



**Premier  
Explosives  
Limited**

# **Q4 & FY16 RESULTS**

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### BUSINESS HIGHLIGHTS



### FINANCIAL OVERVIEW



### WAY FORWARD



### APPENDIX

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

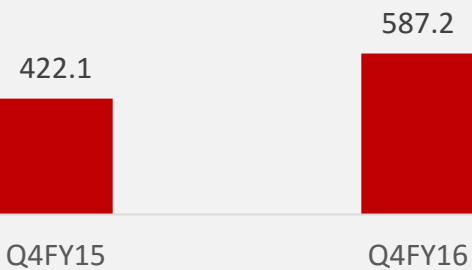
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## RESULTS SUMMARY

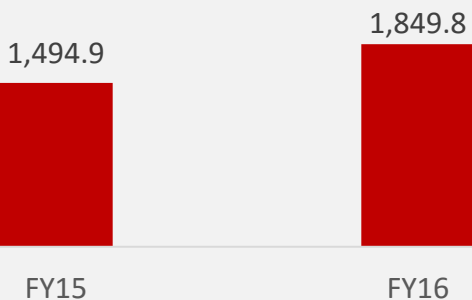
(INR mn)

### Revenue

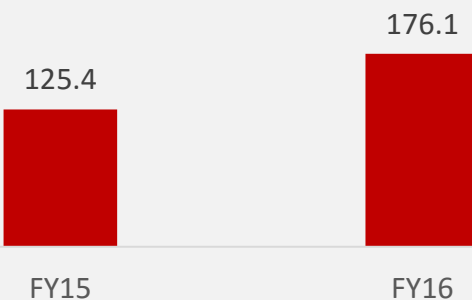
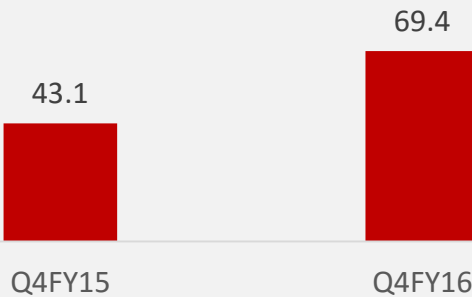
Q4FY16



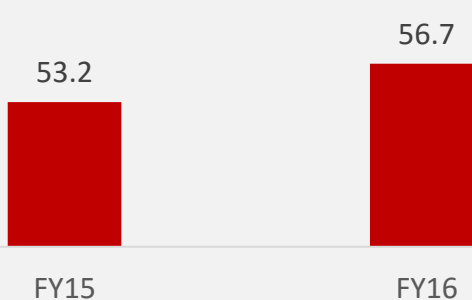
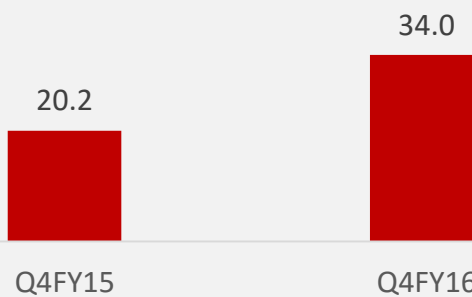
FY16



