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November 23, 2020

To,  
The Executive Director  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai  
Symbol: "SOLARINDS"

To,  
The Executive Director  
Listing Department  
BSE Limited  
Floor No. 25, PJ Towers  
Dalal Street  
Mumbai: 400001  
Scrip Code: 532725

**Sub: Transcription of Conference Call with reference to the unaudited Financial Results for the Quarter and Half-Year ended on September 30, 2020 with the Management of the Company.**

Dear Sir,

In furtherance of our letter dated November 10, 2020 we are forwarding herewith a copy of Transcription of Conference call hosted by Motilal Oswal, on Thursday, November 12, 2020 at 11.00 a.m. to discuss the unaudited Financial Results for the quarter and half-year ended on September 30, 2020 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 Limited Q2 FY-21 Earnings Conference Call”

**November 12, 2020**



**MANAGEMENT: MR. NILESH PANPALIYA – GROUP CFO SOLAR INDUSTRIES INDIA LIMITED**  
**MR. SURESH MENON – EXECUTIVE DIRECTOR SOLAR INDUSTRIES INDIA LIMITED**

**MODERATOR: MR. PRATIK SINGH – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**



**Moderator:** Ladies and gentlemen good day and welcome to the Solar Industries India Q2 FY21 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. 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. Pratik Singh. Thank you and over to you sir.

**Pratik Singh:** Thank you. A very good morning. On behalf of Motilal Oswal Financial Services I welcome you all to Solar Industries 2Q FY21 earnings call. From the management we have Mr. Nilesh Panpaliya – Group CFO and Mr. Suresh Menon – Executive Director. I hand over the call to the management for their opening remarks post which we will start with the Q&A. Over to you sir.

**Nilesh Panpaliya:** A very good morning to all value investors, well wishers and potential investors of Soalar Industries India Limited. On behalf of Solar Group, I Nilesh Panpaliya, CFO welcome you all to the earnings call for Quarter 2 of the financial year 2021. As always, 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. Please remember that such statements are only predictions. Actual events or results may differ materially and our website will be updated with all the relevant information.

To begin with I would request our Executive Director, Mr. Suresh Menon, for his opening remarks on the company's performance for the quarter.

**Suresh Menon:** Thank you Nilesh ji. Good morning to all valued investors. We are thrilled to announce that we have achieved an all time high second quarter revenue along with all time quarterly revenue from overseas operations. That was on account of strong recovery of our business during the quarter demonstrated by sequential growth across all our geographies.

We have received an order from Singareni Collieries Company Limited for supply of explosives and initiating system worth Rs. 447 crores to be delivered over the period of 2 years. We have now received the much awaited order for supply of multi-mode hand grenade from Ministry of Defence, Government of India. The contract is worth Rs. 404 crores and is to be delivered over a period of 2 years. This has increased the Defence order book to Rs. 702 crores. It is for the first time in India Defence history that ready to use ammunition orders have been granted to a private organization. In a major boost for make in India and in line with the government's objective of indigenization in the Defence sector the first ever Pinaka Mk1 enhanced rockets fully manufactured by us have been successfully test fired at the firing range in Balasore Orissa.



With our focused efforts along with the ease of business and normalcy returning makes us believe that this year we will do better than FY20 despite the slowdown in the first quarter.

Now I request Mr. Panpaliya to take through the financials.

**Nilesh Panpaliya:**

Thank you Menon ji. So the highlights for the second quarter are, our consolidated revenue is up by 16% that is 587.25 crores compared to 506.56 crores. Our explosives revenue is up by 3%. That is 221.90 crores compared to 216.37 crores. Our explosive volume has increased by 9% that is 69, 194 metric ton compete to 66, 611 metric tons. Our realization of explosives is showing a degrowth by almost 6% that is 32,074 per metric ton compared to 34,015 and that is on account of lower AN prices. The initiating system revenue has reduced by 8% that is 61.22 crores to 66.82 crores as there was our production suffered because of the accident in plant.

