



**Premier
Explosives
Limited**

ISO 9001 REGISTERED



DNV Certification B.V., The Netherlands



MGMT. SYS.
RvA C024

Date: June 18, 2020

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

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: 526247

Scrip Symbol : PREMEXPLN

Dear Sir,

Ref: Disclosure of material impact of COVID-19 pandemic on the Company,

Sub:- Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'/ LODR)- Reg.

Pursuant to Regulation 30 of LODR Regulations read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find attached herewith the disclosure of material impact of COVID-19 pandemic on the operations and performance of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,
For Premier Explosives Limited

Dr. A.N. Gupta
Chairman and Managing Director



**Material impact of COVID-19 pandemic on operations and
performance of the Company**

1. Impact of the CoVID-19 pandemic on the business:

- i. Peddakandukuru plant was closed w.e.f. March 22, 2020 till April 17, 2020 due to lockdown.
- ii. Neyveli plant was closed from March 27, 2020 to April 8, 2020.
- iii. Singrauli plant had been working without any closure, but with lower operations.

Due to lockdown measures, the Company was unable to undertake the planned work which has been adversely impacting the sales and profitability.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down:

- i. The Company has been facing working capital difficulties due to lag in receipt of dues from customers.
- ii. The company has been operating at about 30% capacity.
- iii. The company's plants and offices have been observing full compliance to the conditions of operations, like sanitisation, safety masks and social distancing, stipulated to avoid COVID-19 infection.

3. Schedule, if any, for restarting the operations:

The company has restarted operations at Peddakandukuru plant on April 17, 2020 with all precautions and safety measures. Neyveli plant has restarted from April 9, 2020.

4. Steps taken to ensure smooth functioning of operations:

- i. The company has been taking necessary preventive measures like social distancing, temperature testing, providing masks and sanitization facility to all employees etc., to avoid any infection due to COVID-19.
- ii. The company has sufficient order book for the year 2020-21, subject to delivery schedules, import of raw materials etc.

5. Estimation of the future impact of COVID-19 on its operations:

It is very early to assess the future impact of COVID-19 with reasonable certainty and we expect significant effect on overall sales and profitability for the year.



6. Details of impact of CoVID-19 on listed entity:

- i. **Capital and financial resources:** The Company has adequate capital to its meet business requirements, subject to some working capital mismatches.
 - ii. **Profitability:** Profitability for the Quarter 1 (April, 2020 to June, 2020) of the Financial Year, 2020-21 is expected to be affected due to lockdown and partial manufacturing capacity utilization. However, it is expected to improve from Quarter 3 (October, 2020 to December, 2020) of the financial year 2020-21 onwards, if there are no further restrictions in the near future.
 - iii. **Liquidity position:** There is liquidity risk but can be overcome if we can collect our receivables.
 - iv. **Ability to service debt and other financing arrangements:** Company's term debt is low and can service it when due. The Company is paying to its lenders as per due date, however, the company has availed a moratorium from HDFC Bank.
 - v. **Assets:** The Company has almost completed its Greenfield project at Katepally. New CAPEX will be planned only after improvement in the situation.
 - vi. **Internal financial reporting and control:** We have effective internal financial reporting and control mechanism in place and fully functioning. There was no impact of COVID-19 on internal financial reporting and control.
 - vii. **Supply Chain:** We have not observed any major supply chain issues with respect to domestic materials. However, there has been considerable delay in import of raw materials for our defence products.
 - viii. **Demand for its products/ services:** The Company has required orders on hand.
- 7. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:**

We have a few contracts which have significant COVID impact on the company's delivery schedules, which are being negotiated for extension.

For Premier Explosives Limited



Dr. A.N. Gupta
Chairman and Managing Director