### Operating Profit



### Profit After Tax



Total Order book as on 31<sup>st</sup> March 2016 stands at INR 2,260 mn

Breakup - Explosives: INR 1,290 mn

Defence : INR 700 mn

Services: INR 270 mn

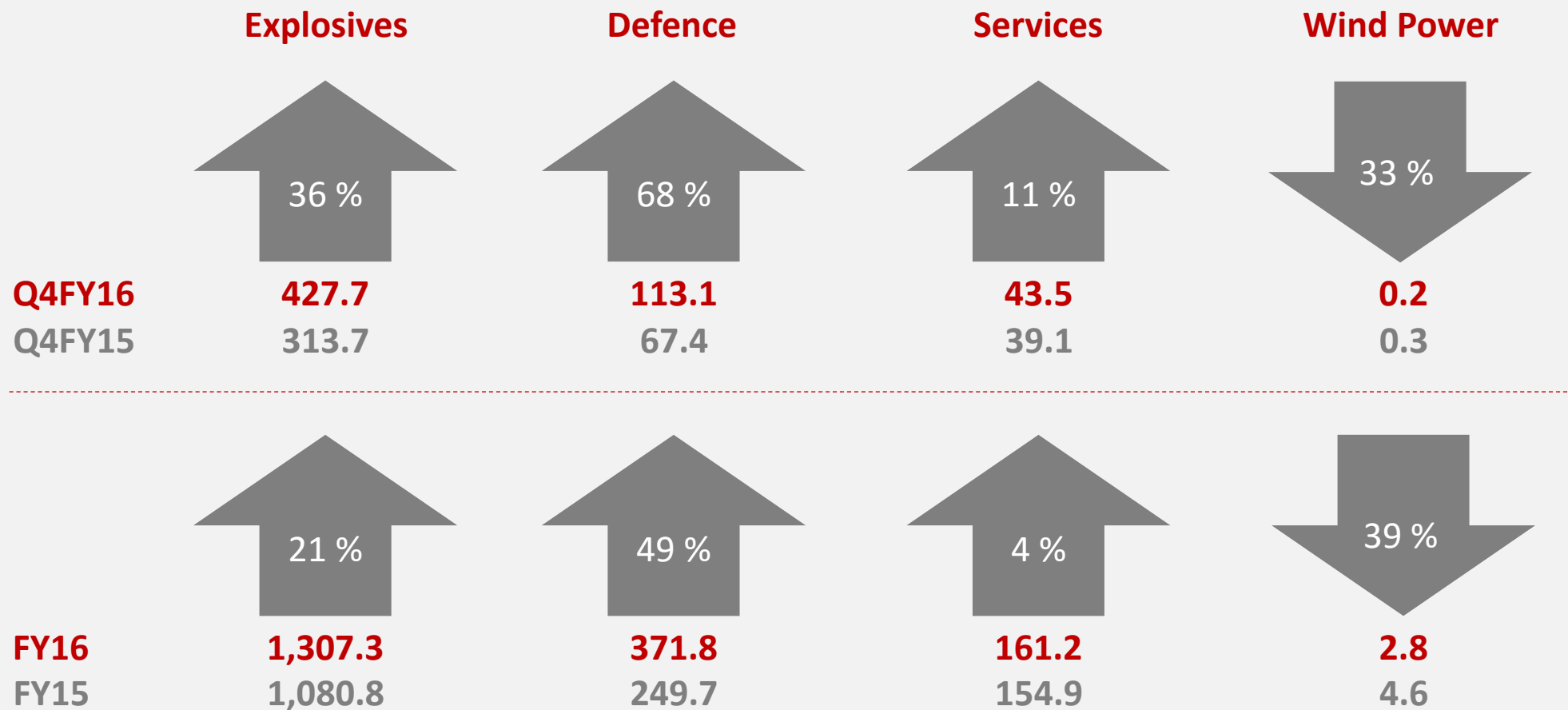
## RESULT UPDATE

(INR mn)