Coal India as a percentage of revenue stands at 15% for both Q1 FY21 as well as Q2 FY20. And in Coal India we have seen an increased demand because of the increased production by 10% at OBR removal which has significantly increased by 22.27%. In the total basket the non-Coal India institutional revenue is lower by 19% as the mining operations typically in the Southern part were bogged down due to devastating rains. We have also stopped **(Inaudible)** **5.51** production due to the above reason will be do less coal production and OB removal.

In housing and Infra the revenue is up by 2% from 109 crores to 111 crores, lower than the expected demand and of course COVID was the reason. However now we are witnessing a better pickup from this sector and Q3 and Q4 looks very promising.

The exported overseas revenue has increased by almost 32% that is from 202.34 crores to 266.11 crores and our Defence revenue is up by 27% that is from 44.67 crores to 56.94 crores.

Now when we talk about raw material, our raw material consumption has decreased by 2.55% it is 49.16% compared to 51.71% due to change in product mix and higher overseas end Defence product sale. The employee cost has increased marginally by 0.6% due to increases staff welfare expenses. Other expenses are increased by 1.57%. This is due to the CSR expense which happened in this quarter and some loss on foreign currency fluctuations in exports which were open.

We reported an EBITDA of 125.88 crores against 116.73 crores with a margin of 21.44% compared to 21.07% when we compare a similar quarter previous year. So EBITDA margins are 21.44%. Interest and finance charges, they are at 1.99 % compared to 2.85%, so as a percentage of sales it has gone down by 0.86. Depreciation has increased from 20.85 to 23.85 crores because of the CAPEX done in the previous year and the PBT has increased by 18% when comparing Q2 FY21 with Q2 FY20, we recorded a PBT of 92.23 crores compared to 77.52 crores with a margin increase to 15.71% compared to 15.30%. PAT after minority interest is at 11.10 when we compare with the quarter which was 16.65 and if you remember



this was due to the change in taxation rates by the government last year where the rates of income tax for the corporates were reduced, so that is why the big gap of 16.67, 11.10.

Now let us quickly run through what the half yearly picture looks like; so overall the sales revenue, half yearly is down by 4.8%, domestic, domestic quantity sales is down by 11%. Realization of realization of domestic explosives is down by 7% and as a result revenue from domestic explosives was decreased by 17% and in case of initiating system domestic revenue has decreased by 18%. This is all on account of the COVID which was there in the first quarter. Second quarter as we have mentioned is much where we have achieved the highest ever revenue.

Now coming to the raw material, the raw material cost again half yearly has changed to 51.79 compared to 54.85. This is you due fall in commodity prices and higher exports at higher Defence revenue. The employee cost is showing an increase of 1% and that is due to lower revenue and also because of some staff welfare expenses which has gone into this. Other expenses have gone from 16% to 18.29% and the major reason being lower revenue. EBITDA is very much on our guidance that we have given, 20.2% compared to 20.53%. Interest and finance is decreased. Depreciation has increased from 46.64 crores to 40.36 crores due to increased CAPEX in previous year. We recorded a PBT of 152.95 compared to 176.20 crores with a margin drop to 14.18% compared to 15.64% and the PAT margins of 9.95%, down from 13.8%. So the profit after tax stand at 107.29 crores compared to 155 crores. The CAPEX we have done till 30<sup>th</sup> September is 112 crores and as we had mentioned that the total CAPEX stands for this year is around 210 crores. The total order book as of now is 1745 crores which comprises of Coal India which is around 601 crores, similarly Collieries around 442 crores and Defence order book of 702 crores.

The working capital days have increased from 113 versus reported to 100 days and the net debt has increased by about 100 crores when compared to FY19-20. Our return on equity is 21.16% compared to 19.38% and return on capital employed is 23.16% against 23.19%. So this is all we had to update you on the quarter as well as half yearly. Now we would be happy to take your questions, comments or suggestions maybe, so back to you operator.

