Dear Sir/Madam,

Sub: Transcript of Conference call pertaining to the first quarter ended 30th June, 2025, results.

Please find attached the Transcript of the Conference Call hosted by, Stellar IR Advisors Private Limited, on August 13, 2025 pertaining to, 'Premier Explosives Limited Q1 FY '26 Earnings'.

This is for your kind information and record.

Thanking you,

Yours faithfully,
For Premier Explosives Limited

K. Jhansi Laxmi
Company Secretary
Encl: a/a



“Premier Explosives Limited
Q1 FY'26 Conference Call”
August 13, 2025



MANAGEMENT: **MR. T.V. CHOWDARY – MANAGING DIRECTOR–
PREMIER EXPLOSIVES LIMITED
MR. VIJAY KUMAR– CHIEF FINANCIAL OFFICER–
PREMIER EXPLOSIVES LIMITED**

MODERATOR: **MR. AKHILESH GANDHI– STELLAR INVESTOR
RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Conference Call hosted by Premier Explosives Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

With this, I now hand the conference over to Mr. Akhilesh Gandhi from Stellar IR.

Akhilesh Gandhi:

Thank you, Sumayya. Good morning, everyone. I, on behalf of Stellar Investor Relations, welcome you all to the Premier Explosives Limited Q1 FY '26 earnings conference call. We shall be sharing the key operating and financial highlights for the first quarter ended on June 30, 2025.

Today, we have with us the senior management team of Premier Explosives Limited, Mr. T.V. Chowdary sir. He is the Managing Director. And with him, we also have Mr. Vijayji Kumar, he is the Chief Financial Officer.

But before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the company's belief, opinion and expectations as of today.

The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect development that occur after the statement is made. Documents relating to the company's financial performance, including the investor presentation, have already uploaded on the stock exchange.

And now I invite Mr. Chowdary sir to share his initial remarks on the company's performance for the first quarter ended on June 30, 2025.

T.V. Chowdary:

Thank you, Mr. Akhilesh. Good morning to everyone, and thanks for joining the call. Q1FY '26 delivered a strong performance with revenue increasing 72% year-on-year, that is to INR142 crores, driven by robust growth in our Defense and Space Services division. Our current outstanding order book stands at INR988.5 crores, forming 2.4x of financial year 2025 revenue.

During the quarter, successful execution of old orders positioned the company to bid for and secure larger high-value contracts from the Ministry of Defense, the Indian Defense Industry and international defense entities. In Q1 FY '26, the company secured orders from entities, including Brahmos Aerospace Private Limited for propellant casting and booster assembly as well as from various overseas clients for the design and development of rocket motors and supply of defense products as well as commercial explosives, which are at different stages of execution.

As discussed in the previous conference call as well, the company acknowledged the fire and explosion incident that occurred on April 29th at its Katepally Village facility in Telangana. The incident took place in one of the 61 production buildings, specifically the big solid propellant

mixer unit. While the event did not have any material impact on overall operations, the propellant plants remain under suspension as a regulatory measure.

The Pollution Control Board temporarily directed the plant shutdown and the company is actively engaging with the authorities to obtain the necessary clearances expected within the few weeks. The estimated financial impact from the suspension is approximately INR20 crores over 2 years. The facilities are fully insured and the company anticipates receiving the insurance claim in the coming months.

Coming to future outlook, Premier is the only Indian company qualified to manufacture countermeasures and specializes in exporting fully assembled rocket motors. Along with rocket motors, it also manufactures and exports warheads, mines and ammunition under Atmanirbhar Bharat initiative. With the Ministry of Defense promoting domestic production and reducing imports, this policy supports Premier's growth by driving local manufacturing.

In Q1 FY '26, we generated a healthy cash profit of INR18.2 crores. By maintaining stable operations and leveraging our efficient cost structure, we aim to further enhance operational efficiency and boost cash flow. This strengthened cash flow will reinforce our balance sheet. With a positive outlook on the defense and aerospace sectors, we are focused on becoming a key player in both domestic and export markets.

Now I request Mr. Vijay Kumar, our CFO, to share the financial performance.

Vijay Kumar:

Thank you, sir. Good morning, everyone. The result presentation for the quarter ended June 30, 2024 has been uploaded on the stock exchanges and on the company's website. I believe you may have gone through the same.

The revenue from operations for Q1 FY '26 stands at INR142.1 crores, which shows a growth of 72% year-on-year and 92% quarter-on-quarter. Our operating profit for Q1 FY '26 stands at INR20.9 crores, which shows a growth of 35% year-on-year and 118% quarter-on-quarter. The operating margin for the quarter stands at 14.7%.

