

November 14, 2025

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

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

Subject: Transcription of Conference Call with reference to the Unaudited Financial Results for the quarter and half year ended on September 30, 2025 with the Management of the Company.

Dear Sir/Madam,

Further to our letter dated November 4, 2025 we are forwarding herewith a copy of Transcription of Conference Call hosted by **Antique Stock Broking Limited** on **Tuesday, November 11, 2025 at 11.00 a.m. IST** to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2025 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



Power to Propel

Solar Industries India Limited

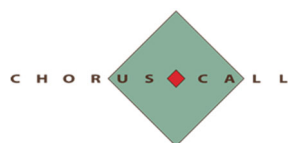
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**“Solar Industries India Limited
Q2 & H1 FY26 Post Results Conference Call”**

November 11, 2025



**MANAGEMENT: MR. MANISH NUWAL – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – SOLAR INDUSTRIES
INDIA LIMITED
MR. MONEESH AGRAWAL – JOINT CHIEF FINANCIAL
OFFICER – SOLAR INDUSTRIES INDIA LIMITED
MS. SHALINEE MANDHANA – JOINT CHIEF FINANCIAL
OFFICER – SOLAR INDUSTRIES INDIA LIMITED
MS. AANCHAL KEWLANI – SENIOR FINANCE
MANAGER AND INVESTOR RELATIONS – SOLAR
INDUSTRIES INDIA LIMITED**

**MODERATOR: MR. SANJEEV ZARBADE – ANTIQUE STOCK BROKING
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Solar Industries India Limited Q2 and H1 FY26 Post Results Conference Call hosted by Antique Stock Broking 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjeev Zarbade from Antique Stock Broking Limited. Thank you, and over to you, sir.

Sanjeev Zarbade: Thank you, operator. On behalf of Antique Stock Broking, I would like to welcome all the participants in the Q2 FY26 and H1 FY26 Conference Call of Solar Industries Limited. Today, we have with us from the senior management of Solar Industries, Mr. Manish Nuwal, Managing Director and CEO; Mr. Moneesh Agrawal, Joint CFO; Ms. Shalinee Mandhana, Joint CFO; and Ms. Aanchal Kewlani, Senior Finance Manager and Investor Relations. So without taking further time, I would like to hand over the call to Ms. Aanchal Kewlani. Over to you, Ms. Aanchal.

Aanchal Kewlani: Thank you so much, Sanjeev. A very good morning to our dear stakeholders and well wishes. My name is Aanchal, and I would like to welcome you all to Solar Industries Second Quarter and Half Yearly Conference Call for FY '26. This call's recording, including the transcript, will be available on the site. The financial statements, quarterly fact sheets investor presentation and press release are also available on our website.

To begin with, I would like to remind you that during this call, we might make projections or other forward-looking statements regarding future events and about the future financial performance. Please remember that such statements are only predictions. Actual events and results may differ materially. And our website will be updated with all relevant information timely. Now why would Solar's MD and CEO, Mr. Manish ji Nuwal for his opening remarks on the company's performance followed by question and answer session.

Manish Nuwal: Thank you, Aanchal. Dear esteemed investors, a very good morning. I, Manish Nuwal, welcome to you for this earnings call for second quarter ended 30th September 2025. The second quarter of this year once again brings us the privilege of announcing record achievements across key metrics.

We are pleased to announce that we have achieved our highest ever quarterly EBITDA of INR582 crores and profit after tax of INR361 crores in quarter 2 and INR1,146 crores and INR714 crores in half year, respectively. The company's turnover stood at INR2,082 crores and INR4,237 crores, registering an increase of 21% and 25% in quarter 2 and half year of the previous fiscal year.

The results reflects our strong financial performance and operational success despite of sluggishness in the domestic market due to prolonged monsoon activities and operational challenges. We are pleased to report that our defense revenue crossed INR500 crores in this

quarter and INR900 crores in the half year, reflecting a year-on-year growth of 57% and 79%, respectively.

