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20th May 2016

To,
The Executive Director
Listing Department
Bombay Stock Exchange Limited
Floor no.25, PJ Towers
Dalal Street ,Mumbai – 400 001

To,
The Executive Director
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai.

Scrip Code: 532725

Trading Symbol: "SOLARINDS EQ"

Sub.: Transcription of Conference Call with Investors/Analysts held on May 17, 2016.

Dear Sir,

We are forwarding herewith a copy of Transcription of Conference call with Investors/Analysts held on May 17, 2016.

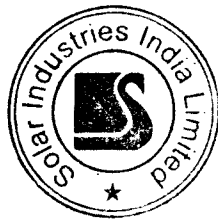
Kindly take the same on record and acknowledge.

Thanking you

Your's Truly

For Solar Industries India Limited

**(Khushboo Pasari)
Company Secretary &
Compliance Officer**



Conference Call Transcript

Solar Industries India Q4FY16 Results May 17, 2016 | 12 Noon IST

Corporate Participants

Mr. Manish Nuwal
Managing Director

Mr. R.D.Vakil
Executive Director

Mr. Nilesh Panpaliya
CFO

Mr. Preetam Batra
Investor Relations

Questions and Answers

Moderator: Ladies and gentlemen good day and welcome to the Solar Industries India Limited Q4FY16 Earnings Conference Call hosted by Edelweiss Securities 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 * and then 0 on your touchtone phone. I now hand the conference over to Mr. Manoj Bahety of Edelweiss Securities Limited. Thank you and over to you sir.

Manoj Bahety Good afternoon everyone. On behalf of Edelweiss I welcome you all to Q4FY16 Earnings Conference Call of Solar Industries. From the management today we have Mr. Manish Nuwal – MD Solar Industries, Mr. R. D. Vakil – Executive Director, Mr. Nilesh Panpaliya – CFO and Mr. Preetam Batra – Vice President, Investor Relations. May I request the management to give us a brief overview of the performance which will be followed by Q&A. Over to you sir.

Nilesh Panpaliya Good afternoon. This is Nilesh Panpaliya – CFO, Solar Industries India Limited and welcome you all to this Investor Conference. For the quarter-ended March 31, 2016 the figures are the gross Sales increased by 11.14% year on year that is to Rs. 465.53 crores in Q4FY16 from Rs. 418.88 crores in Q4FY15. The EBITDA stands at 20.35% as compared to 18.15% i.e. it rose by almost 24.27% to Rs. 87.28 crores in Q4 FY16 from Rs. 70.24 crores in Q4FY15. The PBT rose to Rs. 72.88 crores in Q4FY16 when compared to Rs. 55.56 crores, a growth of almost 31.2%. The PBT stands at 17%. Because of the increase of tax rates the net profit after tax stands at 11.24% in Q4FY16 compared to 10.36% in Q4FY15. The figures for net profit are Rs. 48.22 crores for Q4FY16 as compared to 40.10 crores in Q4FY15. So post this quarterly result when we look at the year end and see the overall year the gross sale has increased by almost 14% to Rs. 1658.23 crores in FY16 from Rs. 1456.46 crores of FY15. The EBITDA improved by almost 18.31% year on year basis to Rs. 309.88 crores in FY16 from Rs. 261.92 crores in FY15 or you can say the EBITDA margin stands at 20.22% in FY16 compared to 19.47% in FY15. Similarly, the PBT has reached a figure of Rs. 256.37 crores i.e. 16.73 as percentage of sales and the figure is of Rs. 212.62 crores, a growth of almost 20.58%. And as I said that because of the increase in tax rate from 22% to 30% the net profit after minority tax has increased by 12.71% to Rs. 166.14 crores for FY16 from Rs. 147.41 crores in FY15. So these were broadly the financial figures for the year.

For the entire year we did a CAPEX of almost Rs. 135 crores. When we talk about the various customer bifurcations we have Coal India standing at 26.11% compared to 30.05% in the previous year, Non - Coal India and institution stands at 19.73% compared to 15.99% in previous year. Infrastructure and

construction stands at 25.02% of the total revenue compared to 26.15% and our export & overseas stands at 28.68% compared to 27.8% in the previous year. We have a small contribution from defense of just 0.46% this year and as you are all aware in the coming year we are expecting a turnover of almost Rs. 80 crores from defense.