**Moderator:** Thank you very much. We will now begin the question and answer session. I would now like to hand the conference over to Mr. Pratik Singh. Thank you and over to you

**Pratik Singh:** Just one small announcement, the management would like to follow a different format of Q&A this time. They would be taking the questions at one go and answer it subsequently. Over to you Archana. Thank you.

**Moderator:** Thank you. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Bharat Gupta from Edelweiss securities.



**Bharat Gupta:** I have couple of questions; first is in regard to the export business. We have seen that during the first half we're seeing good traction of growth in our export and overseas business. So can you help us understand what have been the key driving factors behind such a solid performance and also would it be possible for you to share a geographical break-up on same?

**Moderator:** Thank you. The next question is from the line of Santosh Yellapu from Ashika Stock Broking.

**Santosh Yellapu:** What would it be the overall contract as well as the tendering pipeline across geographies for the company? Second, split up the overseas and exports revenue for H1 and how would the overseas business excluding Ghana? Third thing, from then onwards the multimode hand grenades order book start contributing to the business? fourth question is, in the last con call you had mentioned that the AN prices have declined and have just risen a bit, so how it is that the overall raw material or when I see the rate of explosives that has shown a 5.5% decline in the second quarter? That's it.

**Moderator:** The next question is from the line of Sujit Jain from ASK Investment Managers.

**Sujit Jain:** Gross margins are multi-year high, how sustainable is that given that AN prices have risen? Housing an infra is muted, what is your outlook on that? Receivables in absolute numbers have gone out, so in our calculation working capital days have gone up, your comments on that. You had indicated back this year the overseas subsidiaries which made some large losses South Africa and Australia would be PAT positive, are we on track there? There is the item of 18 crores in OCI, can you explain that? And there is item of impairment loss financial asset in cash flows, this is for H1, 28 crores, if you can explain that? Thank you.

**Moderator:** The next question is from the line of Bharat Shah from ASK Investment Managers.

**Bharat Shah:** Basically would you say that in Solar's journey Defence business and international business, probably this is a defining moment or a watershed year in terms of where we are headed, both on international business as well as the Defence space?

**Moderator:** The next question is from the line of Sagar Naik from Equitas.

**Sagar Naik:** I had all four questions; basically first one is what would be the margins for the Singareni orders? Are they similar or are they lower to the current orders? Second one I actually missed out on the opening remarks, so can you just repeat the details about the Defence order which we have one like the time of execution and what would be the margins for the same? Third one, on the CIL order book front, the contribution from Coal India order book has actually come down, so this is due to the tendering has slowed down overall or have we not participated and won any orders? And the last one is what is driving the exports growth like which geographies and is it new customer acquisitions or new markets that which we have ventured into? That as well from my side. Thank you.



**Moderator:** Sir would you like to answer these questions now?

**Nilesh Panpaliya:** Yeah. We will answer these questions one by one. So as far as so breakup of geography wise exports concerned, so that is on shift. So that would be available for you. As far as key driver for exports is concerned, Menon ji will tell it.

**Suresh Menon:** One of the key drivers for overseas business and Turkey picking up because last year Turkey was down by almost 30% and this year this Turkey business has picked up. There is one new geography added that's Ghana and I think South Africa is also limping back after COVID. So these are the drivers that actually help does in our exported overseas business. Like we said geographical breakup, we don't share with this. If we were to take up new business that is Ghana and tendering is very small. I think this is, new business would be to the tune of 18%. Other than the new business there is an 18% growth.

**Nilesh Panpaliya:** Now we come to the AN prices, so you have seen that realization has come down by 6%, even the AN prices have dropped by around similar that is 6% when you compare quarter-on-quarter. Now in case you are telling that working capital days have gone up, so I think there is some...rather if you compare it has come down from 113 to 100 days. So we will just check up later on, you can mail me those things and I will clarify the same to you.

