



Q3 FY15 Q Results

SURFACE TO AIR





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Business performance

- ❖ The company's income from operations was up by 10.4% YoY at INR 368.3 mn for Q3FY15. The rise was supported by 11.9% YoY growth in the explosives business and 23.6% YoY growth in defence products
- ❖ Operating margins were impacted by subdued pricing scenario for detonators, higher raw materials costs, higher share of bulk explosives in total sales (low margin segment). Operating margins stood at 7.2 % compared to 12.9% in Q3FY14

Net Sales breakup (INR mn)	Q3FY15	Q3FY14	YoY (%)	Q2FY15	QoQ (%)
Explosives	252.5	225.6	11.9	265.5	-4.9
Defence products	77.0	62.3	23.6	43.0	79.1
Services	37.4	43.9	-14.9	40.4	-7.4
Wind power	0.2	0.7	-69.2	2.4	-91.7
Total	367.1	332.5	10.4	351.3	4.5



Result update – Profit & Loss

Particulars (INR mn)	Q3FY15	Q3FY14	YoY (%)	Q2FY15	QoQ (%)
Net sales	368.3	333.5	10.4%	352.9	4.4%
Total expenses	341.8	290.4	17.7%	315.1	8.5%
Operating profit	26.5	43.1	-38.5%	37.8	-29.8%
OPM (%)	7.2%	12.9%		10.7%	
Other income	0.8	0.5	60.0%	0.9	-11.1%
Depreciation	7.5	6.0	25.0%	8.9	-15.7%
Interest	5.5	7.5	-26.2%	4.9	12.2%
PBT	14.4	30.1	-52.2%	24.9	-42.2%
Tax	4.4	9.4	-53.4%	7.4	-40.5%
Adj. PAT	10.0	20.7	-51.7%	17.5	-42.9%
PATM (%)	2.7%	6.2%		5.0%	
EPS	1.15	2.53		2.0	



Quarterly – Profit & Loss

Particulars (INR mn)	Q4		Q1		Q2		Q3	
	FY13	FY14	FY14	FY15	FY14	FY15	FY14	FY15
Net sales	359.6	414.1	367.9	351.6	338.5	352.9	333.5	368.3
Total expenses	318.0	383.7	314.7	333.7	303.1	315.1	290.4	341.8
Operating profit	41.5	30.4	53.3	17.9	35.3	37.8	43.1	26.5
OPM (%)	11.5%	7.3%	14.5%	5.1%	10.4%	10.7%	12.9%	7.2%
Other income	1.0	11.9	0.8	1.9	1.4	0.9	0.5	0.8
Depreciation	5.5	5.9	5.7	8.7	6.0	8.9	6.0	7.5
Interest	5.0	5.4	4.9	5.0	5.9	4.9	7.5	5.5
PBT	32.0	31.0	43.5	6.1	24.9	24.9	30.1	14.4
Tax	8.6	7.1	14.1	0.7	6.8	7.4	9.4	4.4
Adj. PAT	20.1	23.8	29.4	5.4	18.1	17.5	20.7	10.0
EPS	2.48	2.91	3.62	0.65	2.23	2.01	2.53	1.15



Profit & Loss – Key indicators

Particulars (INR mn)	FY12	FY13	FY14	9MFY15
Net sales	1083.2	1094.0	1454.0	1072.8
Growth in net sales (%)	14.8%	1.0%	32.9%	3.2%
Operating profit	174.9	97.7	162.6	82.3
OPM (%)	16.1%	8.9%	11.2%	7.7%
Other income	17.0	20.6	14.1	3.6
Depreciation	18.7	21.5	23.5	25.0
Interest	11.2	18.8	23.6	15.4
PBT	162.0	78.1	129.6	45.5
PBT (%)	15.0%	7.1%	8.9%	0.0
Tax	46.5	21.0	37.4	12.5
Adj. PAT	115.5	57.1	92.1	33.0
PAT (%)	10.7%	5.2%	6.3%	3.1%
EPS	14.2	7.0	11.0	3.78



