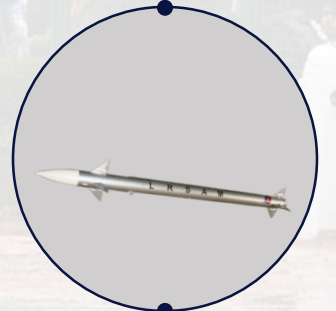


Q3FY19 | RESULTS



**Premier
Explosives
Limited**



CONTENTS



RESULTS SUMMARY



FINANCIAL OVERVIEW



WAY FORWARD



APPENDIX

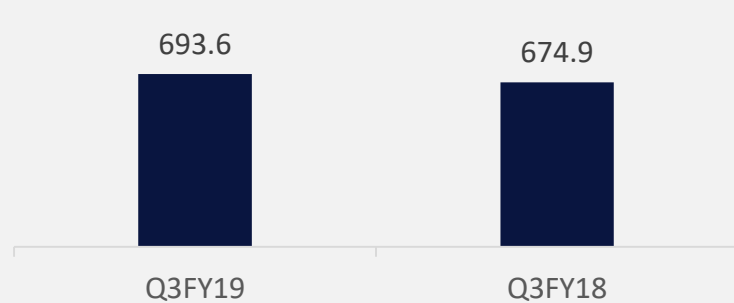
Note: All number mentioned are on Standalone basis.

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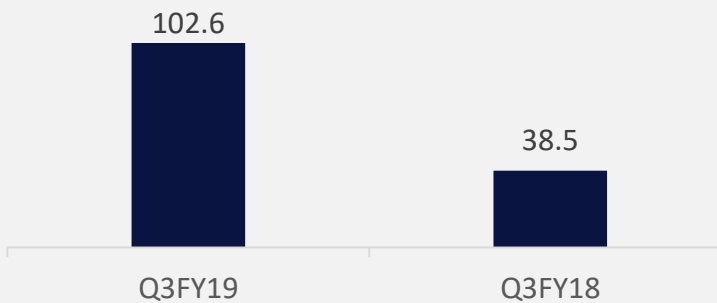
RESULTS SUMMARY – Q3FY19

(INR mn)

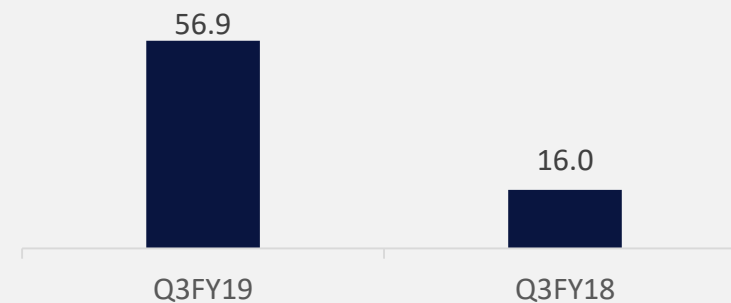
Operating Revenue



Operating Profit



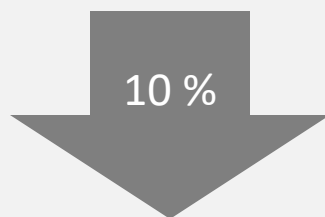
Profit After Tax (excluding OCI)



