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November 3, 2023

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai -400 051
Trading Symbol: "SOLARINDS EQ"
Through NEAPS

To,
BSE Limited
Floor no. 25, PJ Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 532725
Through BSE Listing Center

Subject: Transcription of Conference Call with reference to the Unaudited Financial Results for the quarter and half year ended on September 30, 2023 with the management of the Company.

Dear Sir/Madam,

Further to our letter dated October 26, 2023 we are forwarding herewith a copy of Transcription of Conference call hosted by **Nirmal Bang Institutional Equities** on **Friday, November 3, 2023 at 11:00 a.m.** to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2023 with the management of the Company.

Kindly take the same on record and acknowledge.

Thanking you

Yours truly,

For Solar Industries India Limited

Khushboo Pasari
Company Secretary &
Compliance Officer

Solar Industries India Limited

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“Solar Industries India Limited
Q2 FY2024 Earnings Conference Call”

November 03, 2023



ANALYST: **MR. PRASHEEL GANDHI – NIRMAL BANG
INSTITUTIONAL EQUITIES**

MANAGEMENT: **MR. MANISH NUWAL – MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER – SOLAR INDUSTRIES
INDIA LIMITED**
**MR. SURESH MENON – EXECUTIVE DIRECTOR –
SOLAR INDUSTRIES INDIA LIMITED**
**MR. MILIND DESHMUKH – EXECUTIVE DIRECTOR
– SOLAR INDUSTRIES INDIA LIMITED**
**MR. MONEESH AGARWAL – JOINT CHIEF
FINANCIAL OFFICER – SOLAR INDUSTRIES INDIA
LIMITED**
**MS. SHALINEE MANDHANA – JOINT CHIEF
FINANCIAL OFFICER – SOLAR INDUSTRIES INDIA
LIMITED**
**MS. AANCHAL – INVESTOR RELATIONS – SOLAR
INDUSTRIES INDIA LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to Solar Industries India Limited's Q2 FY2024 Earnings Conference Call hosted by Nirmal Bang Institutional Equities. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prasheel Gandhi from Nirmal Bang. Thank you and over to you Sir!

Prasheel Gandhi: Thank you Nirav and good morning to all the participants. Nirmal Bang Institutional Equities welcomes you all to 2Q FY2024 earnings conference call for Solar Industries India Limited. On the onset of the call I would like to thank the management of Solar Industries India Limited for giving us an opportunity to host the call. From the management team, we have Mr. Manish Nuwal, Managing Director & Chief Executive Officer, Mr. Suresh Menon, Executive Director, Mr. Milind Deshmukh, Executive Director, Mr. Moneesh Agarwal, Joint CFO and Ms. Shalinee Mandhana, Joint CFO. Before we begin the call I would like to remind that there will be a hard stop at 10:45 due to time constraints. I now hand over the call to management for opening remarks post which we can take questions from participants. Thank you and over to you Sir!

Aanchal: A very good morning dear stakeholders and well wishers. My name is Aanchal and I would like to welcome you all to the Q2 and half yearly conference of Solar Industries India Limited. Before beginning I would like to wish my stakeholders a very Happy Diwali in advance. To be honest every shareholder of Solar is already celebrating Diwali and enjoying the explosion happening in our shares. I hope this Diwali of SIL keeps filling our stakeholders like this. To begin with I would like to remind you that during this call we might make projections or other forward-looking statements regarding future events and about the future financial performance of the company. Please remember that such statements are only predictions, actual events or results may differ materially and our website will be updated with all relevant information kindly. Now I would request Solar CEO & MD Mr. Manish Nuwal for his opening remarks. Over to you Sir!