Company's portfolio expansions and ability to deliver quality products has gained strong demand from India and international defense markets. Solar Group is strategically positioning itself as a global supply chain partner in the defense sector, a strong defense order book of around INR15,500 crores and the beginning of Pinaka rocket commercial sales starting in the third quarter provides us the confidence to achieve our annual targets.

Our international business continues to thrive with a strong growth momentum across key markets. This quarter, our international business has recorded a year-on-year growth of 21%. And in terms of quarterly numbers, it stands at INR960 crores, recording the highest ever quarterly sales. It is achieved on the backdrop of our continuous efforts and focus on penetrating new markets globally.

By strategically diversifying our product offerings and geographically de-risking our operations, we have built a robust and adaptable business model capable of navigating dynamic market conditions and external pressures effectively. We can see these efforts in our customer sales breakup.

Heavy and prolonged monsoons, which, in some cases, were the heaviest in last many years, led to a considerable drop in the coal mining activity and has impacted the demand of explosives in this quarter. Amid a quarter characterized by macroeconomic volatility, geopolitical frictions, the persistent uncertainty of tariff and record rains impacting mining and infra verticals.

We delivered good results with quarter 3 marking the beginning of our new growth phase in defense and the current -- and with the current order book, we are optimistic of reaching our FY '26 guidance. We remain committed to a high-performance culture, which helps the company to create value for our stakeholders. Thank you for your continued trust and partnership with us. Thank you. Over to Aanchal, for presenting the financials in detail.

Aanchal Kewlani:

Thank you so much, sir. Coming to the quarter results, we have shared the investor presentation carrying all necessary information for your [inaudible 0:06:50]. Key highlights for the quarter and half year will be run simultaneously to save time. The consolidated revenue for the quarter is INR2,082 crores versus INR1,716 crores. And for the half year, it is INR4,237 crores versus INR3,401 crores.

The percentage of the sectors in the customer basket are as follows: CIL is down in the basket to 8% from 10%, non-CIL and institutional is at 13%, which is intact. HNI is at 8% from 11% in the basket due to the reasons mentioned by our MD, sir. International business is almost similar in the basket at 46% from 47% and defense has massively increased to 24% from 19% in the basket.

In the half yearly basket, we see CIL is down in the basket to 9% from 12%, non-CIL institutional is intact at 15%. HNI is at 11% from 16% in the basket. International business is almost similar

at 42% from 41% and defense, yet again gaining prominent position has increased to 22% from 15%.

Coming to the cost breakup. Raw material consumption for the quarter stands at INR988 crores versus INR843 crores and for half year, it stands at INR2,082 crores versus INR1,713 crores. Employee cost for the quarter stands at INR195 crores versus INR145 crores. And for half year, it stands at INR378 crores versus INR276 crores.

Coming to the other expenses for the quarter, that stands at INR347 crores versus INR283 crores and for half year, it stands at INR688 crores versus INR518 crores. We reported EBITDA at INR582 crores versus INR475 crores in the same quarter previous year. We reported half yearly EBITDA at INR1,146 crores versus INR949 crores. Interest and finance cost is at the same level, stands at INR31 crores versus INR30 crores and for half year stands at INR58 crores versus INR57 crores.

Depreciation stands at INR61 crores versus INR44 crores due to increased capex. Half yearly cost stands at INR117 crores versus INR84 crores. PBT stands at INR490 crores versus INR407 crores. And for the half year, it stands at INR971 crores versus INR808 crores. We reported highest ever quarterly PAT, which stands at INR361 crores versus INR304 crores.

And for half year, it stands at INR714 crores against INR604 crores in the previous year. These were the number updates for the quarter and half year. This is all from our side 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 will now begin the question and answer session. The first question is from the line of Amit Dixit from Goldman Sachs.

Amit Dixit: Congratulations for a good set of numbers. A couple of questions from my side. The first one is essentially on defense, where you have mentioned in the prepared remarks that Q3 would actually herald the new growth phase. So just wanted to understand a bit more on this, what new developments can we expect going ahead? And of course, the state of ammunition, global ammunition industry as you see it. So that is my first question?