Revenue Breakup

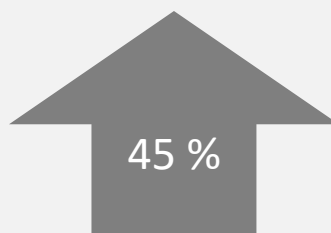
*YoY Growth

Explosives



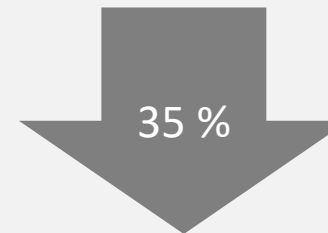
Q3FY19	386.6
Q3FY18	431.7

Defence



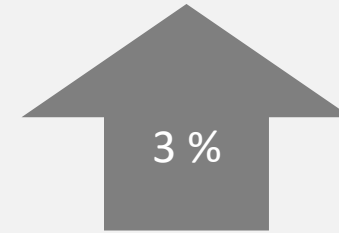
270.5
187.1

Services



36.5
56.1

Total



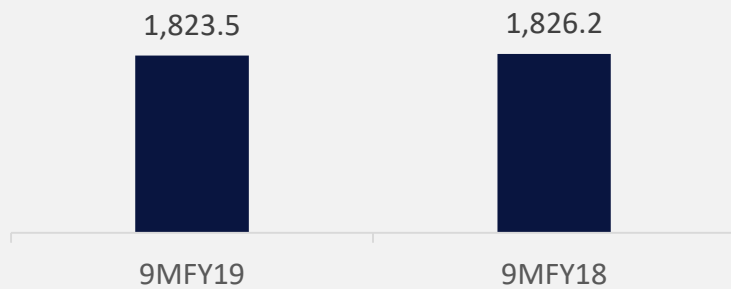
693.6
674.9

Total Order book as on 31st December, 2018 stands at INR **4,016 mn**;
Explosives - INR **1,585 mn**; Defence - INR **533 mn**; Services - INR **1,898 mn**

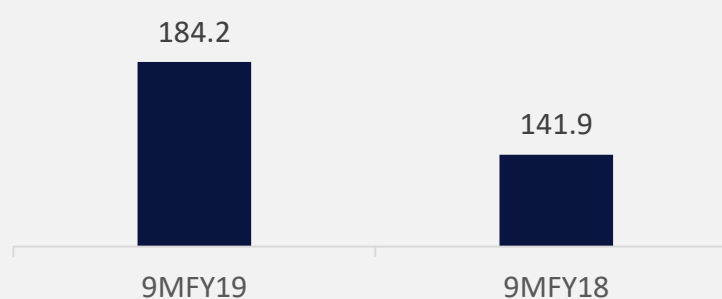
RESULTS SUMMARY – 9M FY19

(INR mn)

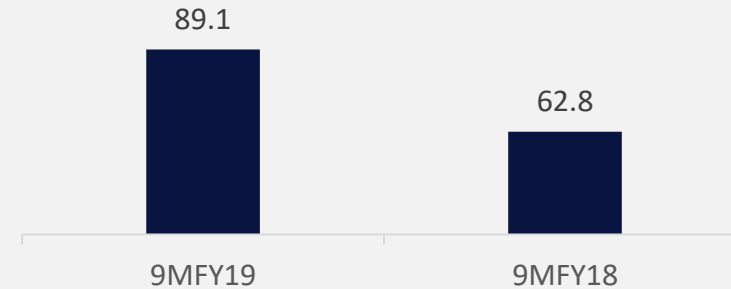
Operating Revenue



Operating Profit



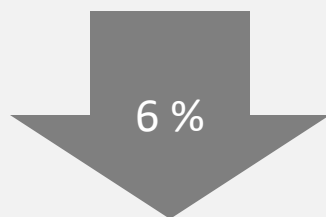
Profit After Tax (excluding OCI)



Revenue Breakup (net of ED)

*YoY Growth

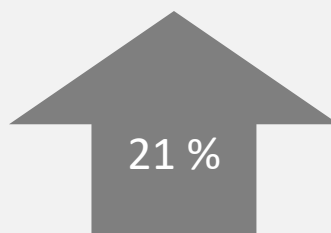
Explosives



9M FY19
9M FY18

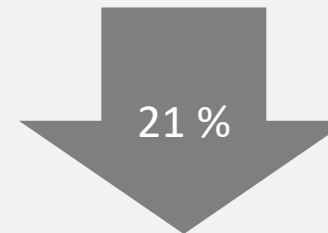
1,101.7
1,162.7

Defence



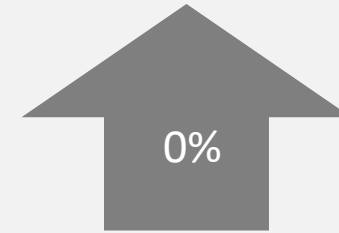
584.9
483.2

Services



136.9
172.5

Total



1,823.5
1,826.2

PROFIT & LOSS - QUARTERLY

(INR mn)

Particulars	Q3FY19	Q2FY19	QoQ (%)	Q3FY18	YoY (%)
Rev from Operations (net of ED)	693.6	535.4	29.5%	674.9	2.8%
Total expenses (other than ED, Interest and Depreciation)	591.0	483.3	22.3%	636.4	-7.1%
Operating profit	102.6	52.1	96.9%	38.5	166.6%
OPM (%)	14.8%	9.7%		5.7%	
Other income	7.5	6.6	13.6%	5.8	29.3%
Depreciation	10.6	10.4	1.9%	9.1	16.5%
Interest	14.0	12.1	15.7%	10.9	28.4%
PBT	85.5	36.2	136.2%	24.3	252.0%
PBT %	12.3%	6.8%		3.6%	
Tax	28.6	12.6	127.0%	8.3	244.6%
PAT for the period	56.9	23.6	141.1%	16.0	255.8%
Other Comprehensive Income, net of tax	(2.2)	(2.2)	-	(1.8)	-22.2%
Total comprehensive income	54.8	21.4	156.1%	14.2	286.2%
Equity	106.4	106.4		106.4	
EPS (Basic and Diluted) Rs.	5.35	2.22	141.2%	1.54	247.6%

