

February 10, 2024

To,  
The Executive Director  
Listing Department  
National Stock Exchange of India Limited  
Mumbai: 400001  
Trading Symbol: "SOLARINDS"

To,  
The Executive Director  
Listing Department  
BSE Limited  
Mumbai: 400001  
Scrip Code: 532725

**Subject: Transcription of Conference Call with reference to the Unaudited Financial Results for the quarter and nine months ended on December 31, 2023 with the Management of the Company.**

Dear Sir,

In furtherance of our letter dated February 2, 2024, we are forwarding herewith a copy of Transcription of Conference call hosted by Centrum Broking Limited on Thursday, February 8, 2024 at 11:00 a.m. to discuss the Un-audited Financial Results for quarter and nine months ended on December 31, 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  
Q3 FY-24 Earnings Conference Call”

February 08, 2024



**MANAGEMENT:** **MR. MANISH NUWAL – CHIEF EXECUTIVE OFFICER  
AND MANAGING DIRECTOR – SOLAR INDUSTRIES  
LIMITED**  
**MR. SURESH MENON – EXECUTIVE DIRECTOR –  
SOLAR INDUSTRIES LIMITED**  
**MR. MILIND DESHMUKH – EXECUTIVE DIRECTOR –  
SOLAR INDUSTRIES LIMITED**  
**MR. MONEESH AGRAWAL – JOINT CHIEF FINANCIAL  
OFFICER – SOLAR INDUSTRIES LIMITED**  
**MS. SHALINEE MANDHANA – JOINT CHIEF FINANCIAL  
OFFICER – SOLAR INDUSTRIES LIMITED**

**MODERATOR:** **MR. CHIRAG MUCHHALA – CENTRUM BROKING  
LIMITED**



**Moderator:**

Ladies and gentlemen, good day, and welcome to the Solar Industries India Q3 FY '24 Earnings Conference Call hosted by Centrum Broking Limited. As a reminder, all participants' 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chirag Muchhala from Centrum Broking Limited. Thank you, and over to you, sir.

**Chirag Muchhala:**

Thanks, Viren. Centrum Broking welcomes you all to the Q3 FY '24 Results Conference Call of Solar Industries India Limited. The management is represented by Mr. Manish Nuwal, Managing Director and CEO; Mr. Suresh Menon, Executive Director; Mr. Milind Deshmukh, Executive Director; Mr. Moneesh Agrawal, Joint CFO; and Ms. Shalinee Mandhana, Joint CFO.

I now hand over the call to the management for their opening remarks, post which we can take questions from participants. Over to you, sir.

**Shalinee Mandhana:**

Thank you, Chirag. Good morning, dear valued investors and stakeholders. Warm greetings in the new year. I, Shalinee Mandhana, Joint CFO, Solar Group, welcomes you all to earnings call of Solar Industries India Limited to discuss our financial results for the quarter 3 and 9 months FY '24.

Please note that certain statements concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the safe harbor, which involves a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

Now I request Mr. Manish Nuwal to give opening remarks on the performance of our company.

**Manish Nuwal:**

A very good morning to all of our valued investors and stakeholders. I'm pleased to share that our company has recorded revenue of INR1,429 crores and INR4,459 crores in the quarter and 9 months. The EBITDA margin stands at 25.69%, and 23.38% for the quarter and 9 months, respectively. Highest ever EBITDA and PAT in absolute and in margin terms for the 9 months have been achieved despite of lower commodity prices, moderate defense sales and disturbances in shipments on account of Red Sea issues. Otherwise, the numbers would have been much better.

The volume in this quarter grew significantly by around 27%, and 18% in the 9 months, which is mainly because of strong growth from coal mining and infrastructure sector. The domestic explosives order book of Coal India and Singareni stands at INR2,589 crores. Given the government's clear focus reiterated in the interim budget and in their strategic vision on mining, the housing and infrastructure augurs well for our industry.

We have received invaluable export orders for the supplying of defense products to the tune of INR994 crores, which is to be supplied over the next 2 to 3 years, and the most awaited Pinaka orders are in the final commercial negotiation stage. The current order book of defense products

stands at INR2,200 crores. Looking at the overall order book, we believe the revenues from defense products will increase substantially from next quarter.

Our international business was mainly impacted by higher inflation and currency volatility, but we believe that these challenges are of temporary nature, which are going to be stabilized over the next 1 or 2 quarters. However, as a part of our strategy, we are working on adding new geographies like Kazakhstan and Saudi Arabia. Friends, as we move forward, we are expecting strong volume growth to continue, along with much awaited higher revenues from defense products.