Balance sheet – Key indicators

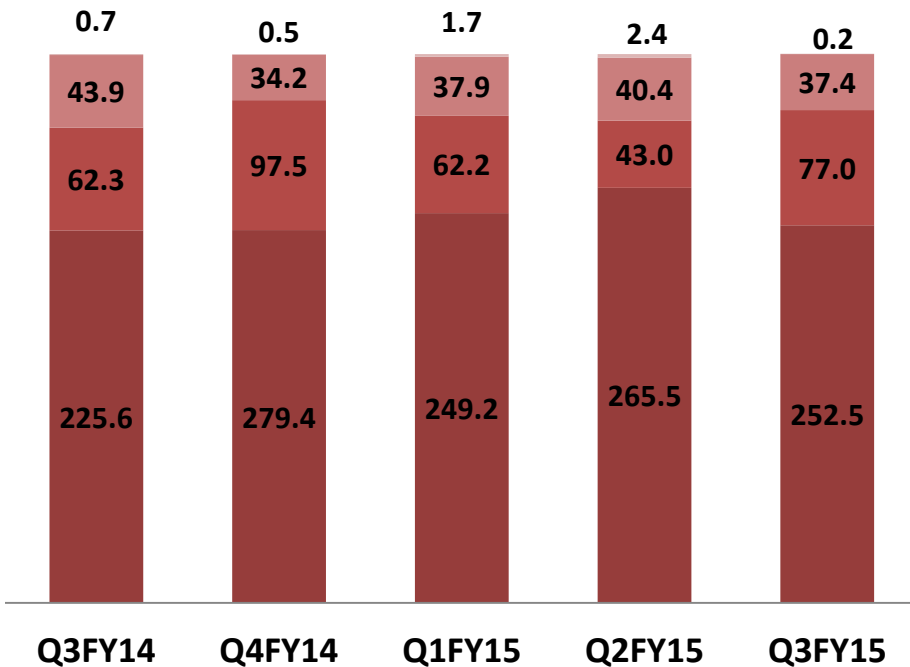
Particulars (INR mn)	FY12	FY13	FY14	1HFY15
Share capital	81.3	81.3	83.6	88.6
Reserves & surplus	373.7	403.3	488.7	521.5
Non-current liabilities	90.8	115.6	115.4	101.5
Current liabilities	235.1	298.9	385.6	278.3
Total	780.8	899.0	1073.3	989.9
Non-current assets	430.5	491.7	520.9	511.5
Current assets	350.3	407.3	552.4	478.4
Total	780.8	899.0	1073.3	989.9



Performance snapshot

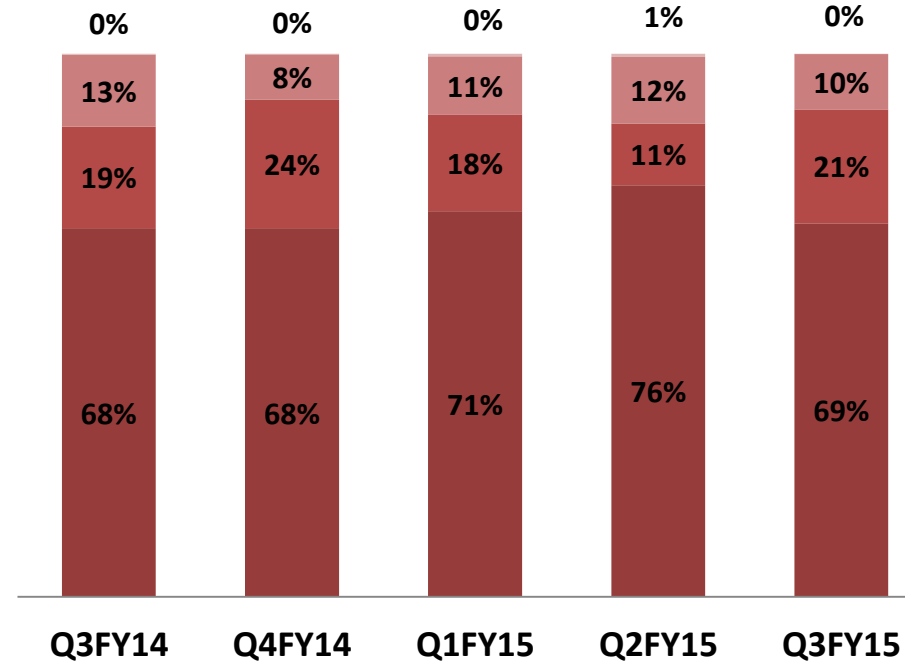
Revenue breakup (INR mn)