Manish Nuwal: A very good morning to everyone. The revenue for the quarter stands at Rs.1347 and for the half year it stands at Rs.3030 Crores. In this quarter we have achieved an all time high EBITDA and PBT margin at 25.52% and 21.12% respectively mainly on account of fall in commodity prices and stable currency movement in the quarter. Overall we have recorded significant improvements in margins both sequentially and year-on-year basis aided by continuous efforts and operational efficiencies. The company has received orders worth Rs.1800 Crores plus from its prestigious customer Coal India Limited with a strong order



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book of Rs.3912 Crores we are expecting a higher volume growth of around 20% in the FY2024 as against 13% achieved in the first half of this financial year. Given the government's focus on infrastructure growth and the consequent rising demand for urban housing, housing and infrastructure sector is poised for strong growth. The final trials for Pinaka are completed successfully. RFPs have been floated and we are expecting to receive the orders very soon. These orders will be one of the biggest milestones for our company. Looking at the geopolitical situations and healthy order book of Rs.1050 Crores we believe the defence revenue should go up substantially now onwards. In our international businesses though we have been supported by moderate raw material prices but geopolitical tensions, higher interest rates and hyperinflation resulting into foreign exchange volatility are causing challenges for us in the near term. Substantial progress has been made in increasing global footprints, increasing the product portfolio for defence sector and increasing domestic presence through acquisitions and initiation of Greenfield projects. Now with expected increased volumes from mining, housing infrastructure and defence in the coming quarters, we are expecting EBITDA margin to increase further from the earlier guided EBITDA margins of 20% to 22%. With this I would like to thank you everyone and wish you a Happy Deepavali in advance. Now I hand it over to Aanchal to take it forward. Thank you.

Aanchal:

Thank you so much Sir. Coming to the quarter results, we have shared the investor presentation carrying all the necessary information for your perusal on the website and the exchanges still giving you little key highlights. Key highlights for Q2 and half year are: This time we will be consolidating the quarter and half yearly results to make it faster. The consolidated revenue for the quarter is Rs.1347 Crores against Rs.1567 Crores and for half year it is Rs.3030 Crores against Rs.3182 Crores. Our explosive volume for the quarter and half year is increased by 13%. Initiating systems revenue increased by 6% in the quarter and 24% in the half year. The percentage of the sectors in the customer basket are as follows: CIL is up in the basket to 14% from 13%, non-CIL & institutional is at 15% from 17%, HNI is intact at 15% in the basket, exports & overseas is intact at 47% and defence has increased at 8% from 7% in the basket. In the half year the basket is more or less remains the same except for the defence which is majorly increased by 3% that is from 6% to 9% in the current basket and in absolute terms the same has increased by 49% year-on-year.

Coming to the cost, raw material consumption for the quarter stands at Rs.653 Crores against Rs.933 Crores and half year stand at Rs.1615 Crores against Rs.2000 Crores. Employee cost for the quarter stands at Rs.103 Crores against Rs.87 Crores and half year stands at Rs.203 Crores. Other expenses for the quarter stands at Rs.255 Crores against Rs.248 Crores. We reported an EBITDA of Rs.344 Crores against Rs.303 Crores showing a massive rise in the margin from 19.36% to 25.52% in the seasonally weak quarter. We



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reported half yearly EBITDA of Rs.675 Crores against Rs.595 Crores with a margin of 22.29% against 18.69%. Interest and finance cost stands at Rs.25 Crores against Rs.19 Crores and for half year stands at Rs.50 Crores against Rs.34 Crores. Depreciation cost stands at Rs.34 Crores against Rs.30 Crores and half yearly stands at Rs.68 Crores against Rs.61 Crores. PBT stands at Rs.285 Crores against Rs.254 Crores with a massive increase in PBT margins that is 21.12% against 16.18% and for half year it stands at Rs.557 Crores against Rs.500 Crores with a massive rise in margins at 18.38% against 15.72%. PAT stands at Rs.209 Crores against Rs.189 Crores with margins standing at 15.51% against 12.04% and for half year stands at Rs.411 Crores against Rs.371 Crores with a margin of 13.55% against 11.67%. These are the updates for the quarter and half year. Now we would hand over to the Nirmal Bang and the Chorus conference call for the questions ahead. Thank you.