Now if we talk about the balance sheet figures, our next fixed assets have gone to Rs. 749 crores from Rs. 646 crores. The total capital employed is Rs. 1170 crores compared to Rs. 1064 crores in the previous year based on which if you calculate the return of capital employed on EBITDA it is 26.5% and return on net worth on EBITDA level is almost 35.7%. The inventory days has reduced from 78 to 68 days. The creditors have gone up from 30 days to 39 days. Debtor days stands at 58 days compared to 48 days in the previous year. However, if you talk about the domestic debtors they are at the same level as 43 days. However, because of the increased exports and overseas the debtor days are seen an increase of 10 days. When we talk about the total borrowings of the company, our total debt in FY16 is close to Rs. 325 crores compared to Rs. 320 crores in FY15 which was almost Rs. 423 crores in FY14. So we have been fairly reducing our debt and we have improved our working capital days as well, which has resulted into lowering of this debt. The net debt stands at almost Rs. 257.61 crores as compared to Rs. 253.40 crores and the net debt equity ratio is 0.3.

Now when we talk about the FOREX exposure of the company, today the total exposure stands at \$38.32 million, out of which almost \$29.27 million is hedged against the balance we have natural hedge as we have an open export position to the tune of \$15 million. We have been informing that for this year we have a firm order of around Rs. 80 crores from the defense which is for HMX and its various compounds. They are from various ordinance factories like Jabalpur and TBRL, DRDL Hyderabad. We have warhead filling from BDL Hyderabad and of course from HEMRL and TBRL again. So this is as far as the numbers in this quarter are concerned. I think going ahead in this current year we have planned our budgeted capital expenditure of approximately Rs. 200 crores for this year. Out of which we will be using Rs. 100 crores for expanding our explosive division domestically and then for overseas we have set aside Rs. 50 crores and for defense we have reserved around Rs. 50 crores. So this is as far as whatever we have in the fourth quarter result and yearly figures.

So now we can have it open for the question and answer session.

Moderator Thank you sir. Ladies & gentlemen we will now begin the question and answer session. We have our first question from the line of Kashyap Jhaveri from Capital 72 Advisors. Please go ahead.

Kashyap Jhaveri Just wanted to check in the opening remarks you mentioned about the defense turnover in this quarter, how much was there?

Nilesh Panpaliya That was Rs. 80 crores.

Kashyap Jhaveri In this quarter?

Nilesh Panpaliya In this full year we did around Rs. 8 crores.



Kashyap Jhaveri And we have firm orders of about Rs. 80 crores in hand. Now when you say firm orders what could be the execution timeline?

Nilesh Panpaliya In the entire year, one year is the execution time. It will start from the second quarter. Some portion will go in June then in the second quarter, third quarter and fourth quarter. And from second quarter it will go in full swing.

Kashyap Jhaveri Generally in let us say last about 6 months' government outflow of orders in defense, how has that been?

Nilesh Panpaliya Government has been talking about giving orders in defense but in our sector this is what we have, maximum order whatever is possible.

Kashyap Jhaveri Any further orders in last 6 months which have come up?

Nilesh Panpaliya We are expecting a few more in another 2 to 3 months. Probably update I will later on but there are few things which are going to come up.

Moderator We have next question from the line of Dhaval Dama from Equirus Capital Private Limited. Please go ahead.

Dhaval Dama Sir just wanted to ask you like you mentioned that this year you would be doing Rs. 100 crores of CAPEX for the domestic business, so would be keen to know like say in which product categories are we looking to expand the capacities? It is bulk or cartridge or some other products we are looking to add? And would be great if you could share the number also that by the end of this year what would be our capacity in those segments?

Nilesh Panpaliya We will be doing this capacity expansion in domestic and all, that will be in bulk, cartridge and initiative system, detonators.

Dhaval Dama Sir so if I am not wrong our installed capacity today in bulk would be something close to 1,60,000 tons.

Nilesh Panpaliya No, no it would be like 275,000 tons.

Dhaval Dama So if I am not wrong it is a license capacity, right?

Nilesh Panpaliya It is a license capacity. Our installed capacity is close to 2,00,000 tons.