PROFIT & LOSS – NINE MONTHS ENDED

(INR mn)

Particulars	9M FY19	9M FY18	YoY (%)
Rev from Operations (net of ED)	1823.5	1826.3	-0.2%
Expenses (excl ED, Int and Dep)	1639.3	1684.4	-2.7%
Operating profit	184.2	141.9	29.8%
OPM (%)	10.1%	7.8%	
Other income	20.1	14.7	36.7%
Depreciation	30.2	27.3	10.6%
Interest	39.4	35.8	10.1%
PBT	134.7	93.5	44.1%
PBT %	7.4%	5.1%	
Tax	45.6	30.7	48.5%
PAT	89.1	62.8	41.9%
OCI, net of tax	(6.5)	(5.5)	-18.2%
Total comprehensive income	82.6	57.3	44.2%
Equity	106.4	106.4	-
EPS (Basic)	8.38	6.05	38.5%

PROFIT & LOSS - YEARLY

(INR mn)

Particulars	FY18	FY17	YoY (%)
Rev from Operations (net of ED)	2,659.1	2,303.0	15.5%
Total expenses (other than ED, Interest and Depreciation)	2,458.9	2,013.2	22.1%
Operating profit	200.2	289.8	-30.9%
OPM (%)	7.5%	12.6%	-
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 %	5.1%	9.6%	-
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%
Total comprehensive income	79.4	147.9	-46.3%
Equity	106.4	88.6	-
EPS for continuing operations (Basic)	8.42	16.83	-

STATEMENT OF ASSETS & LIABILITIES

(INR mn)

Particulars	Sep-18 (Unaudited)	Mar-18 (Audited)	Mar-17 (Audited)
Non Current Assets	1,451.6	1,283.8	1,143.6
Current Assets	1,482.9	1,778.0	1,033.9
Total Assets	2934.5	3,061.8	2,177.5
Equity Share Capital	106.4	106.4	88.6
Other equity	1,872.0	1,876.2	1,148.8
Non Current Liabilities	249.4	244.2	243.00
Current Liabilities	706.7	835.0	697.1
Total Equity and Liabilities	2,934.5	3,061.8	2,177.5

Space Opportunities



Currently

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

Now

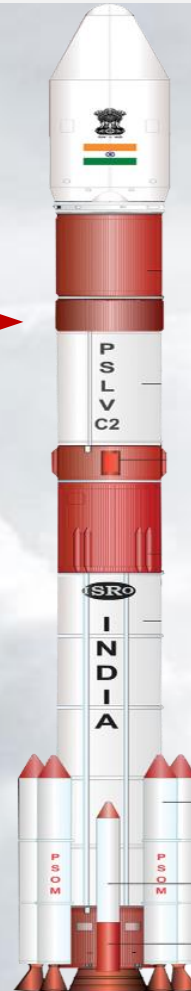


from 1 per quarter to 1 per month

PSOM-XL for ISRO

Main motor – ISRO continues
to produce on their own

The 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
- BKNO₃ Igniters

Counter-measures

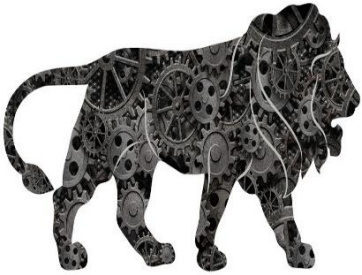
- Chaffs
- Flares



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

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



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



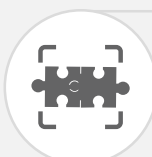
Incorporated a subsidiary company PELNEXT DEFENCE SYSTEMS PVT LTD for manufacture of ammunition



Capacity expansion in solid propellants and detonating fuse



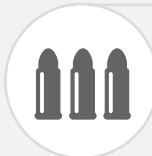
Reap offset opportunities



Backward integration for solid propellants – raw materials and insulation



Setting up green field defence project in about 250 acres land at Katepally (near Hyderabad)