Now I will hand over the call to Shalinee to take you through the summary of financials. Thank you.

**Shalinee Mandhana:**

Thank you, sir. All the required information related to financials is available on exchange. So highlights for the quarter and 9 months are: we have achieved the highest ever 9-month EBITDA at INR1,042 crores and PAT at INR633 crores. Highest ever quarterly and 9-month EBITDA margins at 25.69% and 23.38%, respectively. Highest ever quarterly and 9-month PAT margins at 15.53% and 14.19%, respectively. Volumes grew substantially by 27% in the quarter and 18% in 9 months.

Defense order book stands at highest level of INR2,200 crores. We'll begin with quarterly financial update followed by a 9-month update. The company recorded revenue of INR1,429 crores, EBITDA of INR367 crores, and PAT of INR222 crores. Now let's quickly review the quarter in detail. Coming to the domestic explosives part, the domestic explosives in the quarter increased by 27%, that is 154,421 metric tons versus 122,030 metric tonnes. And our realization of explosives stands at 44,805 metric tonnes versus 71,745 metric tonnes. As such, the explosives revenue stands at INR692 crores versus INR876 crores. Revenue from initiating systems is INR137 crores versus INR133 crores.

Coming to customers. Revenue from Coal India stands at INR234 crores versus INR314 crores. Revenue from Non-CIL & Institutional is INR245 crores versus INR342 crores. Revenue from Housing & Infra is INR251 crores versus INR304 crores. Export & Overseas revenue stands at INR624 crores versus INR729 crores. The revenue from defense is INR62 crores versus INR110 crores.

The percentage of raw material consumption is 52.59% versus 63.55%. In absolute terms, the material cost is INR752 crores versus INR1,151 crores in the same quarter previous year. Employee cost is INR111 crores versus INR92 crores. Other expenses INR210 crores versus INR219 crores. Interest cost, INR28 crores versus INR25 crores. The depreciation is INR39 crores versus INR32 crores in the quarter.

Coming to highlights for 9 months, we registered revenues to the tune of INR4,459 crores, highest 9-month EBITDA at INR1,042 crores with a margin of 23.38%, and profit after tax INR633 crores with a margin of 14.19%. Volume during the 9 months grew by 18%.

Now we would be happy to take any questions, comments or suggestions that you may have. Over to you.

- Moderator:** Thank you very much. We have our first question from the line of Dhananjai Bagrodia from ASK Investment Managers. Please go ahead.
- Dhananjai Bagrodia:** Congratulations on a very good set of results. Sir, could you just shed some light on the order inflow, where are you all getting the strong order, from which segment? And how has exports been doing in terms of orders also?
- Shalinee Mandhana:** Can you repeat the question, please?
- Dhananjai Bagrodia:** I'm saying, for orders, your order growth, could you give us some color in terms of where you've been getting the strong orders, from which segments? And any particular regions?
- Manish Nuwal:** The total order book, which stands at INR4,802 crores, is divided into Singareni, Coal India, and defense orders. And out of the total INR4,802 crores, INR2,200 is from defense section, and balance is from Coal India and Singareni.
- Dhananjai Bagrodia:** So the defense are the Pinaka orders, right?
- Manish Nuwal:** No. We have clearly mentioned that price negotiation of Pinaka products are in final stages, and this order book doesn't include the Pinaka orders.
- Moderator:** The next question is from the line of Amit Dikshit from ICICI Securities.
- Amit Dikshit:** Congratulations for a good set of numbers and maintaining the margin despite the volatility we have seen in RM and realizations. I have 3 questions, sir. The first 1 is on defense. While we have mentioned that defense revenue would increase materially from Q4, just wanted to get an understanding on when this INR994 crores defense order execution that we have won recently as export order will actually start? And in exact quantum, how much revenue can we pencil in for FY '24 and '25, if you can give that guidance? This is the first question.
- Manish Nuwal:** So if you talk about the recent orders, which we have shared with all our valued investors, the order of INR994 crores is likely to be finished over the next 3 years. And we are going to start implementing the orders from Q4 of '23-'24. And as far as '24-'25 is concerned, looking at this order book and expected orders from Pinaka, we are expecting that in next financial year, which is '25, we are expecting a revenue of around INR1,500 crores.
- Amit Dikshit:** Yes. From defense sector?
- Manish Nuwal:** Yes.
- Amit Dikshit:** That's wonderful, sir. The second question is, if I look at your international segment, now I understand that Q3 is generally a tad weak because of year-end and various other things in that part of geography. But if I look at the revenue, that is actually quite good considering in fact the drop is very low, Q-o-Q drop. So just wanted to understand the key drivers behind that? Is it the new markets, Australia, Indonesia, that are contributing more? And you mentioned 2 new geographies, Kazakhstan and Saudi. So when will their contribution start coming in?