Dhaval Dama So we would be further ramping up on that side also?

Nilesh Panpaliya We will be taking that to almost 3,00,000 tons.

Dhaval Dama And sir second thing I would also like to know like say if I am not wrong we are looking like say you mentioned that 50 crores for the international business so by when would that be operational and what product are we looking and what geography also?

Nilesh Panpaliya We will be setting this plant in South Africa which will be operational in second half of this year and the product which we will be manufacturing is bulk explosive.

Dhaval Dama And sir one more thing like say this quarter we had a better currency hit because of which our top-line also looked lower, would be great if



you could share that number also what could be the hit because of currency fluctuation?

Nilesh Panpaliya If we talk about currency fluctuation Turkish Lira has devaluated by 27%. Zambian Kwacha has devaluated by 51%, the Nigerian Naira has devaluated by 15%. Overall impact if we talk for this entire year has been close to around Rs. 65 crores.

Dhaval Dama And sir one more thing like our receivables have gone up quite significantly, so is it because sales happening during the last quarter or would it get normalized during the next year?

Nilesh Panpaliya It will get normalized during the next year. It was more on account of increased exposure in the last quarter.

Moderator We have the next question from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi Sir how much margin you expect from defense project and on today how much order you are having in your hand which can be updated beyond 2017?

Nilesh Panpaliya We are having orders of almost Rs. 80 crores for the present year.

Ravi Naredi 80 crores is okay but it will be implemented in 2017 only, beyond that you do not have any order?

Nilesh Panpaliya Beyond that order will flow in the fourth quarter once we start supplying to them then they will give further orders in the coming years.

Ravi Naredi And how much margin in defense?

Nilesh Panpaliya Defense we have around 20% plus margins.

Ravi Naredi In cartridge business what do you expect in the current year because everywhere the Coal India production is down, infrastructure has not picked up. So what is your opinion about cartridge business in current year?

Nilesh Panpaliya We are fairly bullish from the cartridge business. Coal India we have seen increased production of 9% and for your information there has been a fresh tender also floated by Coal India for the additional quantity for explosive requirements. And in fact their focus is more on over burden removal in Coal India for which maximum explosives is required. And definitely when we talk about cartridge explosives another sector is housing and construction, so there will be a lot of announcements for road construction where projects are starting which will lead to an increased demand for cartridge and with a lot of these housing projects which are being taken up by the state governments. There also we will see an increased demand for explosives.

Ravi Naredi So in real term the infrastructure project has been getting shaped in current year?

Nilesh Panpaliya Yes, Yes definitely. Road construction has come down. It was virtually on a halt. Increase from there to say 10 km, now it has 20 km per day. So definitely there is an increase and next year the target is 30 km.

Ravi Naredi So you think it will be implemented soon?

Nilesh Panpaliya Yes, it has to.

Ravi Naredi You are not doing uniformly con-call. Last year you have made in last financial year in 2015 then again after one year the con-call is there. So if after every quarter you make it, it will be convenient for us.

Nilesh Panpaliya We will definitely consider your advice and request.

Moderator We have the next question from the line of Gaurav Maheshwari from Unilazer Ventures Limited. Please go ahead.

Gaurav Maheshwari Sir a couple of questions. First of all, you have not mentioned anything on the propellant side of it. So if you can just give some dope on that?

Nilesh Panpaliya Propellant as we said for this year we have order for Akash Propellant, which is 300 is number. So roughly around Rs. 24 crores of order we have for propellant, we will be starting this up.

Gaurav Maheshwari So this is over and above the 80 odd crores or this is included in that?

Nilesh Panpaliya It includes that.

Gaurav Maheshwari Okay, so approximately 56 odd crores would be for HMX?

Nilesh Panpaliya HMX and other firewood and igniters.

Gaurav Maheshwari Okay, so in that case do we need to expand their capacity for HMX?

Nilesh Panpaliya No, presently at this stage we are definitely expanding our capacity for HMX.

Gaurav Maheshwari Okay and the CAPEX that you have mentioned of Rs. 50 crores that you are primarily going for that, right?

Nilesh Panpaliya Right.