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



Explore export opportunities for NHN based detonators



Developing electronic detonator with new features



Focusing on exports to South East Asia and Africa



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



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



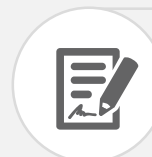
Allotment of land in Andhra Pradesh is in pipeline for setting up solid propellant plant for SHAR



Received licenses for manufacture of Ammonium Perchlorate, Propellants and HTPB at "Andhra Pradesh"



Received licenses for manufacture of medium, large calibre ammunition



Received licenses for Sub-Assemblies for Ammunition, Propellants and RDX & HMX compounds

PREMIER EXPLOSIVES LIMITED

1st

Company in India to have deployed indigenous technology for manufacturing explosives

1st

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

1st

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



PREMIER EXPLOSIVES LIMITED



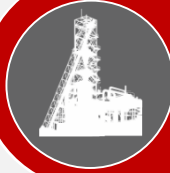
Who we are

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

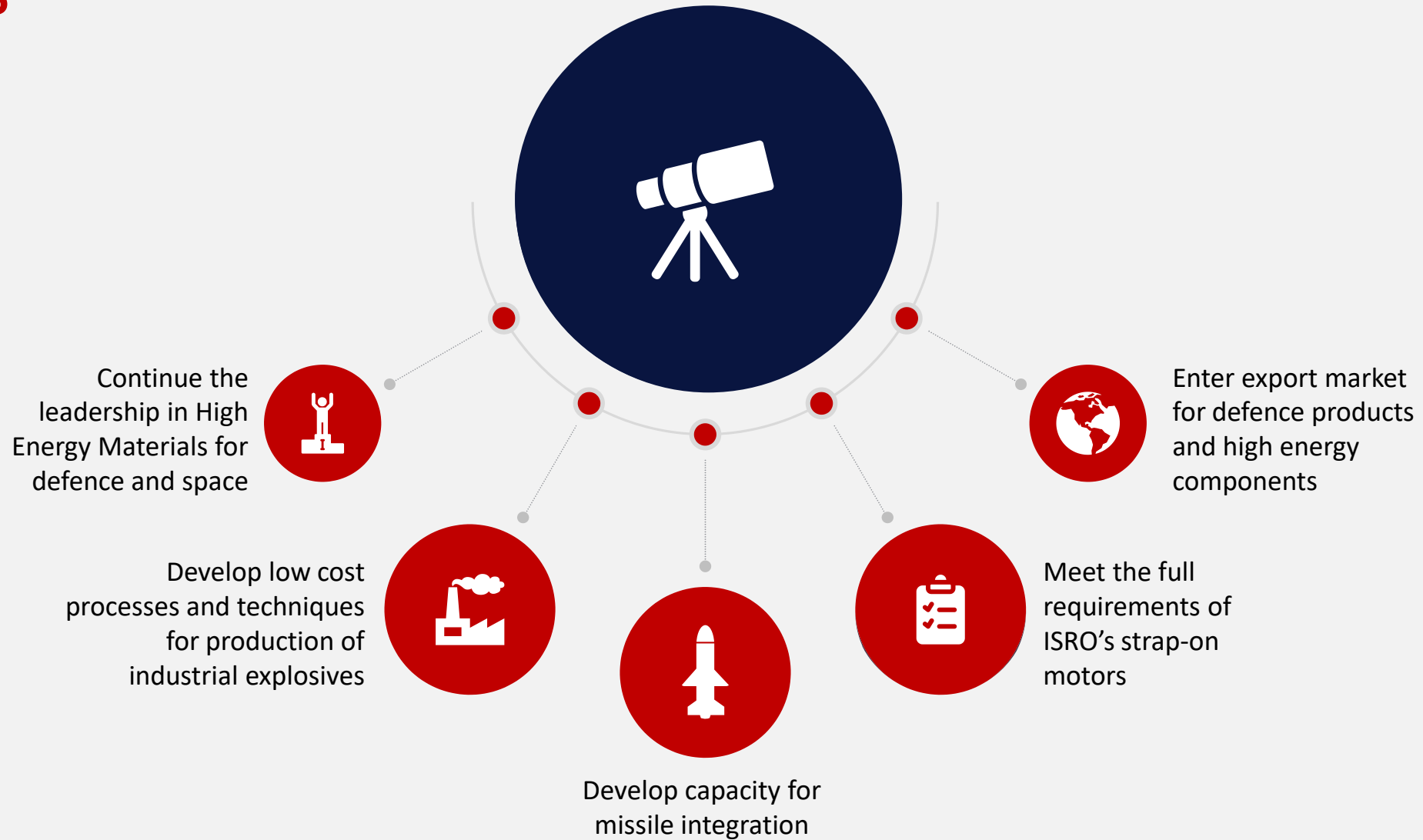
Defence, Mining and infrastructure sectors