Manish Nuwal: You can continue and ask the second question and third question, so we will answer at one go.

Amit Dixit: Okay, sir. The second question is on the international business. Again, congratulations for a very strong set of numbers from this particular segment. Just wanted to understand again that what the new geographies that we think might be thinking of penetrating in next 6 to 9 months? And also whether there were some specific geographies where we saw improvement in performance that drove the stellar performance in this quarter? These are my two questions, sir?

Manish Nuwal: So if you talk on international markets, like we have been sharing over last couple of quarters or last 3 years that we are ramping up the facilities at the countries where we are present. as well as turning them around from losses to profits like South Africa. And in this quarter, we have seen the results of those efforts, which we were putting in last many years. So if you see the

performance-wise, the international business has grown a lot. And in this quarter, we have made a record sales.

So as such, if you talk about any specific country, then we will share the details on annualized basis or at the time of annual results. But otherwise, the countries like South Africa, Turkey, Ghana, Nigeria, Tanzania, all are doing quite well. We are putting efforts to start our operations in Australia and Kazakhstan, and we are also trying to enter into Saudi Arabia. These are taking some time.

But in coming 6 to 12 months, we will see those countries to be operationalized. As far as defense market is concerned, in this quarter, we have already crossed INR500 crores, which was almost, say, annualized number a year before. And the point, which we mentioned that we will see from coming quarters or Q3, a new pace of growth in defense because if you look at the order book of around INR15,000 crores from defense and the ramping up of Pinaka, which has already started, initially, there are certain challenges in ramp-up because of complexity involved in defense products.

But since it is settling, and we believe that from Q3, commercial sales of Pinaka will start. At the same time, the orders which we have generated for other products will also start ramping up from Q3. That's why we mentioned from Q3, we will see a significant growth from defense. And we believe that we should be able to cross 4-figure mark from defense section itself quite soon.

Amit Dixit: Okay, sir. And just some comment on, sir, global ammunition market seems to be in quite a bit of shortage, and we have orders in hand of high energy materials. So just a little bit of flavor over there?

Manish Nuwal: Yes. So out of almost INR15,500 crores, almost INR8,000 crores is from international markets, and we are likely to receive more orders as we move ahead. So there is definitely a big shortages of these products in the global ammunition markets. And we have qualified many such products, which can be used as a raw material intermediate or finished products. So we believe that things are quite good for us to utilize our products or facilities for India as well as global markets.

Moderator: The next question is from the line of Vikash Singh from ICICI Securities.

Vikash Singh: Sir, just wanted to understand that what are the key upcoming projects where we are putting our focus on in India. And we have not heard any tie-ups with the global partners, which we are planning basically because some of these projects are technically pretty difficult thing. So if you could throw some light on those aspects, it would be really helpful?

Manish Nuwal: So if you look at last 10 to 12 years of journey of solar, there are very few tie-ups with international players. And despite of that fact, we are developing the products either on our own or in association with DRDO. So we are pretty comfortable in continuing that model but we are not shying away from having any kind of global tie-ups.

But as far as the products and the facilities, which we have created are state-of-the-art, and we are happy that we are already supplying many such products to global customers. So indirectly,

we have global tie-ups and orders as well and commercialization has also started. But if you talk on the focus on particular defense products.

Then like Pinaka is one of the key focus products where we have already received orders and we have participated in the guided Pinaka rockets also, which we believe that in coming one or two quarters, we should get the commercial orders. So that will lift the revenue from Pinaka rockets as such.

Apart from this, the other focus area was energetic materials. So we have also started and we have received plenty of orders. Apart from these two, there are other products like medium caliber, which is 23, 30 and 40 mm. So we have participated in RFPs and we were waiting for the orders.

And there are a couple of other products like loitering munition, counter drone systems, and we are also participated in missile program, especially along -- especially in the programs like Kusha where we have received trial orders where we can participate with the DRDOs development program. So there are many such programs where we have participated, and we keep sharing as we have some material development on that front.