| Particulars                     | Q4FY16       | Q3FY16       | QoQ (%)       | Q4FY15       | YoY (%)       | FY16           | FY15           | YoY (%)        |
|---------------------------------|--------------|--------------|---------------|--------------|---------------|----------------|----------------|----------------|
| <b>Revenue</b>                  | <b>587.2</b> | <b>481.7</b> | <b>21.9%</b>  | <b>422.1</b> | <b>39.1%</b>  | <b>1,849.8</b> | <b>1,494.9</b> | <b>23.7%</b>   |
| Total expenses                  | 517.8        | 433.3        | 19.5%         | 379.0        | 36.6%         | 1,673.7        | 1,369.5        | 22.2%          |
| Operating profit                | 69.4         | <b>48.4</b>  | 43.4%         | 43.1         | 61.0%         | 176.1          | 125.4          | 40.4%          |
| <b>OPM (%)</b>                  | <b>11.8%</b> | <b>10.0%</b> | <b>177bps</b> | <b>10.2%</b> | <b>161bps</b> | <b>9.5%</b>    | <b>8.4%</b>    | <b>113bps</b>  |
| Other income                    | 1.2          | 1.0          | 20.0%         | 3.8          | (68.4%)       | 4.6            | 7.4            | (37.8%)        |
| Depreciation                    | 8.3          | 8.2          | 1.2%          | 8.0          | 3.8%          | 33.3           | 33.0           | 0.9%           |
| Interest                        | 10.0         | 11.7         | (14.5%)       | 8.2          | 22.0%         | 37.4           | 23.6           | 58.5%          |
| PB exceptional items and Tax    | 52.3         | 29.5         | 77.3%         | 30.7         | 70.4%         | 110.0          | 76.2           | 44.4%          |
| Exceptional items               |              |              |               |              |               |                |                |                |
| Income - Profit on sale of land | 1.7          | -            | -             | -            | -             | 10.0           | -              | -              |
| Expense - VRS payments          | -            | -            | -             | -            | -             | (37.0)         | -              | -              |
| PBT                             | 54.0         | <b>29.5</b>  | 83.1%         | 30.7         | 75.9%         | 83.0           | 76.2           | 8.9%           |
| Tax                             | 20.0         | 11.0         | 81.8%         | 10.5         | 90.5%         | 26.3           | 23.0           | 14.3%          |
| <b>PAT</b>                      | <b>34.0</b>  | <b>18.5</b>  | <b>83.8%</b>  | <b>20.2</b>  | <b>68.3%</b>  | <b>56.7</b>    | <b>53.2</b>    | <b>6.6%</b>    |
| <b>PATM (%)</b>                 | <b>5.8%</b>  | <b>3.8%</b>  | <b>195bps</b> | <b>4.8%</b>  | <b>100bps</b> | <b>3.1%</b>    | <b>3.6%</b>    | <b>(49bps)</b> |
| EPS (INR)                       | <b>3.84</b>  | 2.09         | <b>83.7%</b>  | <b>2.32</b>  | <b>65.5%</b>  | <b>6.41</b>    | <b>6.10</b>    | <b>5.1%</b>    |

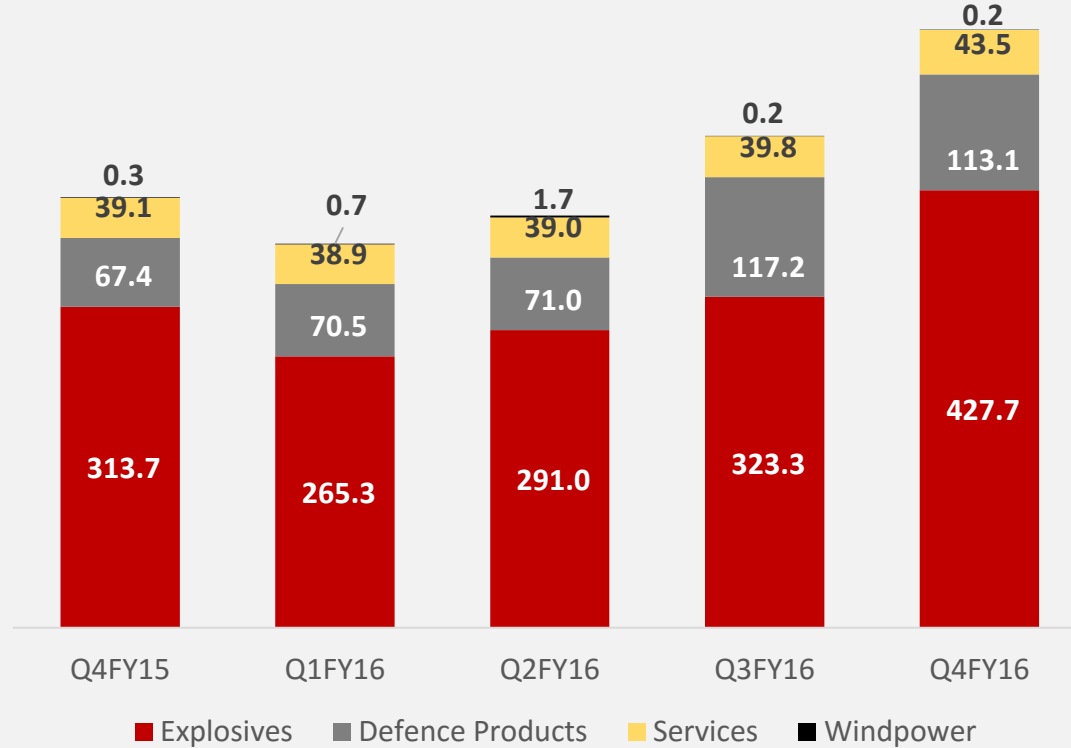
## BUSINESS HIGHLIGHTS (INR mn)