Gaurav Maheshwari Okay. Second question was pertaining to the international sales, so it stood at Rs. 365 odd crores, would you be able to give a breakup on Nigeria, Zambia and Turkish sales either in INR terms or a constant currency basis?

Nilesh Panpaliya I will give you those figures later.

Gaurav Maheshwari On the cartridge side Q4 saw a large growth. So can you explain? Is this a normalized number now because we have seen that improving from almost 20,000 metric tons to 30,000 metric tons. So would this be the new normal because the growth has been phenomenal on a quarter on quarter basis?

Nilesh Panpaliya See the cartridge has grown when you compare to around 24,000 has been the quantity compared to similar quarter. Now it is 30,012 quantitative growth. So because of that as we said increased in well thinking activity and infrastructure that resulted in the growth for this cartridge



explosives.

Gaurav Maheshwari And do we assume this to be the new normal going ahead as well?

Nilesh Panpaliya Every fourth quarter has been the quarter with highest number and with now this infrastructure and housing project in line we are definitely in but in cartridge we expect 10% growth whereas it is the bulk segment where we see expect 25% growth.

Gaurav Maheshwari And since you are saying that you are expanding your bulk explosive capacity from 2 lakh to 3 lakh, so how many more pump trucks do we need to buy in that case?

Nilesh Panpaliya Right now we do not have that exact number calculation of pump trucks.

Gaurav Maheshwari But all that is included in the CAPEX numbers?

Nilesh Panpaliya That is all included in that.

Gaurav Maheshwari And on the other minerals apart from coal can you just give some market scenario as to how is it panning out because we are expanding iron ore and other minerals so are we getting traction there?

R. D. Vakil What we look at their scenario for the coming year, we expect that the cement production will go up by about 10%. Currently it is about 280 million tons and with the housing construction peaking up in almost all states we expect a 10% to 12% increase cement which would result in about 10% growth in limestone production. So that will be a big boost. As you know steel industry has been sluggish. Worldwide there is a depression in steel. The iron ore is not a very major component of our explosive business though but iron ore production from 129 million tons is likely to go up by at least 20 million tons in the coming year which is nowhere near the previous production of 280 million tons. Because of this stagnation steel prices have gone down drastically worldwide. So steel production is expected to be about 90 million tons this year which is almost same as the steel production last year. So we expect that this will grow only after the situation eases in China as far as steel is concerned. Iron ore is going to be stagnant for some more time but what we look at the great push is the infrastructure segment. Lately the housing, road constructions are the two pointers which are giving a big boost to the explosive industry. We have seen that the road construction which has now reached about 20 km a day already provisions have been made, NHAI has released contracts for 8000 km, NHDCL has released contracts for another 7000 km. So all in all we expect that the road construction will go up to at least 30 km a day in the coming year and reach a 40 km day in the subsequent years. So this is a segment which has a big demand for the whole package then explosives and initiatives. The other aspect is the housing construction. Now government has planned to construct 4.5 lakh houses by 2022. So this is a huge requirement of aggregate gravel for house construction and that will impact both cement as well as quarrying aggregate which are big consumers of explosives. So that is how we see the scenario apart from coal being the main driver. The projection for next year is



9% growth in Coal India and Singareni Collieries have taken a 18% growth for the next year. All and all we see quite a future in demand increase in the coming year.

Moderator We have the next question from the line of Pankaj Bodade from Axis Capital. Please go ahead.

Pankaj Bodade Just wanted to understand as you mentioned that we are expanding our bulk explosive capacity by almost 50% and we are utilizing our cartridge explosive capacity by more than 100%. What gives us confidence that our increased capacity in bulk explosive would be to utilize it to its optimum capacity? And are these two capacities fungible?

Nilesh Panpaliya Presently we have that we already increased our capacity to 1,25,000 so based on the increased demand, the way Indian economy is shaping up, when we are seeing the increase in the Coal India production as Mr. Vakil explained to you that gives us the feeling that there will be a demand for these products and our capacities will be utilized. Based on which we are doing this. As far as fungibility is concerned between products we can of course move the licenses here in whatever we have set up this is it.

Pankaj Bodade I did not get the last point.

Nilesh Panpaliya The capacities are not fungible. You can shift the license of cartridge to bulk but not the capacity.