Vikash Singh: Noted, sir. Sir, my second question pertains to now for the year guidance of the defense revenue, the asking rate is almost double of what we have done in the first half. So Pinaka is one thing, which is would propel basically revenue. What else is basically there? And any update on the 155 mm shell project? Have we received all the approvals?

Manish Nuwal: Yes. So we have started the trial production of 155 mm shells, and we will start supplying those products for the technical qualification. And we believe that from Q4, the commercial production will also start for that product. Apart from that, the order book, which we already have of, say, around INR15,500 crores, even if you leave the INR6,000 crores from Pinaka, there is another INR8,000 crores, which we have to materialize in next 3 to 4 years.

So those things are shaping up quite well. And based on this, we have said that very soon, we should see INR1,000 crores mark crossing in next coming two quarters. And we should be able to reach around our annual guidance of INR3,000 crores from defense section.

Vikash Singh: Noted, sir. and shell projects, 150 mm shell projects, we completed and got the orders?

Manish Nuwal: Like I said that we have started the trial production, and we will start supplying for technical qualification. And once it is over, we will share the updates as time progress.

Moderator: The next question is from the line of Garvit Goyal from Nvest Analytics Advisory LLP.

Garvit Goyal: Sir, just one question on loitering munitions. So in a recent trial, we showcased our product and where one of the Hyderabad-based company also participated and demonstrated their capabilities. And I think they won the trial as well. So can you spend a few minutes on like what is happening, particularly on the side of loitering munitions because I'm seeing a lot of new players are entering into the space, demonstrating their capabilities and outperforming

significantly. So how -- can you spend some time on explaining like what are the dynamics changing in this particular space? What kind of demand outlook are people seeing there?

Manish Nuwal:

As far as loitering ammunitions are concerned, we have successfully supplied the products in last year, and those were used in recent conflicts also. And we are -- we have received the repeat order also. So apart from loitering ammunition on the counter drones, specifically like Bhargavastra, we are developing this product and initial trials, whatever we have done as of now, we were quite successful.

More trials are likely to be done in next coming months, and we are expecting that by March '26, we should finish the field trials. And we are quite confident that these products are game changer for our country's border security. And we are confident that we will perform quite well. As far as other companies are -- what they are doing, where they have reached, I cannot comment on that.

Garvit Goyal:

And what kind of size of opportunity as a whole do you see, particularly from light munition side in the next, say, 2 to 3 years, sir?

Manish Nuwal:

We are also expecting to understand the size of opportunity. And since these are defense products, a little sensitive from security perspective, so nobody shares what they are likely to procure. And because of these facts, it is difficult for us also to give any firm number or indicative number to give any target market for these things. So we have to wait for the developments to convert into the reality, and that is how defense works.

Garvit Goyal:

Got it. And just last question. This year target is INR3,000 crores from defense, as you mentioned. What is the next year tentative number?

Manish Nuwal:

You can refer to my annual quarterly call, and that will give you a guidance on that side.

Moderator:

The next question is from the line of Ravi Naredi from Naredi Investments.

Ravi Naredi:

Sir, for space plan work, whether we hire right person for complete the project, yes, start the project. And second, INR12,700 crores with Maharashtra government, did we start anything capex in this matter?

Manish Nuwal:

So as far as hiring of people are concerned, it is very difficult to say that whether we have hired right people or wrong people. We try to hire right people always. And on our last 27 years of existence, we have delivered on performance side. So it's a combination that you always get right people by and large. Sometimes you get wrong people, we have to take them away. As far as like other question on your space, INR12,700 crores section MOU with the Maharashtra government. So definitely, the capex, which we are doing for defense section is part of that.

Ravi Naredi:

So in this 6 months, how much capex we did out of INR12,700?

Manish Nuwal:

So Naredi ji, this is -- I cannot specifically answer because those INR12,700 crores is not for 1-year program. This is for 10-year program.