- Manish Nuwal:** As far as revenue in this quarter is concerned, yes, you have very rightly observed that the revenue is still very good compared to the last year, looking at the commodity fall and other factors. So despite of steep falling in the prices of our raw material, sales has reduced only by 14% as far as exports and overseas are concerned. It is mainly because of, one point is, we are increasing our market presence in the areas where we are present already. Second, the increased sales in some of the new territories where we have entered in the last 2, 3 years. And as far as the new frontiers are concerned, which we mentioned that we are going to start Kazakhstan and Saudi Arabia. So these 2 subsidiaries will start giving revenues in the next financial year.
- Amit Dikshit:** That's good. The last question I have is on Coal India volumes. If I look at Coal India revenue this quarter, I mean, there was a significant bump up Q-o-Q. So is it possible to mention that in volume terms, what would be the increase in volumes Q-o-Q that we would have supplied to Coal India in this quarter?
- Manish Nuwal:** Yes. Like we have mentioned that we have achieved a volume growth of around 27% in this quarter. This is mainly because of good demand from Coal India and infrastructure sector. So in this quarter, we have seen a growth in volume numbers, especially from Coal India by around 25% to 27%.
- Moderator:** The next question is from the line of Dipen Vakil from InCred Equities.
- Dipen Vakil:** My first question is regarding our raw material prices. So what would be the ammonium nitrate prices for you for, say, blended ammonium nitrate prices for this quarter?
- Shalinee Mandhana:** Around 45,000. We have mentioned that the realization for this quarter is around 45,000.
- Dipen Vakil:** Okay. And I wanted to also understand that with respect to the volatility of the raw material prices, how do we pass on the benefit or as well as the increase in cost to our client? Is there any lag in say by one quarter or something or is it a continuous contract?
- Shalinee Mandhana:** So obviously, the lag is there. So 1 to 1.5 months lag is there while passing on the prices, whether it's an increase or decrease, to the end customers.
- Dipen Vakil:** Okay, okay. And do you expect raw material prices to have stabilized going ahead? Or do you foresee any further volatility, say, in next quarter or coming year?
- Manish Nuwal:** Yes, like we have said in our last call that in new Coal India tender, compared to the previous tenders, it was on quarterly basis, the rise and fall. Now it has changed to the monthly basis. So practically, almost all of our customers have shifted from quarter to monthly escalation basis. So whatever up and down is there, it is being passed on to the customers.
- Dipen Vakil:** And now coming to your defense order book. Sir, you have a defense order book of close to around INR994 crores. So what will be the execution, like what is the breakup currently for the export as well as the domestic defense orders?
- Manish Nuwal:** Yes. Like as per our company policy, we don't give the data for our exports and other things on countrywide basis.

- Dipen Vakil:** Okay. Okay. So the entire defense order book would be executable over 3 years, excluding the order from Pinaka for now?
- Manish Nuwal:** Like I said, Pinaka orders are yet to be received. The current orders are without Pinaka as far as Indian MOD is concerned.
- Dipen Vakil:** And that will be executable in 2 to 3 years?
- Manish Nuwal:** Yes. Over the next 2 to 3 years maximum.
- Moderator:** The next question is from the line of Jenish Karia from Antique Stockbroking Limited.
- Jenish Karia:** First question is with regards to the new geographies that we are expecting to contribute from next year. So any sense on the type of market, whether it is explosive or more defense related, the market size, the capex you'll be investing? So any commentary on that?
- Manish Nuwal:** The new geographies are only for supplying of materials or explosives for mining application and not for defense.
- Jenish Karia:** Okay. So they will be exported from India and no manufacturing setup is being planned there right now?
- Manish Nuwal:** We are setting up the plants in these 2 new territories, and we will definitely supply some of the intermediate goods from India to those subsidiaries.
- Jenish Karia:** And what would be the CapEx we'll be incurring for these 2 geographies and for the company as a whole for FY '24 and '25?
- Manish Nuwal:** For the current financial year, we have given a guidance and note that in this financial year, we are likely to spend around INR750 crores. And out of that, we have already done around INR470 crores. And another around INR280 crores will be done in next quarter. And for the next financial year, we will give capex plan in the Q4 results or annual results.
- Jenish Karia:** Sir, secondly, on the ammonium nitrate prices. So any outlook on that, whether we see the price correction and how will it factor in our realizations going forward?
- Manish Nuwal:** Yes. Like our major raw material is ammonium nitrate, which is a byproduct or outcome of main raw material like ammonia, which is depending on the gas prices. So if you look at the current trend in gas and ammonia prices, so it is in downward trend. So of late, ammonium nitrate prices in the last 6 to 9 months have dropped a lot. But we believe that these are the bottom prices. From now onwards, these prices cannot go down further. These should go up.
- Jenish Karia:** Okay. So the current realizations of around 44,000, 45,000 could continue over the next few quarters. Is that understanding correct?
- Manish Nuwal:** I cannot give a guidance on this front. As prices move up and down, our realization will also change.