Pankaj Bodade And sir how much CAPEX did we do till date for defense and what are the additional CAPEX which we will be doing on the same?

Nilesh Panpaliya Till date we have done 200 crores of CAPEX on defense and may be another 50 crores in this coming year.

Pankaj Bodade Okay, so together it will be around 250.

Nilesh Panpaliya At the end of this year.

Pankaj Bodade Right, so in first year we did just 8 crores and next year we would be doing around Rs. 80 odd crores. So when do we see it utilize to the optimum capacity?

Nilesh Panpaliya Another 3 to 4 years when we see it getting utilized.

Moderator We have the next question from the line of Dhaval Dama from Equirus Capital Private Limited. Please go ahead.

Dhaval Dama Just wanted to ask you now if I am not wrong we had got the Singareni tender for something close to Rs. 250 crores. So would like to know how much quantum is still remaining and when would the new tender be also opening up?

Nilesh Panpaliya We have received definitely the orders for Singareni Collieries. But next month we will get it from them. That is the right way to comment on that.

Dhaval Dama So can you just give us a broad picture like say whether you expect a higher quantum or not, I am not talking about the absolute numbers.



Nilesh Panpaliya Yes a higher quantum and a very good order from Singareni Collieries.

Moderator We have the question from the line of Mr. Manoj Bahety from Edelweiss. Please go ahead.

Manoj Bahety My first question is to Mr. Manish, just wanted to get some perspective on the defense business ramp up especially Pinaka. So where do you see that the order or tendering is getting stuck and how do you see this propellant business to ramp up over the next 2 to 3 years.

Manish Nuwal As far as this defense business is concerned like we have shared in our last conference call also that at the moment there are capacity limitation which is there in the ordinance factories to integrate the complete rockets of Pinaka. With those bottlenecks we have started to work on complete integration of Pinaka and this facility will be live in next 3 to 4 months' time. We were expecting it to finish basically in this first quarter itself but due to some technical bottleneck it will be in next quarter. Once we finish these facilities then we are expecting, then we will participate with the army or ordinance factory that we should get the complete Pinaka rockets order.

Manoj Bahety So right now the bottleneck is that ordinance factory level where they may be having a capacity constraint that is why the propellant orders are not showing in and once we start doing that integration at our side, sir if you can take us through the broad steps like once your facility is ready whether again it has to go through some technical or commercial approval and thereafter the order starts flowing in. Mainly I wanted to guess that from today what is the optimistic estimation of the order flows to us?

Manish Nuwal We expect commercial orders flowing in next year only 2017-18.

Manoj Bahety And whether this new facility which will involve the integration of the complete rocket, that also has to undergo some technical approval?

Manish Nuwal Yes, yes definitely because first stage is to set up some facility getting a technical approval and evaluations. Just that we need some time that is why I said that in next quarter we will be ready with all those things.

Manoj Bahety And this integration also involves some technology transfer from DRDO like the way it has happened for our propellant facility?

Manish Nuwal Yes, same process.

Manoj Bahety So the technology transfer and everything has happened, right. Now we are already in the construction phase.

Manish Nuwal I have not said that. I have said that once we set up the facility then technology transfer will take place.

Manoj Bahety Got it. The second thing is I just wanted to understand that what is the breakeven utilization level of our defense project like we have incurred around Rs. 200 crores of CAPEX, Rs. 50 crores we are going to incur this year. So to absorb the overheads what is the minimum level of the turnover



which we should achieve from the defense project?

Manish Nuwal We have not done that exact calculation as to what level of breakeven point will be there. Definitely by and large if we reach to around Rs. 150 crores level our unit is self-sufficient.

Manoj Bahety At Rs. 150 crores level the unit is self-sufficient at cash flow level or at PAT level?

Manish Nuwal At cash flow level.

Manoj Bahety My second question is mainly on our existing business if you can talk a little bit on our market share and as we were mentioning that on the infra side we are seeing some momentum, so if we can also give a broad perspective that what is our revenue mix between infra and mining as well as market share in both the segments.