\*YoY Growth

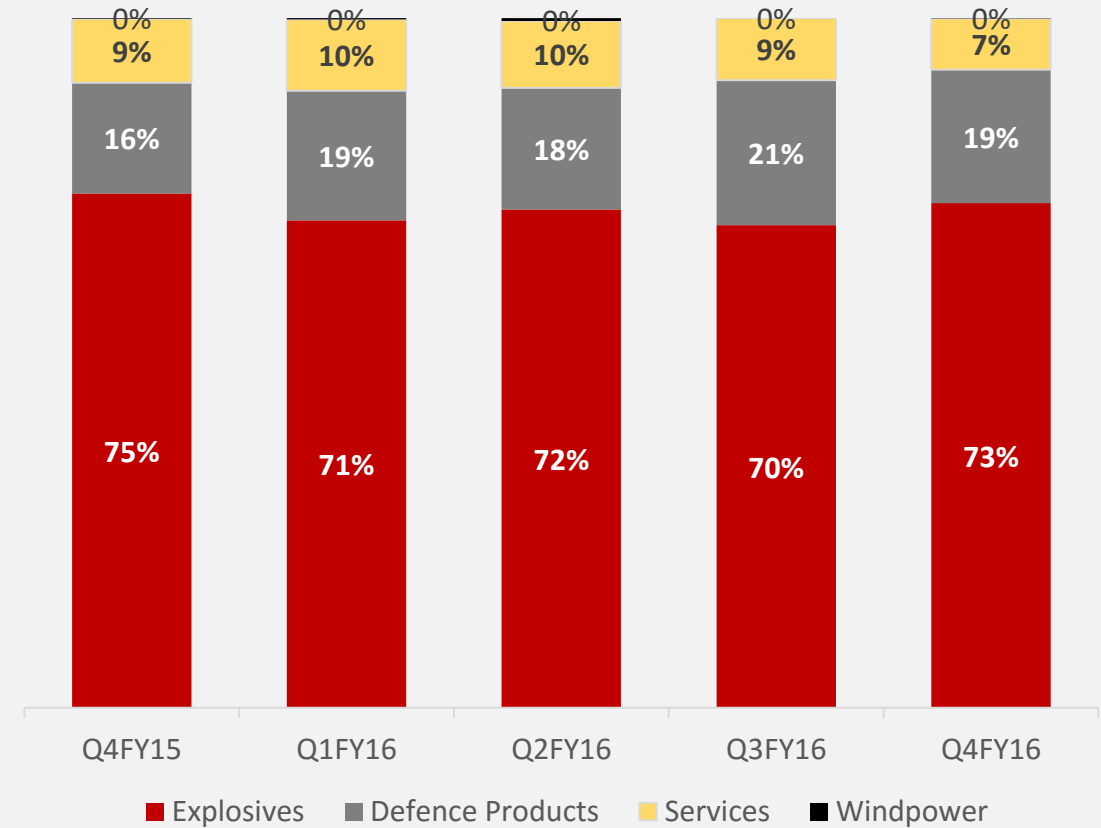


## QUARTERLY – PROFIT & LOSS

Revenue breakup (INR mn)