- Moderator:** Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Sumit Jain from ASK Investment Managers Limited. Please go ahead Sir.
- Sumit Jain:** Manish congratulations on great margin performance. What I am keen to know is while we are talking of a 20% volume growth just wanted to understand this 20% volume growth is for the explosives business in India or for company as a whole?
- Manish Nuwal:** The volume guidance is for the Indian market which is 20% growth for this financial year. As far as international markets are concerned we are expecting a volume growth of 15% but going forward we also are looking at increasing the volumes in the tune of 20%.
- Sumit Jain:** So you are saying 20% for business as a whole next year in terms of volumes, 20% for India business this year and 15% for international business this year that is the guidance?
- Manish Nuwal:** Yes.
- Sumit Jain:** This 20% in India includes initiating systems as well?
- Manish Nuwal:** Yes 20% for both.
- Sumit Jain:** So how much would have been the volume growth this year including initiating systems?
- Manish Nuwal:** It is in the same range around 10% to 13%.
- Sumit Jain:** Thank you Sir. I will come back in the queue if I have any more questions.



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- Moderator:** Thank you. The next question is from the line of Dhananjai Bagrodia from ASK Investment Managers Limited. Please go ahead.
- Dhananjai Bagrodia:** Congratulations Sir on a very good set of numbers. Would we assume the EBITDA will be stabilized with realization now stabilizing should we look at that?
- Manish Nuwal:** We expect that there has to be some stabilization in realizations but we cannot say with 100% guarantee that it will be remaining like that because commodity prices are keep fluctuating and we are expecting that prices should bottom out in this quarter. Now onwards prices can go up but there is no surety on that front. That is why we believe that the volume guidance which we have given that we are expecting a 20% volume growth and EBITDA margins are going up so that should suffice our overall purpose for which company is working.
- Dhananjai Bagrodia:** Sir in terms of markets we have obviously received a very large order from Coal India how are we seeing that execution with that full order which you have got this quarter have come in the last order book or is there still some left?
- Manish Nuwal:** No, the Coal India orders which we have received has started already from the month of October and we are expecting that it will impact our overall volume growth now onwards.
- Dhananjai Bagrodia:** So the full order will be in the order book right?
- Manish Nuwal:** Yes and this order book is for the two years.
- Dhananjai Bagrodia:** Sir lastly what would the capex for this year?
- Manish Nuwal:** Our capex this year we have earmarked that we will be doing around Rs.700 Crores, but as of now we have already done around Rs.230 Crores to Rs.240 Crores and we are expecting that capex will go up now onwards and we are expecting that we should be doing around Rs.650 Crores to Rs.700 Crores in this financial year.
- Dhananjai Bagrodia:** Sure thank you.
- Moderator:** Thank you. The next question is from the line of Noel Vaz from Union Asset Management Co. Limited. Please go ahead.
- Noel Vaz:** Thank you for the opportunity. My question was regarding the press release there was a statement regarding overseas segment and there was a statement towards some kind of volatility and FX related issues so I just wanted to get some idea about are we seeing some



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problems in specific geographies or do we expect the second half for the overseas segment to be relatively subdued compared to first half so I just wanted to get an idea about that? Thank you.

Shalinee Mandhana: Firstly we have been seeing hyperinflation is there, continuous hyperinflation is around Rs.31 Crores. It has been taken in other expenses on account of hyperinflation so around 2% has been hit on the margins with regards to EBITDA and also forex volatility continues because we have been operating in so many geographies and looking at the current geopolitical tensions so currently for the short term the volatility continues but how the same will face out it is very difficult to speak at that moment.

Noel Vaz: Just to clarify we are not expecting to see any kind of slowdown in terms of volumetric?

Shalinee Mandhana: No, nothing in that perspective. Yes just sharing the challenges which have been going on.