- Jenish Karia:** But if the status quo remains, the prices remain at the current level, the 44,000, 45,000 should sustain?
- Manish Nuwal:** We believe that prices may not go down further, which doesn't mean that it cannot go down. It can go down due to any 1 or 2 reasons. So market is quite dynamic. And frankly speaking, it is difficult to predict that in which direction it will go. But based on our business experience or knowledge, we believe that these prices cannot go down further and likely to go up a little bit.
- Jenish Karia:** Understood. Sir, next is on the defense segment. We had been guiding for a INR700 crores revenue for FY '24. So do we expect to be at the run rate going in the fourth quarter? Or is there a revised guidance for FY '24 itself?
- Manish Nuwal:** So as of now, we are trying to achieve what we have given a guidance, but there can be some lower achievement towards that side. So we may end up at around INR650 crores.
- Jenish Karia:** And during the quarter, the neutral revenue performance in the defense segment, was it related to the Red Sea issue? Was there a deferment in the third quarter because of that issue?
- Manish Nuwal:** Yes. That is what we have mentioned in our paste note and note which we have shared when we started the call.
- Jenish Karia:** Can you quantify how much of the revenue would have been if that's possible?
- Manish Nuwal:** We cannot give the number as such which is due to only 1 specific reason.
- Jenish Karia:** Okay. Understood. Sir, just 1 last question. We had a fire incident in December. And we had mentioned that the financial impact is just limited to that 1 building. So is that building -- is that financial impact going to restore? Or are there any other regulatory implications that we should be concerned about in this quarter or going forward?
- Manish Nuwal:** So we have shared with all our stakeholders that we had an unfortunate accident in 1 of our process building, which resulted into the loss of 9 of our employees. And after that incident, we have taken a lot of initiatives, a lot of audits and compliances that are going on. And we will definitely implement all the recommendations and try to ramp up the things as early as possible. But as far as the impact is concerned, there was a total loss of around -- total compensation which we have given was INR1.96 crores, and loss due to this incident is around INR2 crores, which we will file with the insurance company to recover that back.
- Moderator:** The next question is from the line of Bharat Shah from ASK Investment Managers Limited. Please go ahead.
- Bharat Shah:** It is really remarkable given the kind of price volatility that ammonium nitrate has been undergoing and the final good price, the kind of volume growth and the kind of outcome that has been achieved. Would you now say that given all kind of immense changes, volatility in last few quarters, both in the domestic, is it an international part where the issues are still being faced on the freight or on the Red Sea kind of issue.



But hopefully, the currency and the inflationary environment in the export markets is somewhat abated in my impression. So considering all of it, defense is on a strong footing, domestic demand drivers fundamentally are on strong footing, though price volatility is a bit of an issue. And internationally, barring probably the Red Sea issue, hopefully, things should be increased. Is that a fair summary that we'll have far more normal business environment going ahead rather than very unusual 1 that we faced in the current year?

**Manish Nuwal:**

First point is, as far as defense is concerned, like we have faced over the last couple of years certain kind of uncertainty, so now we are at the fag end of those uncertainties where we were not sure of the orders. Now we have received plenty of orders, and we are going to receive Pinaka orders also very soon. So once these orders are in place, definitely defense will be out of the woods, and we will achieve much, much better revenues and profits from that section.