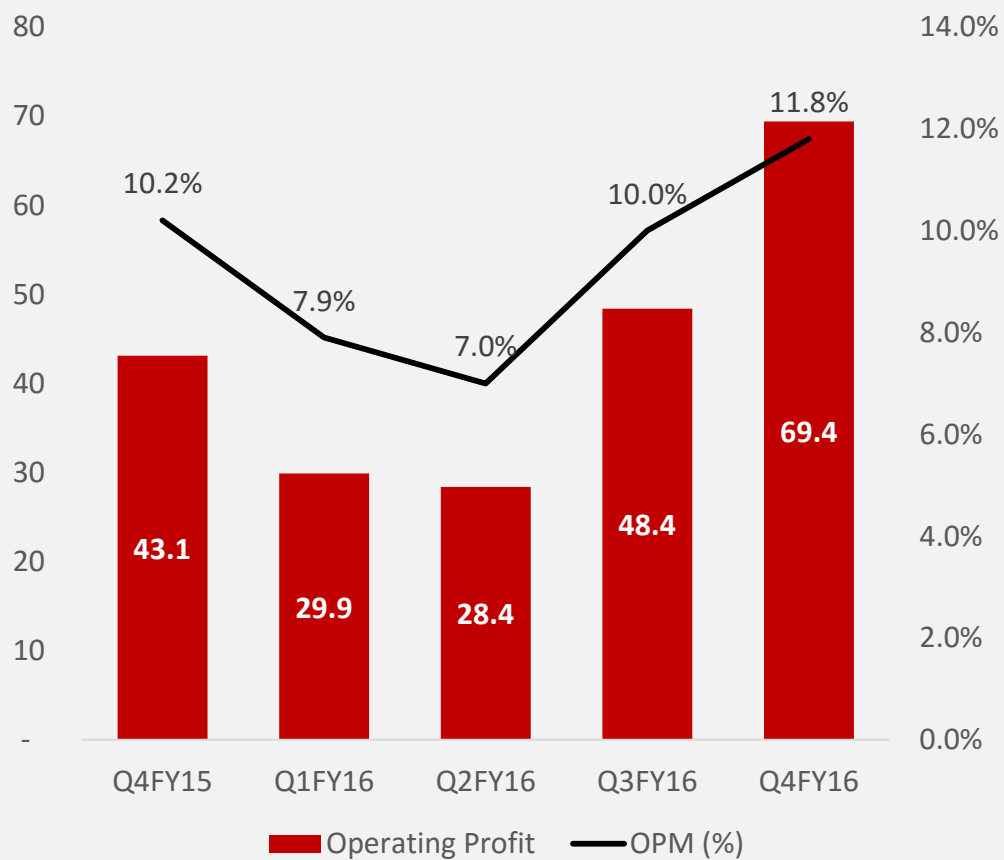


Revenue breakup (%)