■ Explosives ■ Defence products ■ Services ■ Windpower



Revenue breakup (%)

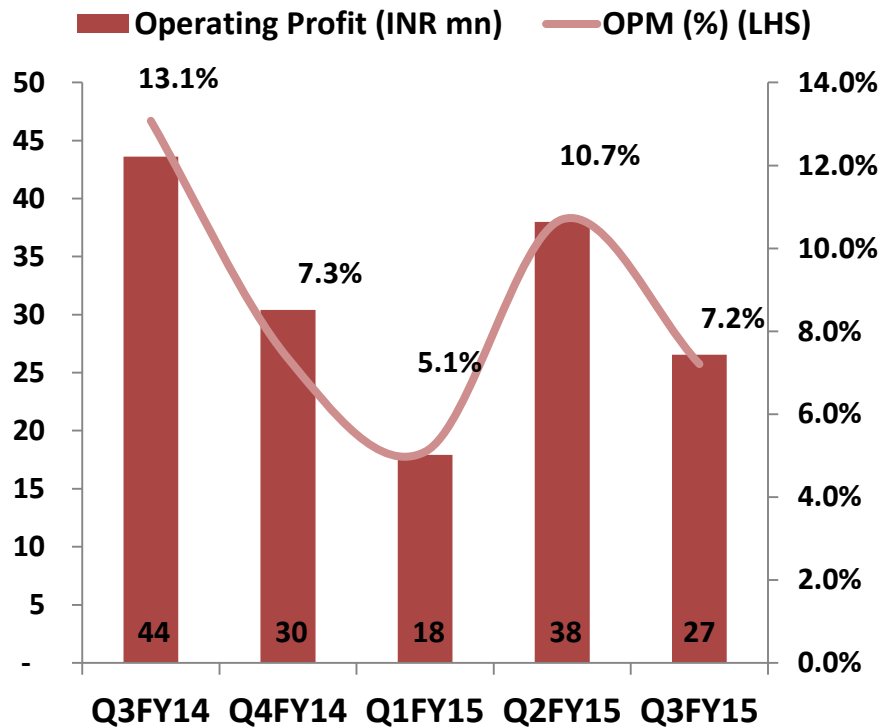
■ Explosives ■ Defence products ■ Services ■ Windpower