As far as domestic front is concerned, like you said that the volume growth is very good backed up by coal mining demand and infrastructure push from the Government of India. As far as international territories are concerned, like we said that we may face another quarter or maximum 2 quarters where the intensity of impact on foreign exchange front will keep subsidizing.

So as the impact subsides, then definitely positivity will be much more than what we are facing on international front. And like we have said that we have entered into some of the advanced markets like South Africa and Australia, where we have faced a lot of challenges. But now with full confidence, I can say that we are on much better wicket. And those turnarounds will be visible in our numbers very soon. So if you look on international frontiers, we are expanding our geographies, we are expanding the market share, and the impact of foreign exchange will also subside as we move forward. Hence, we are very confident that numbers will be better going forward.

**Bharat Shah:**

In terms of the medium-term 3- to 5-year kind of picture, overall, 18% to 20% growth in the volume is something which one can say is reasonably well founded, right?

**Manish Nuwal:**

If you talk about next 3 to 5 years, we expect volume growth of, on a conservative side, around 15%.

**Bharat Shah:**

Fine. So overall, the situation, you would regard it as far more conducive overall, defense clearly, Domestic part also very strongly so. But price volatility, you already talked about that you do not see it really materially impacting going ahead. And hopefully, Pinaka order should come by soon rather than later. And international markets are stabilizing relatively. Therefore, overall business conditions are far more conducive in terms of asserting a bit of a pricing power than before. Would that be a reasonable thing to say, a pricing power-related issue?

**Manish Nuwal:**

As far as pricing power is concerned, it is difficult to answer at this stage. But definitely, as far as business environment, as far as our company is concerned, definitely, it is very much conducive and we are very much optimistic.

- Bharat Shah:** The reason why I was asking, Manish, was whether fundamentally, on a business construct wise, would we say in the medium term, 3 to 5 years, our profit growth will be faster, slower, or similar to the underlying volume growth. So from that perspective, I wanted your understanding.
- Manish Nuwal:** No, I understood your point. Like I said that volume growth should be around 15%. So profitability will be much better than this number as far as volume growth is concerned. So profits will be definitely much more than 15%.
- Moderator:** The next question is from the line of Pratik Mukasdar from RNL Investments.
- Pratik Mukasdar:** Manish ji, congratulations for a great strong set of numbers, I would say. I have 2, 3 questions. One that our margin was -- it was all-time high margin and really congratulations on that. So would you like to say, these margins are maintainable or it will trend further up? One point is this. Second is, do you want to -- would you like to raise your volume guidance also because we are doing great volume numbers? And thirdly, this Turkish lira has been really spot of bother for us in the past quarter. So I'm sure you must be taking all the steps, but is it a way to hedge it or somewhere we can reduce the risk of it?
- Manish Nuwal:** So the first point, as far as volume growth is concerned, in this quarter, we have achieved 27%, and on 9 months, it is around 19% -- 18%. And as far as guidance for the whole year is concerned, we have given around 20%. So we believe that we will definitely achieve this 20% volume growth. And as far as margins are concerned, EBITDA margins, like we said that our guidance is around 22% plus, and based on this quarterly number, we have achieved around 25.69%.
- We believe that as we move forward, our annualized guidance can change, but that we will issue only after our Q4 results. So we are firm and we are optimistic that we will deliver better margins as far as EBITDA guidance is concerned, which means that it will be plus 22% for the whole year.
- Pratik Mukasdar:** Okay. And on Turkish lira, would you like to...
- Manish Nuwal:** I cannot comment on each currency because we are running our businesses in various territories. And as it fluctuates, we have to take corrective actions as we are doing businesses on day-to-day basis.
- Moderator:** The next question is from the line of Franklin Moraes from Equentis Wealth Advisory.
- Franklin Moraes:** Congratulations on a good set of numbers. So when you say that on a conservative basis, you expect 15% kind of volume growth, I wanted to understand whether this would be more of a uniform thing or we are expecting some dip maybe next year and then picking up going forward?
- Manish Nuwal:** So business dynamics always keep changing. So I have given a fair estimation that what we believe is, we should be able to achieve a growth of around 15% on a 3- to 5-year basis. But no one can give a guarantee that how it will behave, whether it will be 15% uniform over the next 5 years, or there can be up and down. Because as economic growth happens, definitely, it is linked to that. And there are multiple factors which can impact the demand. But there can be up

and down. But by and large, 3 to 5 years basis, we are confident and we are optimistic that we should be able to achieve 15% growth rate.