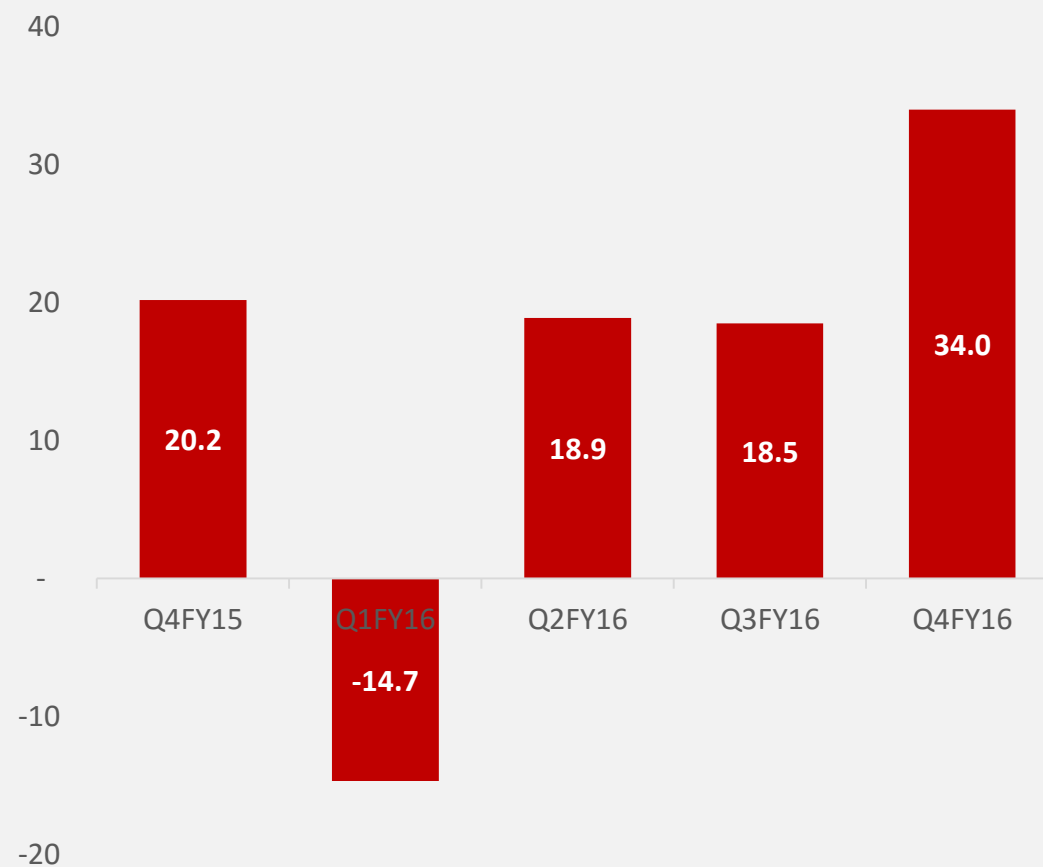


## PERFORMANCE SNAPSHOT (INR mn)

### Operating profit



### Profit After Tax



## PROFIT & LOSS - QUARTERLY

(INR mn)

| Particulars                     | FY15         |              |              |              | FY16          |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
|                                 | Q1           | Q2           | Q3           | Q4           | Q1            | Q2           | Q3           | Q4           |
| <b>Net sales</b>                | <b>351.6</b> | <b>352.9</b> | <b>368.3</b> | <b>422.1</b> | <b>376.5</b>  | <b>404.4</b> | <b>481.7</b> | <b>587.2</b> |
| Total expenses                  | 333.7        | 315.1        | 341.7        | 379.0        | 346.6         | 376.0        | 433.3        | 517.8        |
| Operating profit                | 17.9         | 37.8         | 26.6         | 43.1         | 29.9          | 28.4         | 48.4         | 69.4         |
| <b>OPM (%)</b>                  | <b>5.1%</b>  | <b>10.7%</b> | <b>7.2%</b>  | <b>10.2%</b> | <b>7.9%</b>   | <b>7.0%</b>  | <b>10.0%</b> | <b>11.8%</b> |
| Other income                    | 1.9          | 0.9          | 0.8          | 3.8          | 0.7           | 1.7          | 1.0          | 1.2          |
| Depreciation                    | 8.7          | 8.9          | 7.5          | 8.0          | 8.3           | 8.5          | 8.2          | 8.3          |
| Interest                        | 5.0          | 4.9          | 5.5          | 8.2          | 8.3           | 7.4          | 11.7         | 10.0         |
| PB exceptional items and Tax    | 6.1          | 24.9         | 14.4         | 30.7         | 14.0          | 14.2         | 29.5         | 52.3         |
| Exceptional items               | -            | -            | -            | -            |               | 0.0          | -            |              |
| Income - Profit on sale of land |              |              |              |              |               | 8.3          | -            | 1.7          |
| Expense - VRS payments          |              |              |              |              | 37.0          | -            | -            | -            |
| PBT                             | 6.1          | 24.9         | 14.4         | 30.7         | (23.0)        | 22.5         | 29.5         | 54.0         |
| Tax                             | 0.7          | 7.4          | 4.4          | 10.5         | (8.3)         | 3.6          | 11.0         | 20.0         |
| <b>PAT</b>                      | <b>5.4</b>   | <b>17.5</b>  | <b>10.0</b>  | <b>20.2</b>  | <b>(14.7)</b> | <b>18.9</b>  | <b>18.5</b>  | <b>34.0</b>  |
| <b>PATM (%)</b>                 | <b>1.6%</b>  | <b>5.0%</b>  | <b>2.7%</b>  | <b>4.8%</b>  | <b>(3.9%)</b> | <b>4.7%</b>  | <b>3.8%</b>  | <b>5.8%</b>  |
| <b>EPS (INR)</b>                | <b>0.65</b>  | <b>2.01</b>  | <b>1.15</b>  | <b>2.32</b>  | <b>(1.66)</b> | <b>2.13</b>  | <b>2.09</b>  | <b>3.84</b>  |