- Ravi Naredi:** Definitely, it is not 1 year, sir.
- Manish Nuwal:** Just my last annual con call numbers, you will get our figures out.
- Ravi Naredi:** And this financial year '26, you are telling the INR3,000 crores top line from defense. So financial year '26 top line, we may cross INR10,000 crores?
- Manish Nuwal:** We still believe that we should reach to that number.
- Moderator:** The next question is from the line of Dipen Vakil from Phillip Capital.
- Dipen Vakil:** Congratulations on a good set of numbers. Sir, my first question is relating to -- I wanted to understand if there are any expected orders in near term and some status on the new product development. You mentioned that Bhargavastra is there where field trials are expected to complete in March '26 but any other new products, which are under development and expected orders in near term?
- Manish Nuwal:** Bhargavastra was already well captured in the media article. So we have specifically mentioned that by FY '26, we should be able to complete the trial program. And as far as other products like 155, we are likely to start commercial production in next 2 quarters after our technical qualification.
- And there are many other programs in which we have participated. And as and when those convert into the orders, we will definitely share with you. And as far as fresh orders are concerned, definitely, we are expecting more orders for defense products in coming weeks or months, we should be able to get new orders.
- Dipen Vakil:** Sir, any quantum that you would like to provide as to what kind of opportunities that we are looking at?
- Manish Nuwal:** We cannot provide any specific quantum which we are looking for.
- Dipen Vakil:** Okay. Sir, and when I mentioned about the new product development, specifically, I was looking at an update on Rudrastra and also the male UAV program that was in news where Solar could be participating. So any updates like what kind of progress are we seeing in Rudrastra and Male UAV platform?
- Manish Nuwal:** So we will see the exact progress of such kind of strategic programs with MOD directly. We cannot share on these kind of platforms.
- Moderator:** The next question is from the line of Pratik from RNL Wealth Private Limited.
- Pratik:** Yes. Manish ji, congratulations for a solid set of numbers. I would just like to ask, as we know in our industry, the order flow is lumpy. But since now as per your PPT, we have a large share of revenue coming from international business. So how do you see the international business environment considering all our business verticals and this too much noise in the global context,

which we are going through. So what is the real business environment? I would like your thoughts on that?

Manish Nuwal:

Yes, you are very rightly observed that there are plenty of noise around the tariffs and impact in the international market. So we also face all such kind of challenges. But based on our couple of years' experience, so all countries are not getting impacted from such kind of things at one go.

So you always see impacts in one country at one quarter, another country at another quarter. So that's why we have diversified our product portfolios. We have diversified our customers. We have diversified ourselves in multiple countries. So that's why we can see that despite of all such challenges, where mining growth, especially in India was negative in this Q2.

At the same time, we have faced lots of currency availability in African markets. Despite of these stiff challenges and always there are lots of entry restrictions wherever we enter in the new market. So these are challenges. But despite of them, we have performed quite well. And like we always mentioned that we are aiming to grow around 15% on an annualized basis and that we still believe that it is doable as far as Solar is concerned.

Pratik:

Okay. That is very nice. And sir, as we have seen, you have just highlighted that we will be meeting our guidance and from Q3 onwards, the acceleration in our defense vertical will start. It is very heartening to read that and listen from you. Also, just last point, how is the government stand regarding the defense expenditure. Has it changed? Has it become positive? Or have they stepped back due to any reason? I just want to get an idea of that.

Manish Nuwal:

No, government is quite serious on border security-related issues and putting a lot of thrust to make our country Nirbhay and there are plenty of policy support available for the defense players. And as a result, you can see that 3 years back, our annualized revenue was around INR250 crores. And now like Solar has reached to almost INR500 crores in quarter and we are expecting INR3,000 crores on an annualized basis.

So it is all because of government support. And we believe that this will be more on high priority initiatives or list of targets where we will get support from the government of India. And because of that support, we are able to penetrate the international market.

Moderator:

The next question is from the line of Harshit Kapadia from Elara Capital.