We reported a net profit of INR15.3 crores, which shows a growth of 110% year-on-year and 314% quarter-on-quarter. The PAT margin for the quarter stands at 10.8%. The improvement in revenue and margin was mainly due to the higher contribution from Defense and Space segment, which accounted for 86% of the revenue this quarter compared to around or below 80% earlier.

Now coming to the order book. The company's current order book stands at INR988.5 crores, out of which the Defense segment order is majority of INR860 crores, which is equal to 87% of the total order book. Explosive segment stands at INR69 crores, which is equal to 7% of the total order book and Service segment, which is Operational and Maintenance Services segment stands at INR59 crores, which is equal to 6% of the total order book.

The order book shows a solid and strong growth towards the coming years. We are very much confident that, with our continued execution run rate in the forthcoming quarters we'll be

continuing with the growth trajectory. With this, we'll now open the floor for questions and answers.

- Moderator:** The first question comes from the line of Nishita from Sapphire Capital.
- Nishita:** So I had a few questions. So my first question was regarding the EBITDA margin drop year-on-year. You have a 4% drop. Can you tell me the reason why?
- T.V. Chowdary:** EBITDA margin is at 14.7%. Most of the defense products have been dispatched in the next quarter. So I think it will improve from the second quarter onwards.
- Nishita:** No. So my question was what is the reason for the drop?
- T.V. Chowdary:** So what is the drop?
- Vijay Kumar:** drop in EBITDA.
- T.V. Chowdary:** No, it is 11%. Most of the defense products are dispatched in the second quarter. Most of them are in the stock. We value stock at cost or market value, whichever is lower. That was the reason.
- Nishita:** Okay. Also, can you give me any update on the capex plans that you have at the Odisha plant and the Katepally plant?
- T.V. Chowdary:** Odisha plant is a greenfield plant. We are acquiring land starting from land and infrastructure development and we have divided into 3 phases product-wise. So, the entire project is not going to be built up in the first phase. So we have plans of going for ammunition, warheads and raw materials like HTPB in Odisha plant.
- And at Katepally plant, yes, we are going to enhance our capacity of RDX, HMX and also integration of rockets.
- Nishita:** Yes. So can you give me an update on when will the Phase 1 on the Odisha plant start and when will the total capex be finished?
- T.V. Chowdary:** At Odisha?
- Nishita:** When will the Phase 1 start and when will the total capex be finished?
- T.V. Chowdary:** We are at a very nascent stage. The land is identified by Odisha government and then they found that some patches of forest land in that. So they have written to various departments to submit their objections or anything to hand over that. So it is at that process. This whole process of the land acquisition itself may take a year. So afterwards, then the planning for induction starts. Only we can start planning the project and designing the project after the land bank is given.
- Nishita:** Okay. And like on the enhancement capacity in Katepally, by when will that be done?

- T.V. Chowdary:** That is immediate. We want to take up immediately. And already, the RDX plant expansion has already started. It is going on. We are expecting it to come into production before December of 2025.
- Nishita:** Okay. And like what is the total capex that you are doing for both the plants?
- Vijay Kumar:** Capex for RDX plant is about INR 25 crores. For Odisha, there are 3 different phases. So first phase will be around INR 100 crores. And all put together, it will be around INR 800 crores in 3 phases.
- Nishita:** Sorry, the total capex would be INR 100 crores?
- Vijay Kumar:** Yes, at Odisha, to start with.
- Nishita:** Yes. Okay, okay. My last question would be that you mentioned in the previous call that due to the fire incident, the plant will be operational by May. So has there been any delay in the plant being operated?
- T.V. Chowdary:** No, the 2 manufacturing facilities in Katepally and Peddakandukur are already functioning. They have come back into production and it's going on. That is our high explosives and warheads and ammunition plant, they are all already operating. Only the propellant plant where the accident happened, that is under suspension. Otherwise, all other units are operational.
- Nishita:** So when will the propellant plant be functioning? By what time? Because you had mentioned previously that it will be operational in May.
- T.V. Chowdary:** Yes. We are expecting any time the clearance. We have submitted the request to PESO office. So they are looking into that. And then they suggested some precautions, which we are also parallelly taking up. So it is expected to start back, yes.
- Nishita:** Sorry, actually, your voice was cracking. When are you expecting it to start?
- T.V. Chowdary:** See, the present operations site, within 1 month they will come into operation, the propellant plant. Other plants are already working. They are producing. Now the building which collapsed and all those, it will not happen now. It will take 2 years to reconstruct it. But otherwise, all other activities have started.
- Moderator:** The next question comes from the line of Dipen Vakil from PhillipCapital.
- Dipen Vakil:** Congratulations on a great set of numbers. Sir, my first question is just a small follow-up on the previous participant's question. So your capex on the Odisha plant was not clear. So can you just repeat it? In Phase 1, you're expecting INR 50 crores? And all put together in Odisha plant, what would be your capex?
- T.V. Chowdary:** See, we have projected a capex of 10 years that is in 3 phases altogether. We projected a capex of INR 800 crores, if you remember our earlier. But we are not planning to take up everything