## PROFIT & LOSS – YEARLY

(INR mn)

| Particulars                               | FY12           | FY13           | FY14           | FY15           | FY16           |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>                            | <b>1,083.2</b> | <b>1,094.0</b> | <b>1,454.0</b> | <b>1,494.9</b> | <b>1,849.8</b> |
| Growth in net sales                       | 14.8%          | 1.0%           | 32.9%          | 2.8%           | 23.7%          |
| Operating profit                          | 173.9          | 96.9           | 162.6          | 125.4          | 176.1          |
| OPM (%)                                   | 16.1%          | 8.9%           | 11.2%          | 8.4%           | 9.5%           |
| Other income                              | 17.0           | 20.6           | 14.0           | 7.4            | 4.6            |
| Depreciation                              | 18.7           | 21.4           | 23.5           | 33.0           | 33.3           |
| Interest                                  | 10.2           | 18.0           | 23.6           | 23.6           | 37.4           |
| Profit before exceptional items           | 162.0          | 78.1           | 129.5          | 76.2           | 110.0          |
| Profit before exceptional item (%)        | 15.0%          | 7.1%           | 8.9%           | 5.1%           | 5.9%           |
| Net exceptional items: Income / (Expense) | 3.9            | (3.7)          | -              | -              | (27.0)         |
| <b>PBT</b>                                | <b>165.9</b>   | <b>74.4</b>    | <b>129.5</b>   | <b>76.2</b>    | <b>83.0</b>    |
| PBT (%)                                   | 15.3%          | 6.8%           | 8.9%           | 5.1%           | 4.5%           |
| Tax                                       | 46.5           | <b>21.0</b>    | <b>37.4</b>    | <b>23.0</b>    | 26.3           |
| <b>PAT</b>                                | <b>119.4</b>   | <b>53.4</b>    | <b>92.1</b>    | <b>53.2</b>    | <b>56.7</b>    |
| <b>PAT (%)</b>                            | <b>11.0%</b>   | <b>4.9%</b>    | <b>6.3%</b>    | <b>3.6%</b>    | <b>3.1%</b>    |
| <b>EPS (INR)</b>                          | <b>14.69</b>   | <b>6.57</b>    | <b>11.17</b>   | <b>6.10</b>    | <b>6.41</b>    |

## BALANCE SHEET

(INR mn)

| Particulars              | Mar-12       | Mar-13       | Mar-14         | Mar-15         | Mar-16         |
|--------------------------|--------------|--------------|----------------|----------------|----------------|
|                          | Audited      | Audited      | Audited        | Audited        | Audited        |
| 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          |
| <b>Total Liabilities</b> | <b>780.7</b> | <b>899.0</b> | <b>1,073.3</b> | <b>1,132.6</b> | <b>1,296.9</b> |
| 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          |
| <b>Total Assets</b>      | <b>780.7</b> | <b>899.0</b> | <b>1,073.3</b> | <b>1,132.6</b> | <b>1,296.9</b> |

## INDUSTRIAL LICENSES RECEIVED FROM DIPP

| Product                                                      | Award Date |
|--------------------------------------------------------------|------------|
| Military fuses of all types including filling and assembling | 1-Jul-15   |
| Munition 20 mm and above including filling and assembling    | 1-Jul-15   |
| War heads of all types including filling and assembling      | 1-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 caliber                         | 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                                        | 1-May-15   |
| Mob Dispersion devices                                       | 20-Apr-15  |

## GROWTH DRIVERS



The Ministry of defence has made major changes in Defence Procurement Policy; linking it to “Make in India” policy. Currently around 60% of India’s defence requirements are met through imports.



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*)



Indian explosives industry, estimated to be INR 30 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*)

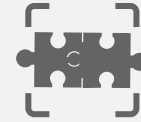


India is poised to build a vibrant local defence-industry ecosystem that could support both domestic and export demand, yielding material benefit to the industry and the nation

## KEY STRATEGIES



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



Backward integration for solid propellants



Market expansion in explosives and defence business with new IL's obtained



Acquired 250 acres land for new defence projects



Signed NDAs and MOUs with global missile players



Explore export opportunities for NHN based detonators



Formed a JV with Kalyani group to participate in indigenisation of defence products



Developing electronic detonator with new features



Capacity expansion and technological tie-ups for new defence products



Focusing on exports to South East Asia and Africa



Reap offset opportunities

## 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>** And only Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes



## 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



## Technocrats at the Helm



### **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 Medalist 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.