Harshit Kapadia:

Sir, congrats for a great set of numbers. A few questions from my side. Sir, first of all, looking at the anti-drone system that you have developed, is it a soft kill, hard kill which has been approved and which you have already seen the trials? Can I get some details on that?

Manish Nuwal:

As of now, we are developing the hard kill solution. And very soon, we are developing a solution, which will be a mix of hard kill and soft kill as well.

Harshit Kapadia:

Okay. And by timelines, anything that you can say, will it be FY '27?

- Manish Nuwal:** So my dear friend, defense products timelines, it's definitely everybody expects it to happen like overnight or within a month or a couple of months but these product development takes its own time. So we need to be patient on that front.
- Harshit Kapadia:** Fair enough, sir. Fair enough. Secondly, sir, what has been the -- what has been the update on the emergency procurement, sir? Have we received all the orders or we are yet to receive some orders on the emergency...
- Manish Nuwal:** Whatever orders we are getting, we are sharing with our shareholders, and you can look into that. I cannot answer...
- Harshit Kapadia:** Any total quantum that you can suggest, sir, that this sort of pool is something which can come to you based on what product has been used?
- Manish Nuwal:** We cannot do that.
- Harshit Kapadia:** Okay. Fair enough, sir. No issues. And just wanted to check, sir, when you enter any country in terms of -- like you mentioned at the start of the call, you'll be entering a few more countries for your mining-related operations. How does the scale up happens? Can you help us understand the cycle for your business, sir?
- Manish Nuwal:** So as such, there is no firm timeline of scaling up because every market has different challenges and different dynamics. So it is difficult to give any firm timeline but normally it takes 3 to 4 years.
- Harshit Kapadia:** Okay. And would you be able to share what would be India's market share in the -- on the explosive side, sir?
- Manish Nuwal:** We don't have any specific number on this front.
- Moderator:** The next question is from the line of Chirag Muchhala from Central Broking.
- Chirag Muchhala:** Sir, two questions from my side. So first, on the domestic market, H1 FY '26 has been impacted by heavy rains. So do you -- considering the outlook for the second half, can we still expect a double-digit growth for industrial explosives in the domestic market? That is the first question.
- And second question is, sir, in the first half, our operating cash flow is actually relatively on a lower side compared to the historical average that we are having. So we are at around INR95 crores compared to last year first half and we were at INR545 crores for the operating cash flow. So sir, the key reasons for the same and its outlook going ahead?
- Manish Nuwal:** So if you look at the basic fact that in this quarter, Coal India's mining, coal mining and OB removal has impacted very heavily due to the monsoon. And that has impacted the demand for our explosives. At the same time, we have started ramping up the production of various products under different sectors.

As a result, working capital got impacted. And as we move forward, it will fall in line of, say, around 90 days by March '26. So we don't see it as a much issue as of now. It's part of the business cycle where sometimes something gets struck and as a result, inventory pile up, collections are a little slower than we -- the timeline we expect.

But these things will improve from Q3 and Q4, we should be able to reach to the targeted levels of around 90 days of working capital. So we don't see much problem on that side. As far as demand from coal sector is concerned, Q1 and Q2 both were hit because of some various factors because in Q1, you have seen that the summer was not that harsh, which normally and rains have started earlier in the month of -- or end of May or mid of May.

And in Q2, we have seen strong rains across the country. And as we move forward, we will see that more demand from power sector will be there. And at the same time, more mining will happen. So we don't see much issue and things should improve significantly from Q3 and Q4 of this financial year.

Chirag Muchhala: Okay. So sir, will it be fair to assume a double-digit growth for this year in the domestic market? And sir, yes, in case if it does not happen, then for our annual guidance, can we still get offset by rising sales in overseas markets?

Manish Nuwal: So like we always mentioned that explosive market in India and overseas should grow around 15%. So sometimes it happens that India market may grow at 10%, overseas may grow at 20%, sometimes overseas grow at 10% and domestic may grow at around 15%, 20%. So these small fluctuations keep happening.

