

Operator

Good afternoon. Thank you for standing by and welcome to the Fourth Quarter Results Conference Call of Solar Industry India Limited, presented by K.R. Choksey Shares & Securities. There will be a presentation followed by a question-and-answer session. Please be advised this conference is being recorded today. I would like to hand the conference over to moderator. Over to you sir.

Corporate Participant

Good afternoon, ladies and gentlemen. On behalf of K.R. Choksey Shares & Securities Private Limited, I extend a very warm welcome to you all. Today we have with us, Mr. Manish Nuwal, Executive Director of Solar Industries India Limited; and Mr. Nilesh Panpaliya, Chief Financial Officer of the company.

Mr. Panpaliya will take us through initial remarks of the quarterly performance. And, then the floor will be open for question and answer session.

Now, I hand over the call to Mr. Panpaliya. Over to you sir.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Once again a very good afternoon to you all. On behalf of Solar Industries, I welcome you all on this quarterly update. This quarter again our company had done fairly well compared to the last quarter. Although increase in gross sales has been almost 32.90% that is 33% from 162 crores to 215 crores.

The EBITDA margins have been consistent, that is around 18, 19%. And the profit after tax has increased by almost 43.91%, that is from 14.55 crores to 20.94 crores for this quarter. Hence the impact on our yearly performances that does clearly is up by almost 22.48%, that is from 590 to 722 crores. EBITDA is up by almost 34%, that is from 112 crores to 150 crores. And the net profit after minority interest is up by 29% that is from 58.59 crores to 75.5 crores.

Now, the overall growth in the volume of expenses has been 15%, that is from 1,13,345 metric tonnes to 1,30,086 metric tonnes. We have done fairly good amount of export, an increase of over 71% from our last year figure of 61.19 crores. This year our export has crossed 100 crores, it stands at around 105 crores.

Now, with all this, we see that for last five years, we have a CAGR of almost 32% in our total income that is the sales line. Our EBITDA CAGR is almost 40% and the profit after tax CAGR is almost in the range of 31%.

As far as our raw material is concerned that is ammonium nitrate, the prices have increased and the present prices are around \$379 compared to international market compared to \$283 last year. However, as we are all aware that it is possible for us to pass the call to the customer.

We have opened our plant in Nigeria and Zambia, both the plants are now operational. And in this year we are also planing to set up the facility in Turkey where we have already acquired land and we have all the necessary permissions and the licenses to set up the manufacturing plant there.

Now talking about Zambia, our plant there has started operations of 10,000 metric tonnes of bulk explosive plants from the 10th June, 2010 and from this plant we are catering to customers in Zambia and Congo. This year we did a turnover of almost 14 crores there.

Then in the Nigeria, two year set up for cartridge plant and a bulk plant. The production has started and this year we have cropped a revenue of almost 71 crores from Nigeria. And Turkey as I said we'll be starting up the construction, it has started yesterday in fact.

Now what is energizing the growth for us in the coming year is Coal India tender for 2011 has given us sufficient growth. In this year will give us sufficient. Even off let you have heard that they have decrease their target, with the production target. However, when we set our target we have taken into consideration, for us Coal India will grow at even say 3 to 4%, that gives us almost 8 to 10% for explosives.

Than we anticipate that our supply to private mines will start. Than there is an increased spending on the infrastructure sector, which

again we feel will give us a good growth for explosives and with the start of our new plants, these are explosive plants in Zambia, Nigeria and Turkey. We believe that our export of accessories will start to these markets and we are also identifying new markets to increase the sale of our accessories and externals.

We are looking ahead to launch two products that is the electronic detonator and dust suppressant chemical and of course there are some possibilities of the opening up of... strategy should be getting the license shortly that is in another couple of months.

Now, for the year we have our planned capital expenditure of almost 200 crores for the coming two years. Last year we did an total capital investments of almost 95 crores. With this rate we are consistent going ahead and we believe that the growth rate which we have maintained in the past at almost 30, 35% year-on-year will continue to be there.

I think this all what we have to say for the presentation. And now would I now like to be open for the session to have their questions on their returns as well as company's performance.