Manish Nuwal It will be very difficult to give the market share at this stage because the official data is yet to be released. Once it is out then we will update you on market share perspective but as far as business perspective is concerned like Mr. Vakil has said that there is bullishness in Coal India as far as mining is concerned only from coal mining perspective but definitely they are ramping up overburden removal at a much faster pace. So there is a big jump in demand for explosives in coal mining. As far as this infrastructure is concerned definitely we have seen there is a jump in our quantity of explosives for that segment. Overall if you see the package explosives and bulk explosives there is a decent announcement in this market and we expect that once this housing and infrastructure both are in place we expect that market will definitely grow more than 12%. We are targeting more than 20% volume rise every year.

Manoj Bahety Is it possible to share our revenue mix not the market share between infrastructure and mining?

Manish Nuwal Nilesh has already shared with you that we have basically four segments which is our coal mining is around 26%. Then in Coal India there are other mining customer which is around 20%. If you look at the infrastructure, housing and well syncing that is 25%. Basically 29% goes for outside India market. Our business is well divided into four segments.

Moderator We have next question from the line of Govind Agarwal from Alpha Accurate Advisors. Please go ahead.

Govind Agarwal Sir you mentioned that you are quite bullish on demand from Coal India but off late we have seen the production ramped down from Coal India particularly in last 1 or 2 months due to the paucity of demand from power plants. Now that be so can you please elaborate a little more and also if you see the international prices continue to remain low. So in that scenario can you elaborate a little more as to what is the kind of volume growth you are expecting from Coal India?

R.D.Vakil I think today Piyush Goyal has given an interview in Economic-Times. There are 2-3 factors. One is that it has stocks at about 38mn MT and there is a 27 days stocks in the power houses, whatever level of stocks. There



are two issues. One is that the plant load factor of the power plants it has come down to about 66%. Now this is a major concern and now Piyush Goyal has said that his immediate target is to see that the plant load factor goes up to 90%. Even if it goes up by 5% increase, plant load factor there would again be crisis of coal supply to power plant. That is one issue. So this aspect has been tackled by the government and so overall even Coal India Chairman has made an announcement that there is going to be no cut down in production and this off take is bound to increase in the coming months. The other thing that with which the ministry is tackling is the import of coal which is about 260 million tons last year has come down drastically. There is a 20% drop in the import and that has saved us 28,000 crores of foreign exchange. Our target is to bring down this in this coming year to 50,000 tons saving in the import target. So this is bound to rationalize the supply and stock position of Coal India. If you look at Coal India's target also for the coming year, they have taken a 9% increase over the existing and importantly they have taken a 20% increase in the overburden. They are going deeper and deeper and more of waste crop has to be removed. So that is all helping it. If you look at Singareni Collieries they have shown a 16% increase last year in coal production and they have taken again a 15% increased target for the coming year. And 17% increase in OB removal. So this is all where the demand for explosives is likely to escalate. Even in the current year they found that the explosives what they had tendered earlier in Coal India is not enough so they have gone for additional tender for the current year. We do not see that there will be any down slides in production as far as coal is concerned.

Govind Agarwal So you will be comfortable with at least 10-12% volume growth from Coal India?

R.D. Vakil Yes, this is what we are looking at.

Govind Agarwal Second question is with regard to, because if I recall right couple of quarters back the management had mentioned that there was a pricing pressure as the demand was a little less. So how is the competitive scenario in explosives now?

Nilesh Panpaliya Like we shared in our last conference call that in the last Coal India tender the prices have fallen from more than 15% on an average and that competitive pressure is still going on. But with the fall in prices definitely there is a fall in our raw material prices as well. So if we look at the overall scenario definitely there is a pressure but definitely we are in a position to absorb all this pressure and still going ahead.

Govind Agarwal Sir you mentioned about 12% volume growth for the industry and company doing around 20%. So do you expect this starting this year or still that is some time away?

Nilesh Panpaliya Even in this 2015-16 our expectation is that we have grown more than the industry growth rate like our volume if you look at the total volume of package and bulk our growth is around 23%. And I do not think that industry would have grown by around 30%. Definitely it would not be more than

10-12% and our volume growth is more than the industry average and we are quite positive that we will keep the same momentum in the next 3-4 years to increase our market shares.

Govind Agarwal Do you expect any price increases this year?

Nilesh Panpaliya This year already all tenders are in place, so there is no chance of price rise.