Now as far as the margins in Singareni are concerned, there pretty much in line with our existing business which we are doing. As far as the Defence order is concerned, the new order which we have received is for supply of multimode hand grenade which is worth around 400 crores, the time of execution is 2 years where we need to supply around 10 lakh pieces of multimode hand grenades.

Now as far as Coal India is concerned it is looking to be small and the basket but we have a actually not reduced our supply to Coal India. We are the largest supplier of explosives to Coal India and we have participated in the tender and we are meeting almost 30% of the requirement. The tender business which is there for 2 years, so in between nothing changes and the terms remain the same. What is driving us in overseas market is yes we are targeting new customers, new market and of course trying to ensure whoever customers we are supplying to be increased our exposure with them, so if they were having 3 to 4 suppliers, we ensured that we increase our share there in.

Now as far as this impairment loss of 28 crores is concerned that is expected credit loss which needs to be provided as per the accounting standards. So that is the impairment loss. And the OCI of 18 crores is on account of FOREX loss which is there, which has taken into account because of the currency movements.

One more thing you had asked was the breakup of exports and overseas. For half year our export stands at 81 crores and overseas revenue is around 393 crores. So total exports and overseas is around 474 crores.





Like you talked about South Africa, so South Africa has been receiving orders. we are being as per our expectations now in line with our expectations though it may take us couple of more months because of whatever mining scenario is there because of COVID. But now we have started receiving substantial orders there and definitely this year the losses will be minimal as far South Africa is concerned. Now as far as Ghana is concerned, the plants there have started operations, started generating revenue and this year itself the plant will be in breakeven. So, no losses coming from Ghana even in the first year of operation.

**Suresh Menon:**

We are expecting housing and infrastructure segment to pick up in the third and the fourth quarter. The first quarter was a washout because of COVID and no labor available for the housing and infrastructure. There has been some pickup in the second quarter; we expect third and fourth quarter to be back to normal.

**Nilesh Panpaliya:**

The last question was that has the base been established for Defence and international business? Yes, it has been established now with the type of setup we have done with the order which has been coming up and the much expected multimode hand grenade order has come up and now there are a few more RFPs which are expected to come up and we are sure and confident that your company will bag substantial orders therein and even our international business, the type of growth we were expecting. So now we are witnessing the same. So for all these years and whatever base we have set up, the consolidation we have done overseas and with the type of efforts we have done to penetrate in those markets are now definitely showing results because of which we are achieving this good growth. We have taken all the efforts to see ourselves that how we can best do in these COVID times which has affected the companies across the mining sectors across the group. But we have been able to emerge very strong from that with all the planning and efforts we did. So that was all I think we have covered all the points.

**Moderator:**

Thank you. We have more questions in the queue. The next question is from the line of Bharat Gupta from Edelweiss Securities.

**Bharat Gupta:**

Just wanted to get a sense in terms of the future outlook is concerned. So our guidance for FY21 stands at flat in comparison to FY20 in both revenue and in bottom line as such. That is my first question. And secondly in regard to the Defence space, so like we have been aggressive in the Defence space and given government policy formation towards Atmanirbhar Bharat, how do you see it has been panning out for us? Are we expecting like further orders in the ensuing quarters apart from the RFCs because we have been doing constant trials with regard to Pinaka missiles as such?

**Moderator:**

The next question is from the line of Amit Zade from Antique Stock Broking.

**Amit Zade:**

My question is regarding our operations in Australia and Indonesia, what is the purpose there? Secondly if you can quantify the one-offs in other expenses for this quarter, the foreign currency loss and the CSR expenses. The two Questions from my side. Thank you.





**Moderator:** The next question is from the line of Subrato Sarkar from Mount Infra Finance.

**Subrato Sarkar:** My Question is like relatively long-term view on Defence like now since we have got this order of grenade; I suppose it's like last 2-3 years we were trying to get it. Now if you can provide a picture like once we have received this order, what can be an opportunity now for us in terms of grenade and in terms of totally ammunition side and grenade side in Defence maybe next 4-5 years, a little bit long-term view? Again like once we have got this Pinaka order is there any chance that we get into other shorter range or other type of missiles and particularly on the basis that apart from Bharat Dynamics we are the first player and definitely first private player to get into this scale. So a broad picture like what can be our opportunity and these orders from a DRDO or what exactly through which the agency we have got these order from which agencies? So it's a broad picture if you can highlight that.