And if you see that in this quarter also, the overall, the growth rate is around the same level, which we were targeting. But due to monsoon we impacted. But we see that India, we should grow on double-digit level quite comfortably based on second half of year's demand projections, and that should not be a problem to achieve the annual guidance.

Chirag Muchhala: Okay, sir. And sir, this net working capital of 90 days that we are sustaining. So even, let's say, a couple of years down the line when defense as the business scales up even further, even after that, this 90-day cycle is sustainable?

Manish Nuwal: When defense was on an annualized basis, INR250 crores, and now we will be touching around INR3,000 crores in this year. And despite of that, we are saying that we should be reached to 90 days. So we are confident that we should be able to maintain that kind of working capital cycle.

Moderator: The next question is from the line of Varun Jain from Dolat Capital.

Varun Jain: My first question was in H1, you have done a capital expenditure of INR760 crores versus guided of INR2,500 crores for FY '26. So will you be doing INR2,500 crores in FY '26 and in H2? And where all will it go towards?

- Manish Nuwal:** So we have faced a couple of challenges due to the heavy monsoon. Things are not happening at the pace, which we wanted. So as a result, we may see a little bit of deferment of capex what we have planned for this year.
- Varun Jain:** Okay. So then total FY '26 capex will be like INR2,000 crores, in that range?
- Manish Nuwal:** We will share the final capex number at the end of financial year.
- Varun Jain:** Okay, sir. And sir, you mentioned about this coal demand. So in H1, basically FY '26, housing and infra was hit more than Coal India Limited demand. So what is the indication there for H2?
- Manish Nuwal:** There was dullness, especially from housing and infrastructure market. But from Q3 and Q4, we will see a surge in demand, and we should do a good growth from that sector also.
- Varun Jain:** Okay. Any housing and infra specific guidance for FY '26, you would like to share?
- Manish Nuwal:** You would like to have guidance for each sector separately?
- Varun Jain:** No, no, housing and infra...
- Manish Nuwal:** But why you are so much interested in asking the growth guidance for each sector separately. There is no point in that.
- Varun Jain:** The next question is from the line of Vishal Biraia from Bandhan AMC.
- Vishal Biraia:** Congratulations on a good set of numbers.
- Moderator:** Sorry to interrupt, Vishal. Your voice is coming muffled.
- Vishal Biraia:** Is it better?
- Moderator:** Yes, loud and clear. Please go ahead.
- Vishal Biraia:** Sir, congratulations on a good set of numbers. If I look at the Bhargavastra...
- Moderator:** Sorry to interrupt again, it is not audible actually. Please can you speak a little louder?
- Vishal Biraia:** Okay. If I look at the three drones -- counter drone systems, the Bhargavastra, Nagastra and Rudrastra, could you give us the potential market size for each or on a combined basis? And do we have the approvals for these already?
- Manish Nuwal:** So Nagastra, we have developed the product. We received commercial order. We successfully supplied also. We have repeat orders also. Bhargavastra, it is in development phase like Rudrastra. As we complete the qualification and once we receive the commercial orders, we will share with our stakeholders.

As far as the total potential of this market is concerned, it is yet to be confirmed by the end users that how much they will require finally. So all these things comes in public domain, and we have to look on those numbers only. We don't have any specific answer to your question at this stage.

Vishal Biraia: Okay. And how big would be the market in Australia that we could look to cater in a couple of years once we establish that?

Manish Nuwal: So we don't give the market potential or our guidance for each country-wide. What we have mentioned that from international market, we are expecting around 15% growth on an annualized basis, and that is how we run our business.

Moderator: Thank you. The next question is from the line of Siddharth Maymuri from Caprize.

Siddharth Maymuri: Apologies for joining a bit late. So I'm not sure if this has been discussed already. So my question is given the advancement in loitering munitions. So could you just share your perspective on the current market scenario, sir, for especially low-range LMs like Nagastra? And then also, could you throw some light on what the competitors domestically and how big you think the market would be in the near to medium term?

Manish Nuwal: Thank you for your question. Actually, the same question has already been asked by another participant. So once this con call ends, you can refer to the conference call, which we have already answered to this question.