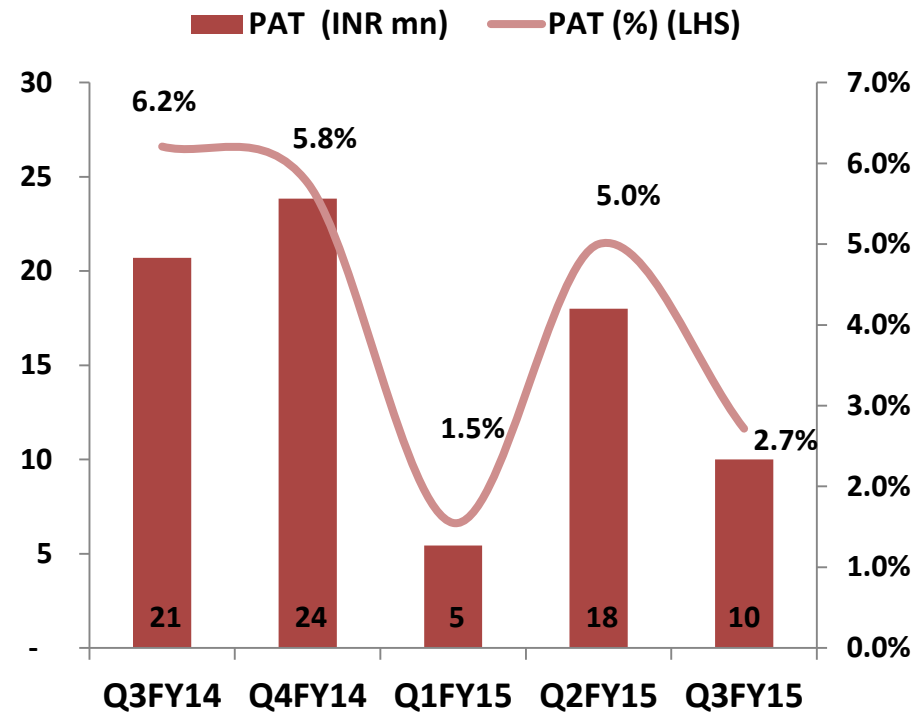


Performance snapshot

Operating profit



PAT and PAT margins (%)