**Moderator:** The next question is from the line of Sujit Jain from ASK Investment Managers.

**Sujit Jain:** So the way we look at working capital if we look at all items ex of cash and probably you look at inventory debtor and payable, so inventory and plus debtor and minus payable. My second question is on the Pinaka orders, when do you see finalization of those orders? Thanks.

**Moderator:** The next question is from the line of Bharat Shah from ASK Investment Managers.

**Bharat Shah:** Nilesh ji this is probably not the best format of a question and answer. I think it is a better way if the questions are dealt with in detail and properly and be done with because this loses the link and not very easy to kind of track it. My question earlier that I raised, what I want to know is not about some RFPs and other things which are more than before. My question is whether this is a year when we are making a decisive departure from the past, our Defence related business has been facing on and off some wins but not in a consistent predictable way. Our efforts to nurturing international markets have been relatively more sustained and there probably it does appear that we are on a more sustainable, predictable, long-term superior growth path. So what I want to know is, do you believe we are at a moment or in a period from here on both on Defence as well as on international business. Can we hope to see relatively far more predictable, sustainable long-term growth? So it will be useful if you answered it in sort of more expansive terms rather than just some RFPs right now.

**Moderator:** Thank you. Over to you Sir.

**Nilesh Panpaliya:** Let me first answer that question upon Defence asked by Bharat bhai on the Defence and the international market and our perspective on long term. So yes we have been trying to enter into Defence last 10 years where from time to time we have got in different-different products in range of propellants, in the range of high energy explosives and then ammunition filling, Piros and this thing and we have been following very strongly with the Defence for all the qualifications and validations of these products under different weather conditions and meeting all the norms and requirements. Now, yes it took us long to start this, to establish this channel



and start the supply to Defence. But now these things like as we move ahead we also had a lot of learning that what are the various criteria and how the Defence goes into because when we started there was no policy as such even to buy from private sector. So starting from a policy making till taking out the tender for a single party or a single supplier were the challenges which we faced over a period of time and eventually after this now we see a strong order book of 702 crores. Now these things with multimode hand grenade and all and even the success of Pinaka rockets were typically based on all the efforts which has gone in on the R&D which has gone in and with all the know-how from different sources to arrive at this. Yes, we are really sure and very confident that here on the base which we were looking at, the growth in the revenue from Defence which we were expecting has started. Order will flow in because there will be a regular requirement of hand grenades from time to time from the Defence, not only it is used during the war times but also for training purposes it is being used by Defence. So a huge demand is there the accuracy of our product is the key delay element is there when we give second timer which we are able to match and deliver in our product was the key in helping us get this order and passing all the tests of Defence. Now this will happen year after year where we will be supplying to the Defence as far as multimode hand grenades is concerned. Pinka yes, we are successful with them as far as and all the 6 products which are supplied to them hit on that target. So now we have to wait for the RFP to come in and where we will again participate and we should be able to supply to them and also this Defence is taking its time because it has an own internal things which they need to do before placing the order. But now this will also add up and even our high energy materials which we were talking now is seeing regular demand. So whatever we had waited so long in Defence from last 10 years is now finally delivering and we will see regular and continued revenue from this sector without any interruption and it's well established now. As far as overseas operations are concerned Menon ji will tell.