Moderator: The next question is from the line of Aditya Tambi from Habrok Capital.

Aditya Tambi: Just to understand this Australian competition, there's a player which is already operating there internationally. So do we offer the same product to the customers or the product is different? I need to understand that is that company competition or we are some other products?

Manish Nuwal: It depends on the customer requirement. Many times, the customer has some specific requirement to suit their mining application. So we need to customize products based on user or some countries. And sometimes we offer generic product as well. So it's a combination of both.

Aditya Tambi: Okay. But competition...

Manish Nuwal: Competition, so whenever customer float any RFP, we also participate along with the other competitors and everybody has to offer their own product. And what is a normal process for any kind of procurement of such products.

Aditya Tambi: Okay. And so whenever we enter a new geography, a new country we try to enter. So what is our thought process? Like what is your thought process? Do we try to compete on price? Like you mentioned, we participate in the tenders or is there demand to be that any new capacity or any new players comes up is able to get orders?

Manish Nuwal: So it's quite usual that whenever customer float RFP, many of us like participate. And based on techno-commercial, the customer decides to whom they should give to what percentage. So the

techno commercial study at the customer end covers all these points. So we have to participate and push on our technical strength and commercial offering.

It doesn't mean that the product price has to be looked at. Sometimes it is the overall value proposition, which customer looks at. So that is what is the reality. It's not only the price, which is being looked by the customer. But yes, some customers like Coal India and Singareni Collieries, they always work on L1 basis rather than on overall value proposition. So we have to position ourselves based on different market, different customers. That all.

Aditya Tambi: Got it, sir. And also, just your thought on this 155 mm shells, like we decided to do the shells ourselves, but we could have taken a different approach by just providing the energy material to the different players who are making these shells. So what was our purposes? Why did we decide that we should do it in-house?

Manish Nuwal: We cannot comment on this question. Thank you.

Moderator: The next question is from the line of Sanjaya Satapathy from Ampersand Capital.

Sanjaya Satapathy: Sir, can you just ask do you see upside to your margin from current level?

Moderator: Sorry to interrupt, Sanjaya. Your voice is breaking actually.

Sanjaya Satapathy: Yes, sir. Can you hear me now?

Moderator: Yes, it is loud and clear. Please go ahead.

Sanjaya Satapathy: Sir, just want to know that with the revenue mix shifting so much towards defense, is there upside possibility to the 27%, 28% kind of margin that you were seeing earlier?

SHALINEE: So the EBITDA margin for the quarter stands at around 28%. We are very happy to announce that we have performed as guided at the beginning of the year. As far as margins are concerned on a quarter-to-quarter basis, we operate in so many different sectors and geographical environments. So the average margin and the potential what we have covered for this year stands at around 27%...

Sanjaya Satapathy: And lastly, the 155 that analyst that we're talking about, will it be mostly the explosive side or you are looking to fully manufacture the whole thing complete value chain?

Manish Nuwal: So definitely, our intention is to make a complete round of 155, and we are moving towards that.

Sanjaya Satapathy: And that is something, which will be a strategy that will be followed for many of your other new products that you are getting into?

Manish Nuwal: I didn't understand.

- Sanjaya Satapathy:** Trying to say that you are no longer just assembling those products or just on the explosive side, but you are getting more and more on the other mechanical and electronics side. I just wanted to confirm?
- Manish Nuwal:** I cannot answer it in this fashion. The purpose and the reason is that once you decide on any specific product strategically, so it's a combination. Sometimes we may do hardware, sometimes we may align with our critical stakeholders or supply chain partners. So it's a combination of that.
- Sanjaya Satapathy:** Thank you, sir.
- Moderator:** Due to time constraint, that was the last question for today's conference. I would now like to hand the conference over to management for closing comments. Over to you, sir.
- Aanchal Kewlani:** Thank you so much, everyone, for being with us and supporting us. We'll see you in next quarter. Thank you.
- Moderator:** On behalf of Antique Stockbroking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.