Operator

Sir, shall I open the Q&A?

Corporate Participant

Yes.

Operator

Okay.

Questions And Answers

Operator

[Operator Instructions]. First on line we have Mr. Rahul Narayan from Sequoia Capital. You may go ahead please.

Rahul Narayan

Hello, good afternoon sir. Thank you for taking my call. I just want to understand a little bit more what you just mentioned on the defense contract, could elaborate a little bit?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Good afternoon. Basically as far as defense related activities is concerned we have started the trails obtaining small, small items with... in this financial year. And once we go through this stage, then we will start products on a bigger scale.

Rahul Narayan

And what would these you would be the small items, will you be able to share that?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah, they are basically the similar items which we are already making for our industrial kind of...

Rahul Narayan

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Nothing different from them.

Rahul Narayan

Okay. And any sense on how big the value is from the defense ministry order of the value?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

No. In this year we are not supplying to the defense ministry as such. We are trying to... price.

Rahul Narayan

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

And the total value is less than Rs. 1 crores in this financial year. So it is not a significant one.

Rahul Narayan

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We have just shared this information, just that we are trying to start in this sector.

Rahul Narayan

Okay. So yeah that's what, because from what I understand that this was a small business for you. So since we mentioned that explicitly, that's what I was just sking.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. That's true, that's true.

Rahul Narayan

Thank you sir.

Operator

Is question answered, sir?

Rahul Narayan

Yes.

Operator

Thank you. Next online we have Mr. Vivek Jain from Allegro Capital. You may go ahead please.

Analyst

Hello and good afternoon sir. Sir my queries are regarding sir would you be in a position to tell me what would be the total market size of the explosives in India. Both in value and volume terms?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We will tell you like in the total market share in India for Solar is almost 23%.

Analyst

Okay. Sir this is in value or volume?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. This is as far as a value is concerned.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

If you talk about volume, it will be almost close to 19, 20%.

Analyst

19-20% okay. Fair enough. I just, if you could also give me the total market size assets. You're getting the market share, but the market size and volume?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Well, market size when we about explosives in India it's almost 24,00 crores.

Analyst

Okay. And sir generally if you manufacturer a tonne of explosives how much would be the output that Coal India would have or I would put the question in the opposite way. For one tone of output that Coal India has how much tonnes of explosive would they require roughly?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Basically, we require almost -- there are two portions to it. One it is, the overburden and second is the coal.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

So whatever overburdens are removed like you divided by 2.5 and you get the total consumption and whatever coal has been produced you divide it by 5, you get a explosives...

Analyst

Sir for coal I need to divide it by 5 to 10?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah, 5.

Analyst

5. Okay. And, for overburden you said it's 2.5.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Analyst

Okay. And, sir in this particular financial year what would be the percentage of export credit in terms of the total sales and sales that trend to Coal India and the others, if you could break that at all?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. As far as export is concerned that is almost a 14.54% of our sales.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

As far as Coal India is concerned it must be almost 23 to 24% of the total sales.

Analyst

Okay. And, the rest should be the others. Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. That should be others, that is...

Analyst

Okay. And, sir you mentioned that in this particular financial year, we get a CapEx of 95 crores and going forward for the next two years, you will see that number to be closer to 200 crores.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Analyst

So, what would be the CapEx we incurred on as an expansion of capacity or where would that money go to?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We are utilizing this amount for our expansions in domestic as well as overseas.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Out of this the 95 crores which is this year, almost 51 crores has been in domestic and 44 crores has been overseas. When I talk about overseas it is Zambia, Nigeria and Turkey. And in domestic we are increasing our capacity to manufacture Cartridge Explosives

Bulk Explosives and Detonators.

Analyst

Okay. So that was for sir in FY11. But in FY12 and FY13 also we are planning to...?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah, yeah, We are planning to increase those capacities.

Analyst

Okay. And how much of that would be for overseas and how would be for domestic?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

As given almost of out of this two-third will be for domestic and one-third will be for overseas.