Noel Vaz: Fine. Thank you. I just wanted to get some clarity on that. Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Amit Dixit from ICICI Securities Limited. Please go ahead.

Amit Dixit: Good morning everyone and thanks for taking my question. First of all congratulations for a splendid set of numbers. I have two questions the first one is going back to again volume growth guidance it is very reassuring that you have guided for 20% volume growth; however, that implies that in H2 volume growth should be around 27% to make 20% growth essentially, so I just wanted to understand the key drivers for the growth with what all sectors you expect the growth to come from?

Manish Nuwal: Yes for this year we have revised our volume growth guidance from 15% to 20% that is for the whole year and positivity for issuing such statement is that we have received a big order from Coal India and if you look at the coal mining growth it is going at a very fast pace and they are increasing overburden removal in much larger quantities so that is the key reason and another reason is that the thing which we were saying from last couple of quarters that because of the high commodity prices definitely our finished goods prices were also high and now since prices are bottoming out or at a much reasonable and sustainable level so demand for these products has to go up and if you look at infrastructure side also after the monsoon is over second half is always better than the first half so based on these positive factors we believe that we should be able to achieve 20% volume growth in this financial year.



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Amit Dixit: Wonderful Sir. The second question is essentially on defence so you have very specifically stated Pinaka order in the press release, now just wanted to get a sense on when we can expect this order while I know the timelines are not in anyone's control but when do you expect that you will get this order and what would be the execution timeline, also in terms of defence if you could just highlight some of the key developments that the company is engaged in currently that would be great Sir?

Manish Nuwal: Yes so like we have said that the trials which we were expecting to conclude in the last quarter are already been done and products are successfully being tried out at the various areas for qualification programs, so now with this RFPs has also been floated and in one of the RFPs we have already participated, in another RFP we are going to participate in the month of November, so looking at these kind of developments we expect that order should start flowing from the month of December or January 2024. December 2023 or January 2024 so these are estimation. Definitely like you said that in defence things can go here or there by three to four months is not a big deviation but we fairly estimate that we should receive these orders in next three to six months time and that should help us to start producing the products and supply from the next financial year and if you look at the kind of development which we have been doing from last couple of years especially in last 12 years we have not only set up the most integrated facility of ammunition which is one of its kind in the world and after setting up those facilities now we have developed plenty of products which can go for variety of usages for our armed forces. Now with these geopolitical tensions which we all are aware of which started almost one-and-a-half years back and now it has increased in the Middle East also. Based on these factors we are expecting that the kind of capabilities which our company has created will be utilized in much better way in coming years. Based on these kind of developments we believe that the sales of products for this sector should go up from the next quarter.

Amit Dixit: So in the beginning of the year you gave guidance that defence revenue could be Rs.800 Crores so any chance that we would exceed this guidance this year?

Manish Nuwal: We have given the guidance that we should cross Rs.700 Crores and we maintain that we should be doing around Rs.700 Crores in this financial year because there were some delays in execution side in this quarter so which will definitely shifted some of the revenue to the next quarter so that kind of shifting can continue and as a result we are still expecting that we should fairly do around Rs.700 Crores in this financial year but the major jump will start from Q4 of this financial year or Q1 of the next financial year.

Amit Dixit: Got it Sir. Thank you so much and all the best.



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Moderator: Thank you. The next question is from the line of Dipen Vakil from InCred Equities. Please go ahead.

Dipen Vakil: Thank you for taking my question Sir. Sir my first question is on our realization. You mentioned that the raw material prices have gone down and similarly the rates have also gone down to almost 14% so can you help us with how much are the raw material prices gone down and what can be expected in say at least one quarter going ahead with respect to the commodity prices?

Shalinee Mandhana: Firstly year-on-year basis the ammonium nitrite prices have gone down by around 50% and with respect to that our realizations are down by 29% so currently we see the raw material prices are stable at this level; however, it is very difficult as ManishJi had spoken earlier to speak on the volatility because we see that from the current quarter onwards the prices may start going up so difficult to predict where the same will be.