**Suresh Menon:**

In the overseas business if you ask what is the future? I think we will be adding a few more new markets as we go forward. The business will definitely grow because South Africa is \$700 million market size we had our share is currently is around 2.5%. So we have a huge potential to grow in South Africa and in Africa is the places that we are in is a billion dollar market and currently we are at around the \$80 million level in African market. We have a huge potential in the country where we have established to grow in this market. Have we reached our peak level, we are at the bottom level in the African market. Turkey we are probably the number one player there and we will probably remain at these levels with a small increases coming year to yet but from Turkey we are actually expanding towards the Balkan. So that's our target now, this year we are the biggest exporter out of Turkey to the Balkan countries. We have Australia, we are setting up the plant in Australia and that's one of the second largest biggest explosive markets in the world. We have a potential there to grow in that market. Our focus there in the Australian in market would be basically initiating systems to start and at a smaller level we'll be assembling. We are focusing ourselves in Indonesia; there was one more question on Indonesia. We are focusing ourselves in Indonesia where we plan put the accessories production facility there. Equipment plant and equipment for **(Inaudible) 37.19** have already



arrived in Indonesia. Under COVID we are not able to move manpower to Indonesia, so as soon as the situation improves we will move our manpower to commission the plant. We have a second plant that's cast booster plant which we have recently signed an agreement for setting up the plant there Indonesia which would probably happen in the next 6 months. So international business we are poised for the growth, we should see good growth coming from the international business from now on.

**Nilesh Panpaliya:**

So for both the international business is concerned so what we were targeting the revenue growth and the way it will shape up, so we have reached those levels and definitely from here on we will see a continuous increase in our revenues from overseas operation as well as Defence.

Now coming to FY20, this year's guidance; so we have mentioned that definitely there will be growth of almost 15% to 20% compared to the previous financial year or it will be in the same range which will be there. So let us see now how the COVID pandemic shapes up. As far as our margins are concerned they are sustainable margins and they will be maintained or achieved, so there is no doubt on that.

So as far as our Defence is concerned, yes definitely Pinaka is not the full and final product which we are going to be. Yes the RFP will come, we are participating in that and post that the orders will flow in. but we are also working on other missiles like Akash we are already supplying the propellants and for other missiles also we will be working on. So as and when we get that opportunity to develop, we will be doing that. As far as the debtors are concerned yes, working capital and we calculate it is surplus minus the creditors but overall if you see debtors that have increased and this is on account of higher sales, increasing sales both in the export market and overseas markets, so definitely when we look at numbers this is going to be on an increased side.

And now you had asked about the two expenses. So the foreign exchange was to the tune 2 crores and the CSR expenses was to the tune of 3.6 crores which has happened in that quarter leading to the change. Yes, we do see opportunities in Defence, we do see opportunities in overseas market and we do see a good comeback in Q3 and Q4 in the housing and infrastructure segment.

**Moderator:**

The next question is from the line of Santosh Yellapu from Ashika Stock Broking.

**Santosh Yellapu:**

I had couple of things, as indicated just now, the Turkey business, how far it is sustainable? Do we see the long term trends up front and how far is the exports to the Balkan opportunity size that we see?

**Nilesh Panpaliya:**

We have seen that Turkey business from last 5 years you are tracking and you have seen a growth and today you are asking how far it is sustainable, so I don't understand.



**Santosh Yellapu:** No sir I just wanted to understand what is the peak market opportunities we are targeting and where we are currently? From that point of view I am asking.

**Nilesh Panpaliya:** Menon ji just explained you; today we are the largest players in Turkey. So what further you are trying to understand because you do call and have all the updates, so why this particular question from you I fail to understand. Santosh you have anything else, please ask.

**Santosh Yellapu:** No sir nothing as of now.

**Moderator:** The next question is from the line of Het Choksey from KR Choksey Investment Managers.

**Het Choksey:** My question is little bit pertinent to the Eurenco partnership. I think we announced the Eurenco partnership and Eurenco being a leader in the energetic materials and the most complex applications. How do you see this partnership work with existing orders which you have on hand? Especially from the DRDO space in terms of Pinaka Bramhos and what is the strategy and the growth outlook as far as this partnership is concerned? How do you see this shaping up? My best wishes to you for a great year ahead. Thank you.