now. It's a 10 years plan. So what is mentioned is the first phase and infrastructure development is around INR100 crores is the budget.

- Dipen Vakil:** Got it, sir. Okay. And my second question is considering that there has been some advances happening because of the emergency procurement, especially on the missiles and ammunition side of it. So how would you think that can boost your performance in this year in terms of your revenue as well as the order pipeline? Is there any revision in your guidance? How do you expect FY '26 to be from a revenue as well as order book point of view?
- T.V. Chowdary:** Yes, we are participating in all those emergency procurement orders and all those. For your information, we have already participated in around INR700 crores RFPs, which are in pipeline. So even if we don't get all of them, but a portion of that itself will give a big boost to us.
- Dipen Vakil:** So any number that you would like to put in terms of revenue growth and amount of order inflows that you expected in FY '26 overall normal order as well as emergency procurement?
- T.V. Chowdary:** There is no change in our figure, like what we have indicated in the last con call. INR600 crores is the turnover, so we still stand by that.
- Dipen Vakil:** Got it, sir. Got it. And order inflow, no guidance on order inflow?
- T.V. Chowdary:** Order inflow, like I said...
- Vijay Kumar:** We have already participated in RFPs. They come, it may increase.
- T.V. Chowdary:** More than INR700 crores orders we have participated. Now defense industry, to mature into order and all those, the time taken is much longer. Even though it is emergency procurement, still you expect at least a delay of 5, 6 months, before they decide finally.
- Dipen Vakil:** Got it, sir. Got it. Sir, when we look at your segment mix, so between Explosive segment and Defense segment, would Defense segment your higher margin segment than the Explosives?
- T.V. Chowdary:** Yes. Definitely, it is higher margin segment.
- Dipen Vakil:** So considering that this quarter Defense segment was almost more than 80% of revenue. So any particular project where you had lower margins, which impacted your overall margins because gross margin as well as EBITDA margin, both have come down by a few percentage points?
- T.V. Chowdary:** Like CFO has explained...
- Vijay Kumar:** In fact, year-on-year, if you take quarter-on-quarter, year-on-year, it was 12.9% earlier, now it is 14.7%, which has gone up. Compared to previous quarter if you take immediate quarter, immediate quarter in the March, what happened is the turnover was also less. It was only INR82 crores. So now there is a turnover jump also in the current quarter.
- Moderator:** The next question comes from the line of Yash from Invest Research.

- Yash:** So all my questions have been answered, but I have just one question. Sir, I see recently, we have added PETN in our product portfolio. As per my understanding, PETN is mainly used as a booster in mining applications only, but we have listed it under the Defense segment. So I just want to understand on this. And also earlier PETN as per my understanding was mainly imported. So are we the only players who will be manufacturing this?
- T.V. Chowdary:** I think that is a wrong input, PETN is mostly being imported. PETN is mostly made in India and exported.
- Vijay Kumar:** TNT ammo. You mean to say TNT?
- Yash:** Yes, PETN, which we have in our presentation.
- T.V. Chowdary:** No, PETN is we produce and we consume for our self-consumption. We produce detonating fuse from PETN and also we produce cast boosters from PETN. But if there is some international buyer, we also sell and export PETN.
- Yash:** Okay. But have we recently started manufacturing it or we were manufacturing it earlier also?
- T.V. Chowdary:** In fact, we were one of the first to manufacture PETN in small scale way back in 1985.
- Moderator:** The next question comes from the line of Naman from Nirmal Bang Securities.
- Naman:** Sir, my question was regarding the explosives side of the business. I needed to know if you have received any orders from Coal India or any other mine for the mine explosives during the quarter? And henceforth, since the mining activities are expected to grow, are we expecting an increase in order inflow for the mining explosives business?
- T.V. Chowdary:** We are expecting the growth, but it's not that it is going to compete with the defense. Defense will definitely be higher than bulk explosives because there the competition is more fierce and we don't want to get into business by losing. That's not the idea. So if the price is suitable -- because mostly these tenders are done by reverse auction. So in the reverse auction, we do not know where the price will go down and all those.
- Right now, we are not supplying any bulk explosives to Coal India, we are supplying to Singareni Collieries, we have recently won a tender for accessories. And the bulk explosives is expected in the end of the current calendar year. When it comes, we'll participate in it.
- Moderator:** Next question comes from the line of Ketan Gandhi from Gandhi Securities.
- Ketan Gandhi:** Can you throw some light on unexecuted order of chaffs and flares after this quarter?
- T.V. Chowdary:** Not unexecuted order...
- Vijay Kumar:** We have executed 62% so far. So balance 38% will be executed by December or max March. Before this financial year-end, it will be completed.