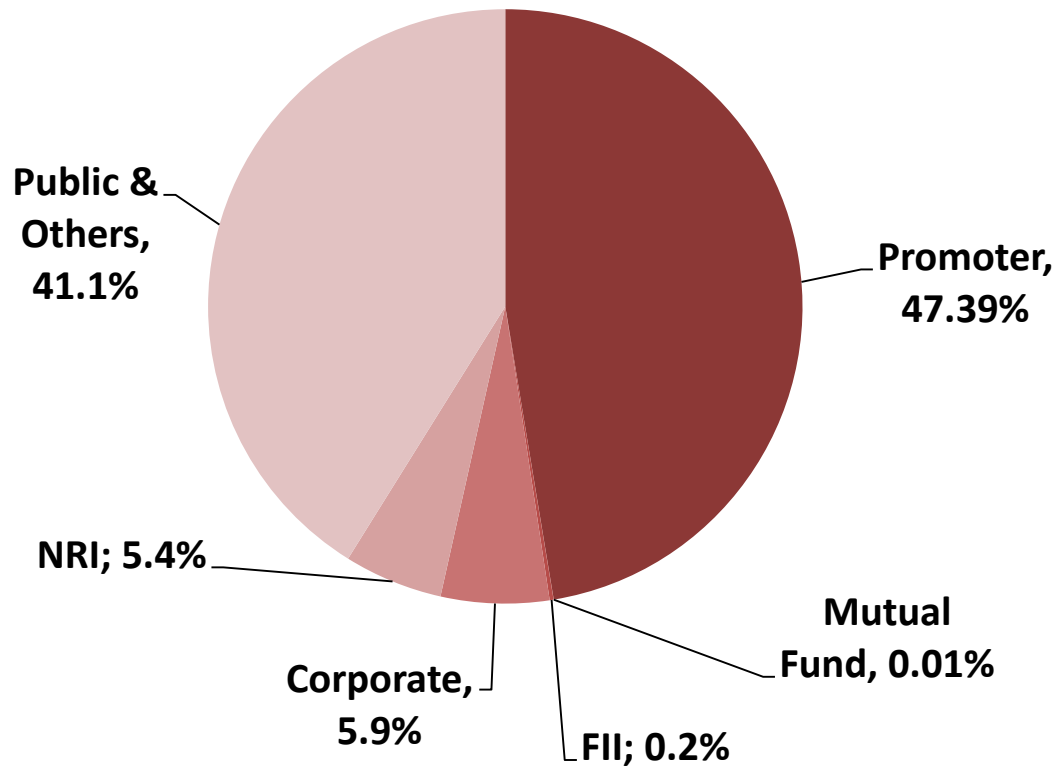


Key performance highlights

- ❖ The demand and pricing scenario for detonators remains subdued and a concern, currently. Slow activity in the construction and well digging has kept the demand low.
- ❖ Bulk explosive volumes have improved on back of better demand from the coal sector. The demand prospects look optimistic from the coal sector. However, the bulk explosives segment is highly competitive and delivers lower margins.
- ❖ Exports during 9MFY15 were INR 65mn compared to INR 79mn during similar period last year – due to certain problems faced by shipping company in December 2014.
- ❖ Demand for defence products is satisfactory. DRDO's vision to make India "Missile Import Free" by 2022, should give boost to the defence products business
- ❖ The company is negotiating with International and domestic OEMs for tie-ups for other defense products
- ❖ The company stood L1 in tender for SFC contract renewal at Jagdalpur and order is expected soon
- ❖ Current order book stands at INR 600mn for Explosives and INR 900mn for Defense products



Share Holding (Dec'14)





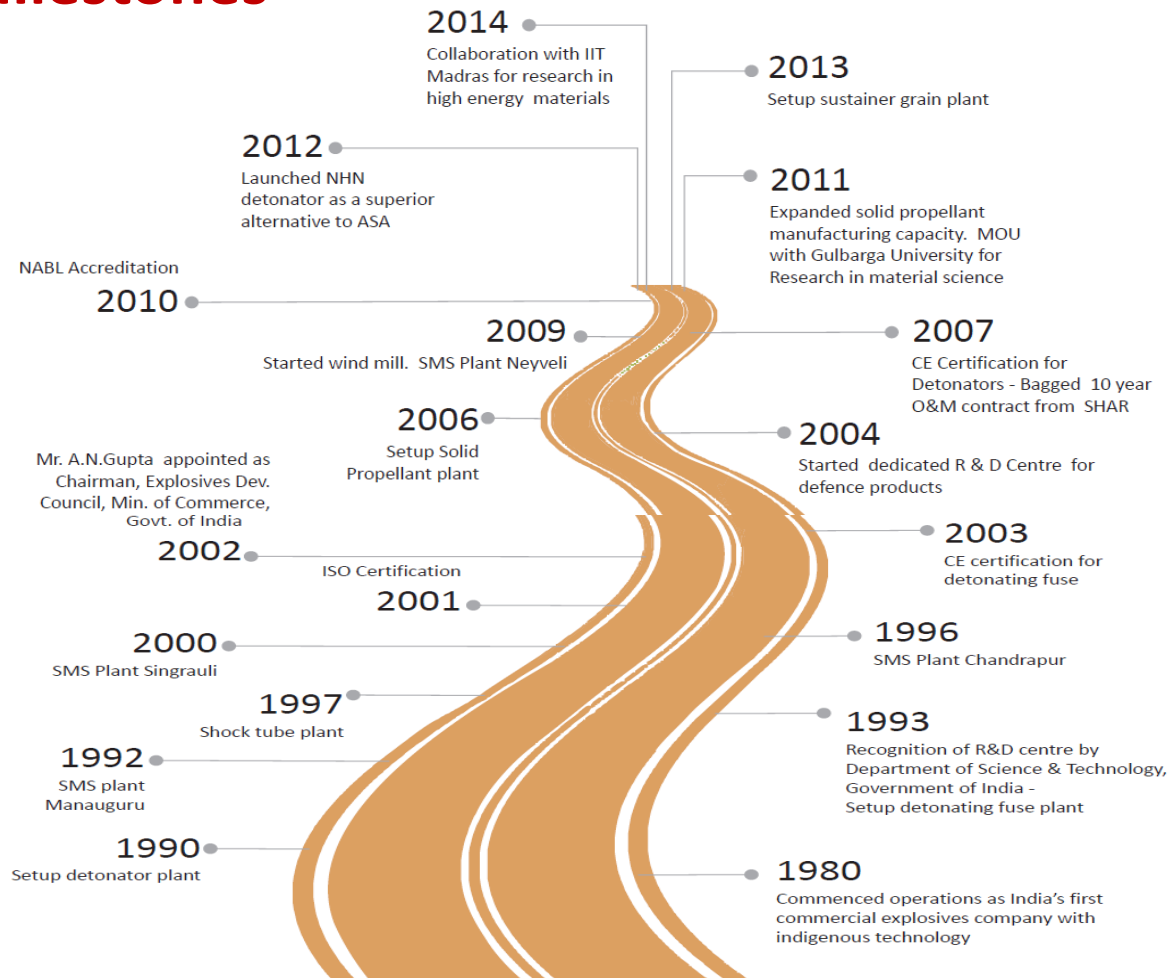
About PEL - Technology oriented management