Dipen Vakil: But has it remained at similar levels in October and November?

Shalinee Mandhana: Yes and since the falling raw material prices is also very good for our industry as well as for the infrastructure sector.

Dipen Vakil: That was helpful. Thank you.

Moderator: Thank you. The next question is from the line of Amit Vijay Saoji from A1 Investments Limited. Please go ahead.

Amit Vijay Saoji: Happy Diwali ManishJi and full team of Solar. Sir my question is we have order book of Rs.3912 Crores and approximate defence order is Rs.1050 Crores as of now what will be the order book approximate in next year?

Shalinee Mandhana: So current order book which we have for Rs.1050 Crores it has to be executed over a period of one-and-a-half years and currently as we spoke that we are expecting Pinaka orders in the next two quarters so obviously when the order comes we will update on the order book.

Amit Vijay Saoji: Any percentage terms of guidance?

Shalinee Mandhana: It is very difficult at this stage to give that.

Amit Vijay Saoji: This Rs.1050 Crores order book consists of hand grenade and again other material?

Shalinee Mandhana: The basket of products, various rockets and even Armenia export order also is there.



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Amit Vijay Saoji: Thank you.

Moderator: Thank you. The next question is from the line of Rohan Gupta from Nuvama Wealth Management. Please go ahead.

Rohan Gupta: ManishJi good morning and congratulations on a strong set of numbers. Sir couple of questions so first is on our defence business outlook though you mentioned roughly Rs.700 Crores is likely to be maintained we have seen that there has still been a quarterly volatility in difference if you understand the nature, if you can give some sense with changing geopolitical tension and you rightly mentioned that the world market was already seeing Russia-Ukraine and now increasing tension between Hamas and Israel, so how the defence business in this scenario is likely to change for us more importantly in terms of exports and if you can give some sense over next couple of years though initially you mentioned roughly the defence business should go up to roughly Rs.1500 Crores to Rs.2000 Crores over next two years to three years how do you see that the scenario changing if you can give some thought process if you can share on that Sir?

Manish Nuwal: Yes like I have already shared that in last couple of years we have seen geopolitical tensions are going up and with recent kind of conflicts in Middle East is definitely creating an environment where demand for products which we are making should go up and that should help us and another positive factor is that we have created lot of facilities to handle variety of products for different, different requirements or different applications so looking at these kind of scenarios we expect that orders from exports or orders from overseas customers for defence should also go up substantially. One of the orders we have already shared in the last year that we have received orders for Pinaka rockets from outside India and we believe that such kind of orders for other products will also keep coming so that is what we can share as of now and the current order book stands at Rs.1080 Crores and with Pinaka it comes up in next three to four months or five months time that we lift the overall order book from different sectors substantially and based on that we can give a guidance for the next year or maybe 2025 or 2026, so let us wait for some couple of months to receive orders for Pinaka and other products which we have been developing and showcasing to our valued investors, so let us wait for some more time till we have received some concrete orders we will definitely share with our valued shareholders.

Rohan Gupta: Sir my question was more in terms of geopolitical tensions, we are in war since last two years slow war and it has just only escalated, there is a continuous decrease in global inventories of arms and ammunitions and it will only accelerate, we have seen that US and Europe are almost getting out of the inventories, so with this new inventory increase or the decline in global inventories in arms and ammunitions which is happening this is going to



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change the defence business maybe for next three to five years globally, I just wanted to know that how we are placed in this changing scenario, do you see that we have made inroads in many global markets when the next three to five years we will see that restocking will happen we are ready with the new kind of new set of instruments maybe in rocket or even in you can say that targeted drone kind of instruments which are going to see the increasing application, so I just wanted to see that how the landscape which very clearly has changed globally how we are going to benefit from that Sir I was just trying to understand from that perspective?