- Ketan Gandhi:** In terms of amount, how much, sir?
- Vijay Kumar:** Amount-wise, the leftover is about INR180 crores.
- Moderator:** The next follow-up question comes from the line of Dipen Vakil from PhillipCapital.
- Dipen Vakil:** Sir, again, on the chaffs and flares -- thank you for the clarification on the pending order book. So what would be the quantum, since the chaffs and flare order is getting delayed, so is there any penalties that we are still getting in as to what would be the quantum of those penalties that we would be facing in because of the delay? So that would be my first question.
- Vijay Kumar:** The penalties, LD is maximum 15%. We are already at the 15% slab. So there is no question of further penalties. And also, we are going to execute it before this March.
- Dipen Vakil:** Okay. So safe to say that, once the chaffs and flares orders are completely executed, we can see some uptick in our margins going ahead after that?
- Vijay Kumar:** Yes.
- Dipen Vakil:** Okay. Sir, my next question is that in first quarter, we have won almost 5 export orders that we have reported, 5. In that, what is the lead time that we usually get in smaller projects as well as larger projects from getting the order to starting the deliveries of that? So say, for example, there are some orders at 24 months and some orders at 12 months. So what would be the lead time from getting order to supplying them?
- T.V. Chowdary:** See, these are the export orders, but mainly they are rocket motor orders where the orders are for design development and then production. So in design development stage, they take around 12 months to 24 months depending upon the type and all those. Other than the rocket motors, another major area where we have booked the export orders are RDX and HMX. This is an ongoing thing and we expect to complete the quantity in 2 years' time. It will be regularly supplied month-on-month.
- Dipen Vakil:** Got it, sir. So sir, what would be your order book split between export orders and domestic orders and production orders and development orders?
- Vijay Kumar:** Export orders will be around 46% and then domestic is about 54%. Development orders are nominal, not much, INR40 crores, INR50 crores kind of.
- T.V. Chowdary:** Whatever orders we have, we have executed. Now we have to get further production orders. You mean export orders, right? **Dipen Vakil:** Overall, overall production -- split between production orders overall.
- T.V. Chowdary:** Most of the development orders are for export only. Domestic orders, they are all -- some are there in DRDO along with the DRDO where we are working in DCP program. But most of the other things are in production stage like LRSAM, MRSAM, Akash, Astra, they're all in production stage. Exactly the figure, I think I don't have that.

- Moderator:** The next follow-up question comes from the line of Ketan Gandhi from Gandhi Securities.
- Ketan Gandhi:** Sir, any amount we have received for the penalty which we have paid for late delivery of the chaffs and flares? Any write-back has been done in this quarter? And if not, then what are the time line for that? I mean any update from the ministry regarding the waiver?
- Vijay Kumar:** Our application is pending with them. Maybe, we are expecting this quarter or next quarter. Before March I think we should get some positive results.
- T.V. Chowdary:** We are -- like I mentioned, We are working on this through two approaches. One is from our customer for waiving of the LD. Another is our vendor to share the LD.
- Moderator:** The next question comes from the line of Rahul Agarwal, an Individual Investor.
- Rahul Agarwal:** Congratulations for the good set of numbers. I had one question. It's regarding that you have announced for INR300 crores of fundraise. So can you share some light on the fundraise?
- Vijay Kumar:** We are looking for either QIP or preference issue kind of thing. So, that is mostly for the capex, which is about INR200 crores and balance is for repayment of term loans and general corporate purpose.
- Rahul Agarwal:** And if you could just share some like long-term and short-term vision going forward for FY '26 and 27, if anything?
- T.V. Chowdary:** Most of them existing units, we want to go ahead with about INR90 crores investment. So all these things we have to get machinery and all this is all capex. So maybe everything will start in FY '26-'27, we will start getting the results. So first thing is we need to raise the funds, then start putting it into the use. And also, we have a JV in this JV also we are proposing some payment. So that is about INR50 crores.
- Moderator:** The next question comes from the line of Keyurkumar from Niveshaay.
- Keyurkumar:** Congratulations for a good set of numbers, sir. My question is relating to the pipeline you have mentioned. Like you have mentioned that we are participating around INR700 crores of the emergency procurement side. So can you give more insights of like how that is distributed?
- T.V. Chowdary:** I don't think, it's a sensitive information. At this stage, I don't think that's right to share.
- Keyurkumar:** Okay. And can we get like -- we did a JV with NIBE Group. So is there any development on that side or the MOU on the Astra Micro products we did in the, I think, last same time frame? So is there any further development?
- T.V. Chowdary:** In Astra Microwave, yes, no significant development.
- Keyurkumar:** Okay. On the JV side, sir?
- Vijay Kumar:** What is your question?