Moderator We have a follow-on question from the line of Pankaj Bodade from Axis Securities, please go ahead sir.

Pankaj Bodade Just wanted to know what would be the peak revenue that we would be able to draw from the Rs. 250 crores of CAPEX we did in defense and second question I wanted to understand what is the status of the Nalanda project which we had bagged earlier?

Nilesh Panpaliya As far as Nalanda is concerned there is no progress because the government has scrapped the tender we have not backed, we had participated in the tender.

Pankaj Bodade We were to erect a firm company for them.

Nilesh Panpaliya We invested in the tender where we had to erect a plant but now the government has not progressed and basically scrapped the tender and they will be coming out with a new tender. As far as the revenue generation from the Rs. 250 crores CAPEX we did from them, we can generate a revenue of around Rs. 500 crores plus per year.

Pankaj Bodade And what would be the margin for defense?

Nilesh Panpaliya (+20%).

Moderator We have a next follow-on question from the line of Manoj Bahety from Edelweiss. Please go ahead.

Manoj Bahety There is just a follow-on on the defense side, peak revenue you mentioned 500 crores, right?

Nilesh Panpaliya Yes.

Manoj Bahety Earlier the number used to be 700 to 800.

Nilesh Panpaliya It is still there if you do a CAPEX of 75 crores instead of 50, 25 crores additional will give us more propellant to initiate the revenue to 800 crores.

Manoj Bahety Secondly some time back there was one press release where we had mentioned some CAPEX from the BMCS side. Any update on that? I think that CAPEX was supposed to happen in a modular form or in a gradual manner. So any update on that side?

Nilesh Panpaliya We have said that we have signed an agreement with state government that we will be setting up the facility for BMCS, post we get all the clearances. As far as our commitment to set we are there. For some government clearances which are still pending on BMCS, once they start we get those clearances we will definitely start and we will update you all on that.



Manoj Bahety And sir if those approval comes what kind of peak CAPEX will it incur? Would you like to share details now or you will share at a later date?

Nilesh Panpaliya As and when we get how much what capacity they want us to set up it will be all based on that.

Manoj Bahety And it will be like similar kind of margins which you are saying 20% plus kind of margins, right?

Nilesh Panpaliya Right.

Moderator We have a follow-on question from the line of Mr. Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi Sir you are telling Coal India more order flowing in, while in actual position Coal India production is down in April 2016, this year, so will you comment anything on this?

Nilesh Panpaliya No, we cannot comment on this.

Ravi Naredi But you are telling that more -

Nilesh Panpaliya Yes, they have already floated a tender which is publicly it was announced they are ready to make more. As now Mr. Vakil explained a few minutes back that how and why the Coal India Production will be improving but this was factor....

Moderator We have a next question from the line of Govind Agarwal from Alpha Accurate Advisors. Please go ahead.

Govind Agarwal You mentioned about gross debt at 325 crores at 31st March, 2016, so what is the average cost of debt last year

Nilesh Panpaliya 7.5%.

Govind Agarwal And what is the next year end debt you expect?

Nilesh Panpaliya Next year this debt may increase by another Rs. 50 crores.

Govind Agarwal So 375?

Nilesh Panpaliya Yes.

Govind Agarwal And cost should come down?

Nilesh Panpaliya No, it will be at the same cost.

Govind Agarwal Same cost?

Nilesh Panpaliya Yes.

Govind Agarwal And tax rate you said is fourth quarter 30%.

Nilesh Panpaliya That is for the entire year henceforth.

Moderator Ladies & gentlemen that was the last question and I will hand the floor back to Mr. Manoj Bahety for closing comments. Thank you and over to you sir.

Manoj Bahety Thanks everyone and on behalf of Edelweiss I would like to thank Mr. Manish, Mr. Vakil, Mr. Nilesh and Preetam to be on the call and I would like to hand over the call to you for any closing comments if any.



Nilesh Panpaliya Thank you friends for this patient hearing. I hope we have given you all the information which is needed. In case if you still have some questions left you can contact us directly or through Edelweiss whatever is convenient to you. That is all from Nagpur Solar Industries. Thank you so much.

Moderator Thank you sir. On behalf of Edelweiss Securities Limited that concludes this conference. Thanks for joining us. You may now disconnect your lines.

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