Analyst

Okay. And sir would you be able to tell me what capacity expansion are you looking at? I mean what would be the final number that we'll have by FY13 in terms of capacity?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

That I'll give you specifically when we are... I'll explain to you that how much is the capacity and how it will go further.

Analyst

Okay, okay, okay, okay. And sir, generally when we speak about, contracts with Coal India, so do we have pass-through contract as

you said the ammonium nitrate criteria has been rising. So how was the contracts structure there? Again are we allowed to pass on the call or give you to the lag or how about the structure?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Now, every quarter there is a price revision with Coal India. And depending on the price of the ammonium nitrates...

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Contracts are revised every quarter.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

That includes prices of ammonium nitrate as well as diesel.

Analyst

As well as?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Diesel.

Analyst

Diesel. Okay, okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

And they are done every quarter and as we said we are maintaining an inventory of almost two months.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

No, no any movement thereof is that taken care of in that quarter. In next quarter we have that price.

Analyst

Okay. Fair enough. And sir, you mentioned about the inventory. Sir what would be the rough debtor days that we have for Coal India and in how much time would you us back?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Coal India, the debtor days are almost 65 to 70 days.

Analyst

65 to 70, okay. And sir, this number is it constant across now we moved into various geographies from Zambia, so is this number constant or this varies usually between the geographies in India?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. Basically this number is same throughout.

Analyst

Is same throughout, okay. And sir, off late, are we witnessing any sort of competitive intensity in terms of pricing that we have for our products? Because one of the competitors saw its margins dipping quite a bit. So is there any -- are they getting aggressive or you witnessing some kind of aggressive bidding in the tender that Coal India floats?

Manish Satyanarayan Nuwal, Chief Commercial Officer

As far as Coal India tenders are concerned, the price anticipation is already there.

Analyst

Right, sir.

Manish Satyanarayan Nuwal, Chief Commercial Officer

To the extent and as far as the margin is concerned, with those prices, we see that there is not any significant change as far as percentages. The current rate which is going on is a very healthy pace which can be sustained over a period of continuous phase of three, four years by everybody, but the people who have a strong business in different, different areas.

Analyst

Right, sir.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Can only handle this kind of price competition.

Analyst

Okay. So we are confident of maintaining the 17, 18% margin.

Manish Satyanarayan Nuwal, Chief Commercial Officer

This is what we are achieving over last say four, five years

Analyst

Right sir.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Margins are into 19%, it can vary by plus 1 or 2% depending on quarter-to-quarter season and some kind of inventory that may be there.

Analyst

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

For these kind of prices it is difficult to sustain the bulk explosives supply to the Coal India we get in market.

Analyst

Okay. And sir one last question, I asked you to figure for how much... will be required to get a output of coal. So, how much ammonium nitrate will be use for a tonne of explosives?

Manish Satyanarayan Nuwal, Chief Commercial Officer

If you look at the explosive side whatever explosions we produce. On an average it is 70% if it goes towards -- the amount, the raw material it is 70% and if you look at the total explosive production then for Solar it is around 60% of the -- 60% will go for making an explosive.

Analyst

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

So, 1 tonne of explosives will require 0.6 metric tonne of ammonium nitrate.

Analyst

Okay. Okay, fair enough.

Manish Satyanarayan Nuwal, Chief Commercial Officer

It can vary by say 2 or 3% here or there depending on the production.

Analyst

Okay. And sir what was the production number based on the total number 1,30,000?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah, this year we have touched 1,30,000

Analyst

1,30,000, okay. That's it from my side sir. Thanks a lot for taking my queries.

Operator

Thank you sir. [Operator Instructions]. Next in line we have Mr. Vinay Paharia from Religare Mutual Fund. You may go ahead please.

Vinay Paharia

Yeah hi. Good afternoon Manish.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Hi good afternoon Manish.

Vinay Paharia

First question is the seen the EBITDA margin expansion in this year. So, I think you answered that this is sustainable but what sort of trend that you are seeing any headwinds in terms of raw material cost going up or you facing price pressure, et cetera?