### **Mr. T. V. Chowdary | Executive Director**

A chemical engineer with over 33 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.



### **Dr. N. V. Srinivasa Rao | Director (Production)**

He is a doctorate in chemistry with over 30 years of experience in the field of explosives & accessories and chemicals. He has published about 35 papers in various national and international journals. He is a member of High Energy Materials Society of India and also a Governing Body member there. 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*



## Research and Development

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

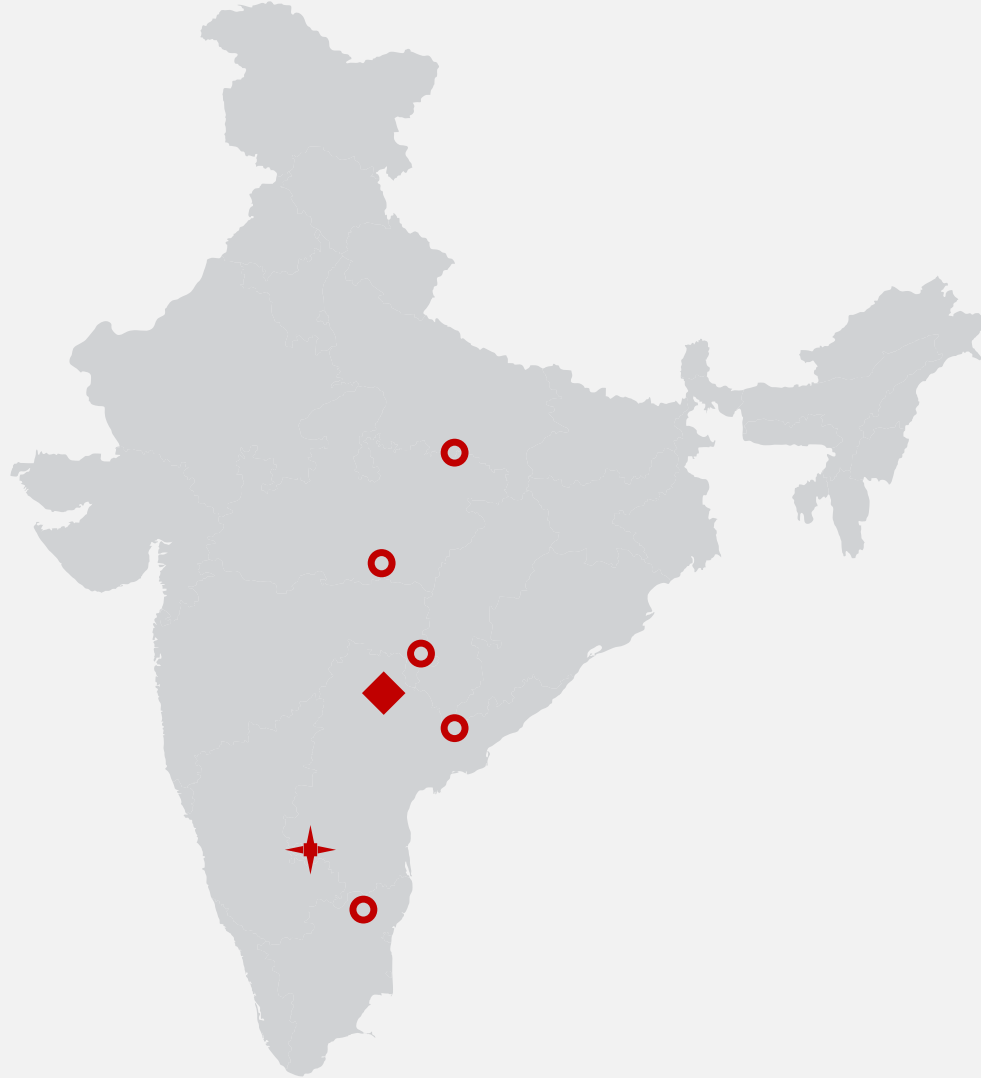


Developed solid propellants for various missiles including a combustion-stable propellant for Long Range Surface to Air Missile (LRSAM)

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



## 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)



### ✦ **Pushpathur (Tamil Nadu)**

Windmill





## Contact

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