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

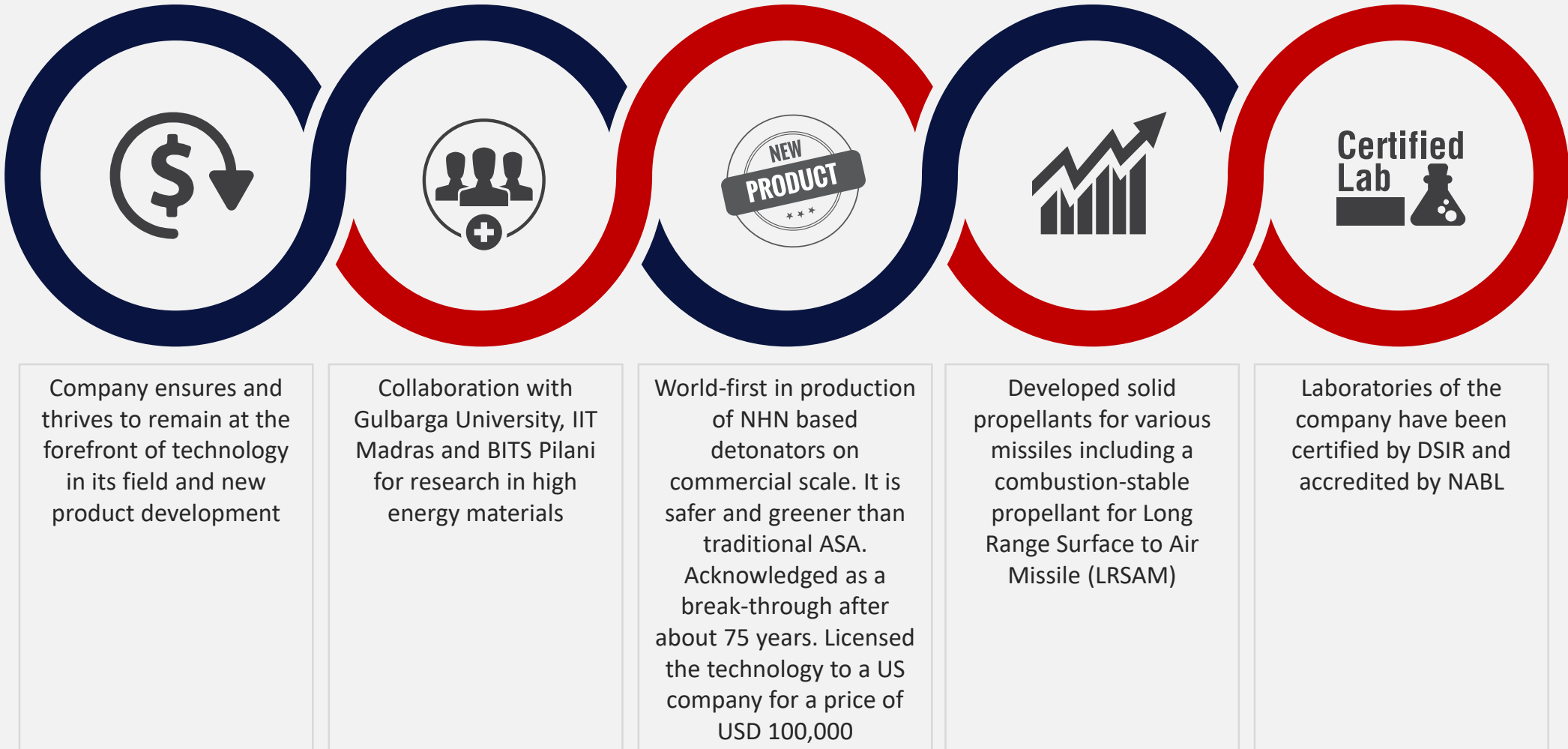
- Masters in mining engineering
- R&D oriented
- Highly skilled in Product development and Project execution
- Strategic vision for defence business
- Recipient of "Pickering and ISM Medal" from, Indian School of Mines, Dhanbad
- Gold Medallist from Mining Geological and Metallurgical Institute of India
- 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**