Manish Satyanarayan Nuwal, Chief Commercial Officer

As far as margins are concerned, yes the prices in Coal India are not good, but still looking -- but with the help up of the sales in other sectors say kind of private mining, some institutional customers and the tunneling market, and the infrastructure market and good sales in export side is enabling us to sustain these kind of margins.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

So, competition is already there and we're still making around 18-19% and well, if we take out the minority interest part. So if you look at our own share, then definitely 18-19% is that is what we're achieving that. See that over a period of two-three years period, it may go further up from this level.

Vinay Paharia

And, overall what sort of sales growth you are expecting for next, growth in terms of volume and value?

Manish Satyanarayan Nuwal, Chief Commercial Officer

We are trying to double up our capacity over next three years time which we have already started. Definitely those will help us to maintain our growth rate. It is already 13% that we use.

Vinay Paharia

Okay. So what do you expect is a similar growth rate in volumes to continue?

Manish Satyanarayan Nuwal, Chief Commercial Officer

As it is our confidence that we will be...

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Kind of growth rates.

Vinay Paharia

And you said during the call that Zambia and Nigeria started and Turkey would start in FY12. So what sort of business you are expecting there in these three countries individually if you talk about it?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah, like in case of Nigeria, we have the earlier -- the company which is distributing our products. We acquired the stake in that company this financial year. And the change is already been reflected in our current financial year result.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Total sale was around 70 crores, market is at around Rs.200 crores, value of the market, which is growing at 10% per annum level.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Confident with the setting up this facility there which is... facility which we have already set up. The production started in this month of April, last month of April. It is going to stabilize before end of this month. So we are pretty sure that 55 to 60% will be there for solar impact. As the Zambia is concerned it's a big mining country market.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Copper belts and the market size which we anticipated should not be less than Rs.300 crores.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

And, we have already done in this year very less quantity although we started in end of the year. So we've done around 2,300 tonnes

last year. And, this year we are pretty sure that we would touch 10,000 level.

Vinay Paharia

Okay. So turnover was 14 crores last year. So it can multiply by 4 similarly?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Right.

Vinay Paharia

Right?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah. Absolutely

Vinay Paharia

Okay. And what about Turkey?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Turkey we have just started construction of this plant. So, we -- around nine to 10 months time will be required.

Vinay Paharia

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

The results will not -- we don't see...

Vinay Paharia

Got it.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Results will come in this financial year. But, the tradings are already continued in that country with the help of this acquisition. So some rollout will come this side.

Vinay Paharia

In a full year how much business can Turkey sustain?

Manish Satyanarayan Nuwal, Chief Commercial Officer

This we will have to work out. We will confirm and...

Vinay Paharia

Fine. And what's the total debt on consolidated books right now?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah, just a minute. Consolidated deb is around 189.

Vinay Paharia

189 crores.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah.

Vinay Paharia

And what was that liquid cash on investments?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Just a minute.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Liquid cash is almost 67. No the total debt is around 161 crores in a non-base item and other... cash and cash balance was up 67 crores.

Vinay Paharia

57?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Vinay Paharia

67, okay. And one final question is that you have certain stakes in coal blocks, if I have not mistaken there were two coal blocks.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Vinay Paharia

So what's the update on those?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We have got two coal blocks, one is the Madanpur north coal block and second is the Bhatgaon center. As far as Madanpur block we were expecting the mine to start with... classified Class A type. So presently all the further developments are held up. Though in that coal block we had geological survey mines and mining... concentrate are completed and while we are emitting final environmental forest...

However in case of the second coal block that is Bhatgaon, Bhatgaon Extension that is with the CMDC, Chhattisgarh Mineral Development Corporation. In the mining plan is approved, the mining lease is approved. Gram Sabha hearing has been conducted and... is clear and now we have submitting the final report for environment. And the Collector has issued notification under Section-4. We now have paid that initial amount which is start from land acquisition.

And post this he had done some bookings... and he is now said to issue notice under Section-6 for land acquisition. Of course which we will have our final public hearing and we will go for the our annual environmental forest driven sale. And other thing we think the Madanpur mines would be operational. The total reserves I think we have the total reserves in mine, there are almost 58 million tonnes with... grade of reserves. Yeah.