- ❖ Promoted by first-generation technocrat Dr. A.N.Gupta.
M.E. (Mining Engineering)
Recipient of 'Pickering and ISM Medal' from Indian School of Mines, Dhanbad
- ❖ Executive Director – Mr. T.V.Chowdary,
Chemical engineer with 31 years experience in production of chemicals, explosives and solid propellants
- ❖ Director (Marketing) – Mr. Vikram Mahajan
M.Tech and MBA in Marketing with about 27 years of experience in army and extensive knowledge on opportunities in defence sector
- ❖ Director (Production) – Dr. N.V.Srinivasa Rao,
M.Sc, Ph.D. (Chemistry) with 35 years of experience in production of explosives & accessories and chemicals

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



Major milestones





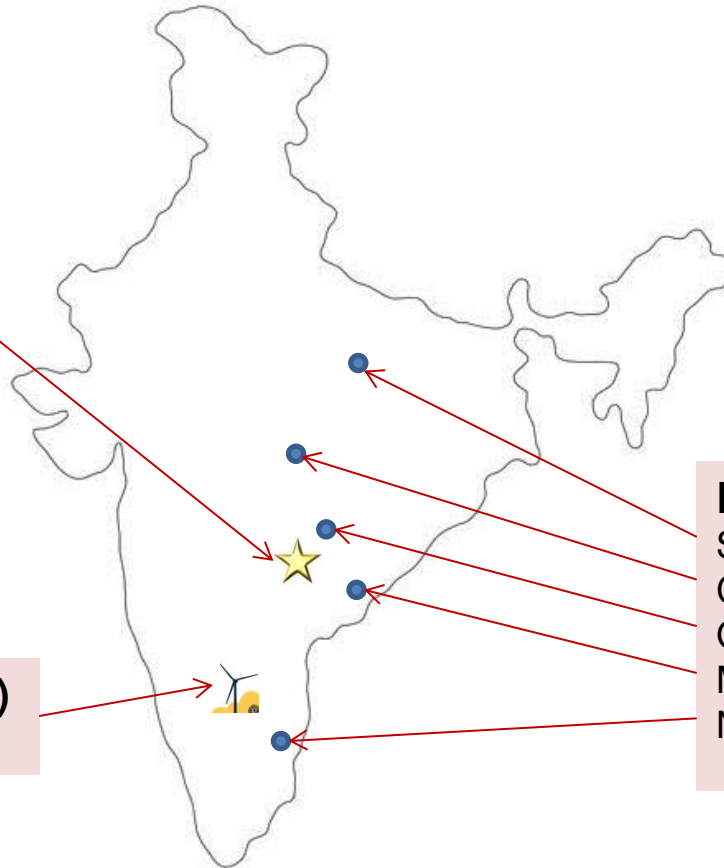
Strategic presence across India

Peddakandukur (Telangana)

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

Pushpathur (Tamil Nadu)

Windmill



Bulk Explosives

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



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