**Moderator:** The next question is from the line of Sujit Jain from ASK Investment Managers.

**Sujit Jain:** My question is on domestic market share. We have the numbers of increase in Coal India business, decrease in institutional business, almost flat housing and infra but in terms of market share how we've panned out and if you can spell out the market share of the #2, #3, #4 players. Thank you.

**Moderator:** The next question is from the line of Abhijit Mitra from ICICI Securities.

**Abhijit Mitra:** First question is on the CAPEX. Given the significant normalization of business activities have happened, I would like to hear what would be your CAPEX guidance for domestic, overseas and Defence business over this year and next and secondly if you can briefly mention that you'd like to claim back the old guidance as far as overseas revenues are concerned, I think earlier we were looking at around 950 crores of topline in FY20 before the sort of slowdown impacted Turkey business. So are we looking that topline we achieved in FY22 is that the new sort of target that we are targeting? Thank you.

**Moderator:** The next question is from the line of Santosh Yellapu from Ashika Stock Broking.

**Santosh Yellapu:** From when the multimode hand grenade order would start contributing to the revenues, one? Second thing on the ISRO side of the business, do we see any milestone touching up from a product readiness point of view or from a housing point of view in FY21-22?

**Moderator:** Thank you. Over to you Nilesh Sir.



**Nilesh Panpaliya:** So as far as Eurenco is concerned, yes, we will definitely keep everyone updated when something materializes on that front. As far as multimode hand grenade is concerned it will be from Q4 we are expecting the revenue to flow in. Again, ISRO whenever there will be any development on that front; it will be updated and informed to all the stakeholders. As far as our CAPEX plan is concerned, yes it is at 210 crores and almost 60-70 crores each of domestic, overseas and for Defence segment. As far as the revenue guidance of 950 crores which has been given for the overseas operations revenue is quite achievable and this year it will be achieved. As far as market share is concerned, Nilesh ji can you just...

**Suresh Menon:** I'm not giving sector wise market share, we currently have roughly 25% market share. I think the #2 player could be in the range of 11%-12% market share, #3 will be less than 10% market share. So this is where we stand as far as market share is concerned. If sector wise, one sector we can share is that Coal India we have 30% market share in Coal India.

**Moderator:** The next question is from the line of Bharat Shah from ASK Investment Managers.

**Bharat Shah:** Defence business, I understand it is more complex business with timelines being longer, polishing the past also was not feasible to the private sector. So many things have changed and have evolved. So I quite understand that preparedness for over the decade to build a base and to make it sustainable strong business. While it is still relatively more evolved stage now than in the past, so near term growth rate size I understand are still harder to forecast. But if we take a view over next 5 years, can we reasonably say that we will grow at healthy double digit number per annum on this business over the time frame with some fluctuations in between?

**Nilesh Panpaliya:** Yes, we will be able to have a double-digit growth in Defence supplies over next 5 years and that is for sure.

**Bharat Shah:** And similarly Suresh ji on International business, overall given our preparedness, many geographies being built manufacturing being established, do you think that now we are at a stage where more confidently, more predictably a healthy double digit kind of a long term growth is something that is possible or is it just an aspiration?

**Suresh Menon:** In overseas let we will be able to get a double-digit growth going forward in the next 5 years. As per our plan we should be able to make that.

**Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Suresh Menon:** Thank each one of you to take out your valuable time and be with us, hear us out on what the company's progress is and give your valuable thoughts, comments, suggestions. As always we are open to you for all your queries and questions and you can definitely connect with us at [investorrelations@solargroup.com](mailto:investorrelations@solargroup.com) and we'll be happy to take your queries and answer you to



*Solar Industries India Limited  
November 12 2020*

the fullest. Once again on behalf of Solar Group, I thank you all for being with us today on this call.

**Moderator:** Thank you. On behalf of Motilal Oswal Financial Services that concludes this conference. Thank you for joining us and you may now disconnect your lines.