**Franklin Moraes:** And when you look at the drivers for achieving that growth rate, would they be the same that are present today? Or would it come from some different segments?

**Manish Nuwal:** No, the growth drivers will remain same. It is not changing as far as our industry is concerned.

**Moderator:** The next question is from the line of Rohan Gupta from Nuvama.

**Rohan Gupta:** Congratulations on such a strong performance in the current scenario. Sir, a couple of questions. And one is on defense business and the order book. Though the current order book is INR994 crores, you've mentioned that INR1,500 crores kind of, of the contract you are expecting to start commissioning from the next year, which includes Pinaka as well as the export opportunities. Am I right on that number, sir?

**Manish Nuwal:** Yes, that is what I said.

**Rohan Gupta:** And sir, this INR1,500 crores that have to be completed in what time frame, sir?

**Manish Nuwal:** No. We have already given information that the current recent orders has to be supplied over the next 2 to 3 years. And once we receive Pinaka orders, we will share the details. But based on the current updates, we expect that in next financial year, we should be able to achieve revenue from bookings around INR1,500 crores.

**Rohan Gupta:** Sir, second question is on our margin front. So definitely, we have done a fantastic job with roughly 25% kind of margins in 9 months as against the guidance of roughly 22%. This, I believe, is also because of the fall in raw material prices, but we have been able to clearly maintain our EBITDA margin per tonne at the previous level, and that's what I think is resulting into higher margin.

Sir, if we see that ammonium nitrate prices probably have bottomed out and they may go up going forward. So do we see that this kind of margin, 25% kind of margin in percentage may hold on? Or do you think that there can be some risk to the margin going forward?

**Manish Nuwal:** So like we have shared, on 9-month basis, the EBITDA margin stands at 23.38%, and our guidance for this year is 22% plus. So we feel that we should be able to achieve 22% plus margins for the whole year. And as prices move up, we will definitely take corrective actions, and our defense business is also going to do much, much better than what we are doing.

So if you look at the company as a whole rather than the way you normally think is that you try to understand or evaluate explosives, or mining explosives, or international, then initiating systems, and then defense. For you, it can be 3, 4, 5 sections. But for us, business as a whole is one. And for that, our guidance is 22% plus, and we are quite optimistic that we should be able to achieve plus 22% EBITDA margin in this year also. And as we move forward, definitely, we believe that margins can be a little better.



- Rohan Gupta:** Sir, just one from my side. So we have taken a new market in Kazakhstan and Saudi. Sir, any kind of investment idea you will give that how much money, CapEx we are putting in these new territories?
- Manish Nuwal:** So as a part of our company policy, we donot share the Capex plan for each country or each sector wise. So our annual guidance for this year is INR750 crores. And for next year, we will give you a guidance after our annual results. So that will capture all those investments for India, International market and defense, and maybe some acquisition opportunities which keep coming. So everything is combined and given into as a whole one number.
- Moderator:** The next question is from the line of Harshvardhan Singh from FirstRand Bank India.
- Harshvardhan Singh:** Congratulations for great results and positive upside growth. I just wanted to know the revenue of INR1,500 crores from defense is after considering the order of Pinaka rockets or before?
- Manish Nuwal:** Yes, definitely, we are expecting Pinaka orders to come soon, and our expectation of INR1,500 crores in next financial year is after considering certain portion of Pinaka execution in the next financial year.
- Harshvardhan Singh:** Okay. So it is after considering the Pinaka orders?
- Manish Nuwal:** Yes.
- Harshvardhan Singh:** And I also wanted to know, in financial year '23, the revenue from the defense sector was around 9%. So when we are expecting that the revenue from the defense sector will go to the double digits, like it would be crossing 10% and above?
- Manish Nuwal:** We expect 10% plus share from defense from Q4 onwards, Q4 of this year. We are expecting plus 10% market share in our whole basket from defense from Q4 of this financial year.
- Moderator:** The next question is from the line of Jenish Karia from Antique Stockbroking Limited.
- Jenish Karia:** I just wanted to know if you can share the net debt number as of December?
- Shalinee Mandhana:** Yes, it's around INR850 crores.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you.
- Shalinee Mandhana:** Thank you. We appreciate your participation and interest in our company's performance, and we'll be happy to see you soon in the closing quarter for the year FY '23-'24. Thank you.
- Moderator:** On behalf of Centrum Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.