T.V. Chowdary: JV side, you said?

Keyurkumar: Yes.

T.V. Chowdary: JV side, it is in the early stage. Now we are working together for assessing the total investment needed and all those between the JV partners.

Vijay Kumar: Land is under acquisition.

Keyurkumar: Okay. So in what time frame we can expect any contribution from that side, sir?

T.V. Chowdary: It will take at least 1 more year to get the licenses and then start the trial production and other things.

Keyurkumar: Okay. And right now, we have received more of the order on the export side. So like it is a deemed fit order or it's like properly exported to other countries?

T.V. Chowdary: Question is not clear. Can you please repeat?

Keyurkumar: I'm saying in Q1, we have received of around like INR330 crores or INR340 crores of the orders. So they are mostly for the international entity, right? So it is like export deemed or it's purely export orders, sir?

T.V. Chowdary: Pure export orders. Other than exports, we have other orders like BrahMos to execute and then MRSAM to execute and all those are parallelly going on.

Keyurkumar: Okay. And my last question is, you mentioned that the QRSAM regarding the order would be delayed. So is there any opportunity on that?

T.V. Chowdary: Yes. QRSAM, we are very much in it because we are the qualified source of the propellant of QRSAM. So anybody whether it is BDL or BEL, QRSAM production, propellant has to be given by PEL.

Keyurkumar: Okay. And I mean this is happening on a delay basis, so when you expect this would be happening like FY '26 and/or in FY '27, sir?

T.V. Chowdary: I think it will go to '27.

Moderator: The next question comes from the line of Santanu Chatterjee from Mount Infra Finance Private Limited.

Santanu Chatterjee: Congratulations, sir, for good set of numbers. My question is on other income. The other income for this quarter has increased significantly compared to the previous period. And you have already written over there on your note that some reversal was there of a previously recognized loss provision. Can you give add some color on to it, sir?

T.V. Chowdary: We have provided some loss on some long-term contracts. So that is no way required now. So we are not incurring any loss. So that's why we have written it back.

- Santanu Chatterjee:** It is not actually related with that LD charge, right?
- T.V. Chowdary:** No.
- Moderator:** The next question comes from the line of Dev Choudary from Niveshaay.
- Dev Choudary:** So you mentioned something about the joint venture and the JV partnership. Could you give me a little bit more information about that? Like what exactly is it and what that plant would be like?
- T.V. Chowdary:** I think it is very much shared with everybody that we have formed a JV with Global Munitions Limited. And these are the parent companies, Global Munitions Limited and Premier Explosives Limited and the JV company is Global Premier Limited. So we propose to manufacture RDX, HMX and rocket motors and all energetic materials required, propellants and warhead filling and all those will be supported by Premier to the JV. So in brief, that is the JV activity.
- Moderator:** The next question comes from the line of Bvnrao, an Individual Investor.
- Bvnrao:** Yesterday, I read some news item about one more accident somewhere in some other unit. Can you elaborate that?
- T.V. Chowdary:** This was not in the process building. Yes, you're right, there was an incident and one life was lost. It was not an accident in the plant. I don't know how to explain. It is in -- the person was not necessary to be present. During the tea break, he went there and I think he got a head injury and he was found. Now how it happened, what happened, investigation is going on.
- Moderator:** As there are no further questions from the participants, I will now hand the conference over to Mr. T.V. Chowdary for closing comments.
- T.V. Chowdary:** Yes. Thank you very much everybody for participating in the call and also taking interest in the company and then all the support given by the stakeholders. Thank you very much.
- Vijay Kumar:** Thank you.
- Moderator:** Thank you. On behalf of Premier Explosives Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.