Manish Nuwal: What we have shared that the company has created infrastructure, the company has created capabilities and the company has developed variety of products for different applications and looking at the background of recent geopolitical environment we believe that these will open up plenty of opportunities for our company and as we received orders we definitely share with our stakeholders that is what I can comment at this stage.

Rohan Gupta: Thank you Sir. Sir just one clarification on capex front you mentioned that initial guidance was roughly for the capex of Rs.700 Crores you have spent Rs.340 Crores so you increase the capex guidance for this year or it still remains at Rs.700 Crores I missed that point?

Manish Nuwal: No, we are maintaining that the guidance of Rs.700 Crores still there and as of now whatever we have invested is around Rs.240 Crores to Rs.250 Crores and in the next two quarters we should be there around Rs.400 Crores to Rs.450 Crores.

Rohan Gupta: Fine Sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Rushabh Shah from Anubhuti Advisors LLP. Please go ahead.

Rushabh Shah: Thank you for the opportunity. Sir my first question is on the margin profile so Sir you guided that margin will be now above the originally guided band of 20% to 22% so what level of margins are we now looking at?

Manish Nuwal: So we are expecting that we should cross annualized margins above 22% so it can be 23%, it can be 24% so as of now we cannot give a one figure and that is what we have been giving guidance that normal guidance was 20% to 22% for this financial year. We are revising it upwards above 22% so it can be either 23% or maybe 24%, that depends on the kind of the market situation and demand of the products.



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- Rushabh Shah:** Understood and Sir just wanted to understand on the defence front so the margins on the defence segment higher than overall company average level or they are largely in line at that 20% to 22% band?
- Manish Nuwal:** So we have given guidance for the business as a whole and not for individual product or individual section.
- Rushabh Shah:** Sir just last one update on the capex side so earlier we had guided for Rs.750 odd Crores of capex for the full year now we are still seeing around Rs.700 Crores we will be doing it for the full year and currently I think we have done somewhat around Rs.240 odd Crores so largely this will be concluded in the later part of the year and the resultant growth will be visible in FY2025 levels?
- Manish Nuwal:** We have given guidance of Rs.700 Crores for this year and we have spent Rs.240 Crores to Rs.250 Crores and balance amount we are expected to spend by March 2024.
- Rushabh Shah:** Sir any new capex announcements apart from the earlier guided number I think we were adding four new geographies so apart from that anything we are adding new currently?
- Manish Nuwal:** So all the expansions which we are taking place or which is going on is part of this amount thank you.
- Rushabh Shah:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Puneet Kabra, an Individual Investor. Please go ahead.
- Puneet Kabra:** Congratulations ManishJi and everyone. I had just a couple of questions. First question I had was can you share any details around the business from private coal mines and what is the outlook for that in the next couple of years given that licenses were handed out in the last 18 months?
- Manish Nuwal:** Can you share all the questions first so that I can answer them properly.
- Puneet Kabra:** Yes and second was we had announced expansion in Southern India and Northern India for cartridge explosives so if there is any progress around that those are the two questions?
- Manish Nuwal:** So like we have said that we have a plan to expand our global footprints and increasing the presence within our country. Based on that last year we have announced that we have acquired a company Rajasthan Explosives and Chemicals that is being done to expand



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footprints in the northern part of the country and we have already applied for licenses. We have acquired land and applied for licenses and we are going to start the construction of the project very soon in the Western part of India. Similarly we have almost started identified the land in Southern part of India and acquisition will start soon, so based on these kind of planning we expect that the plant in Western part of India should be over by December 2024 and in Southern part of India should be over by mid of 2025 and if you look at the private coal mines the licenses has been allotted to plenty of private coal mines and the kind of nature or the value added services which they ask for so our company is well poised to cash on on those kind of demands and we are quite bullish on demand from those sectors. Similarly like I said that demand from Coal India will also grow up significantly because the kind of investments they have done in the last three to four years for building of the infrastructure should help them to increase the coal production and OB removal and that is going to help our company significantly. Thank you.