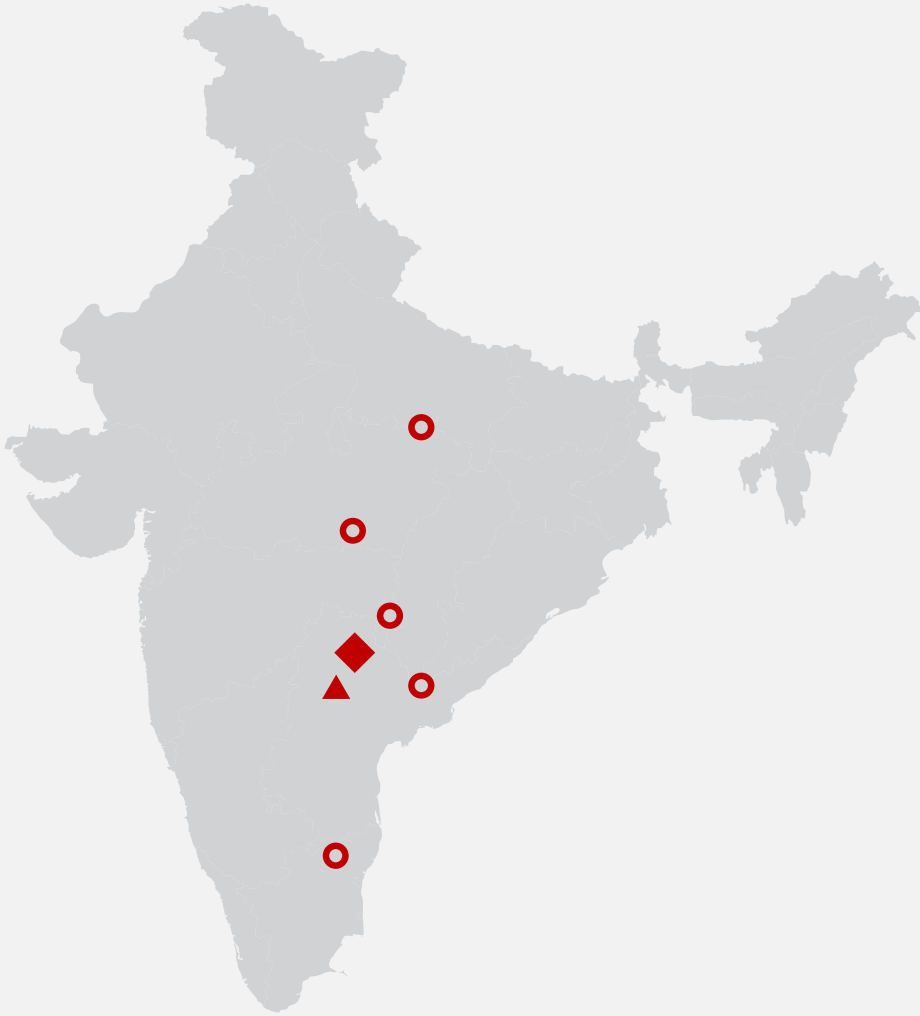
Dy. Managing Director

- 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)**





Pyrogen igniters / grains



Astra Motor cast with
Smoke-less Propellant



Non-explosive Propellant
Cast
Air Booster For K-15

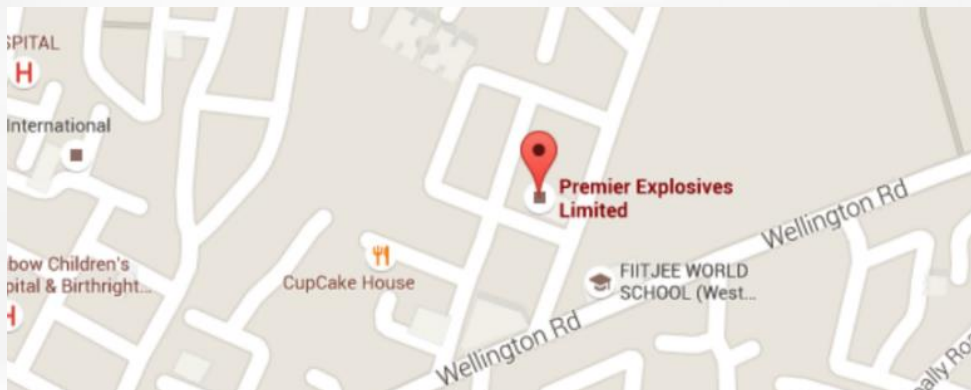


HP DAISY-2 (Agni)
being shifted to Curing

Premier Air Target Imitator



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



Contact

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