Puneet Kabra: Thank you.

Moderator: Thank you. The next question is from the line of Pratik Mukasdar from RNL Investment Partners. Please go ahead.

Pratik Mukasdar: ManishJi congratulations for a great set of numbers. In these volatile times you and your team have handled everything quite well. It is visible from our margin expansion. I have couple of questions so like we stated about Pinaka Rockets we were also into development of some drone-related technology can you throw some highlight on that that product how much it is developed now, my second question is as you have been mentioning in the past three concalls also that mining sector is growing very well so on your interactions with your customers both Coal India and non-Coal India what is the sentiment that you are getting about the longevity of the growth in mining sector? These were my questions.

Manish Nuwal: So like we have said that we have started developing products based on unarmed vehicle and we have successfully developed those products and based on that we have received an order of supplying some quantity of numbers for army and we are going to start deliveries in couple of months so we are also developing plenty of UAV-based advanced solution for armed forces so that is an ongoing process and we keep investing in building those capabilities so that is going to help our company in the coming years significantly and apart from this another question which you have asked on coal production so like if you see the coal production run rate it is going around 9% to 10% and the OB renewal is growing at around 17% as far as Coal India is concerned so that is helping us to supply more quantities to Coal India and if you look at the order size which we have received couple of weeks back



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so that is a significant order which we have received of that magnitude for the first time and we were quite bullish on enhancing our presence within Coal India also. Thank you.

Pratik Mukasdar: Thank you.

Moderator: Thank you. The next question is from the line of Manish Mahawar from Antique Stock Broking Limited. Please go ahead.

Manish Mahawar: Good morning Manish. Manish just regarding the Pinaka what could be our opportunity size or potential size of order or maybe requirement can come?

Manish Nuwal: Any other question Manish?

Manish Mahawar: Second thing in terms of Coal India order book which we got this time Rs.1800 odd Crores and last time I think it was Rs.1470 Crores I believe so what was the volume uptake higher versus last order that was the second question, third question was on the EBITDA margin guidance what you have given 22% plus going forward next two or three years view earlier our margin guidance used to be 22% so should we take it as a 22% to maybe 24% over next two to three years?

Manish Nuwal: As far as EBITDA margins are concerned for this year we have revised our guidance from 2022 to EBITDA margin of 22% plus. As far as margin guidance for the coming years we will definitely issue after end of this financial year but definitely margin should improve based on increased sales from different sections that is one. Second as far as size of Pinaka order is concerned so till RFPs are finalized and orders being received we cannot comment on that.

Manish Mahawar: But what is the opportunity size maybe tentative number anything Manish on this Pinaka one?

Manish Nuwal: So like Manish you have your own resources to get all this information from army better you do that because we cannot speak more on that.

Manish Mahawar: Understood Sir no issue and this Coal India order what we have received Rs.1800 odd Crores versus last two years back what we received order so what was the overall volume increase in the last order to this order?

Manish Nuwal: The Coal India has given an order with an increased volume of around 50% but the conversion may not be up to 50%. That depends on their overall planning whether they buy



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from private sector or whether they want to buy from another public sector on nomination basis but we are quite positive on this.

Manish Mahawar: (inaudible) 40:54 was 50% is broadly right assuming that they assume the lower realization versus the last order?

Manish Nuwal: You can do your own calculations but as far as our guidance is concerned we have received order which is a significant quantity increase and as far as margins are concerned we are pretty much comfortable and based on our overall guidances we are rising our EBITDA guidance upward.

Manish Mahawar: Sure Sir, thanks and all the best Sir.

Moderator: Thank you. I will now hand the conference over to the management for closing comments.

Aanchal: This is all from our side. Thank you so much everyone for participating and may you have a very fantastic Diwali ahead. Thank you.

Moderator: Thank you very much. On behalf of Nirmal Bang Institutional Equities that concludes this conference. Thank you for joining us. You may now disconnect your lines.