Vinay Paharia

Okay. Thanks. I am through with my questions.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah thank you.

Operator

Thank you sir. Next online we have Prakash Chawla from Enam. You may ahead please.

Analyst

My questions got answered. Thank you.

Operator

Thank you sir. [Operator Instructions].

Shailesh Kumar

Hello.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Hello.

Shailesh Kumar

I have a question sir.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Can I have your name?

Shailesh Kumar

My name is Shailesh.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Shailesh Kumar

From KRChoksey.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Shailesh Kumar

You are going to spend around 200 crore over next two years period for the CapEx.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Shailesh Kumar

How are you going to finance this CapEx?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Through internal generation.

Shailesh Kumar

No, additional debt?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Come again?

Shailesh Kumar

No, additional debt is required.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

No, additional debt is required.

Shailesh Kumar

Thanks. Sir, my second question is regarding your Turkey CapEx.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Shailesh Kumar

What kind of capacity you're planning to install at Turkey? And, what.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

That will take up later on Shailesh. I think more is on... overseas. So there are some specific questions related to that side.

Shailesh Kumar

Okay.

Operator

Is your question answered sir?

Shailesh Kumar

Yes.

Operator

Next online we have Mr. Shrinivas Rao from HDFC Mutual Funds. Can you go ahead please.

Srinivas Rao Ravuri

Yes sir. Congratulations on excellent set of numbers.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Thank you very much sir.

Srinivas Rao Ravuri

Just, can you tell us a little more on what is happening in the private sector mining opportunity in India outside and as a contractor.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah. If you look at the private mining side, as there is a blocks which the private mining companies have. There is no much progress happening in one of the... say few of the big blocks, which are held by the Reliance, SR and JayPrakash. But if you see the other private mining say Vedanta, Tesco which are already in operational side. So, you are increasing our presence in both sides till we get big chunk of these mines in two years time.

Srinivas Rao Ravuri

Okay. We also here that there are NDOs coming weather it is sale of even Coal India. So what is your strategy to address that market?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Basically the NDOs has just been signed by NTPC and other sectors which are not Coal India Limited. And one or two NDOs has been signed by Coal India also you are right. And our strategy is that with the kind of services and the quality of servicing products which we offer. We try to focus on these two parameters and work with them, show them the efficiency, at the efficiency level which we are working in other customers like Vedanta and... So we try to get the same level of services there and try to get the orders, is what we can -- which we are doing.

Srinivas Rao Ravuri

Okay. And, sir what will be your share from private sector, last year?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Our total shares in private sector mining will be around 18% level.

Srinivas Rao Ravuri

From the domestic sales?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Yeah, overall sales. You are asking about market here?

Srinivas Rao Ravuri

No, revenues FY11 your revenues from India market and of which how much is from private sector?

Manish Satyanarayan Nuwal, Chief Commercial Officer

India market, just a minute. Out of this 722 crores of sales.

Srinivas Rao Ravuri

Yeah.

Manish Satyanarayan Nuwal, Chief Commercial Officer

India, we have sold around 549 crores. Out of that the product which has been gone to our subsidiaries is of 74 crores, which had gone outside India. Exports and if we reduce that part, then the sales in India will Rs.475 crores.

Srinivas Rao Ravuri

Okay. In that what will be private sector?

Manish Satyanarayan Nuwal, Chief Commercial Officer

Private sector will be around 15% or it will be around 70 crores.

Srinivas Rao Ravuri

Okay. Thank you and all the best.

Manish Satyanarayan Nuwal, Chief Commercial Officer

Thank you.

Operator

Thank you, sir. Next online we have Mr. Vivek Jain from Allegro Capital. You may go ahead please.

Analyst

All my question has been answered. Thank you.

Operator

Thank you, sir. Next online we have Abhilasha Satale from Techno Shares. You may go ahead please.

Abhilasha Satale

Yeah... just wanted to know how much revenue you are getting from exports from Coal India... and other infrastructure...

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We said 15% is from exports.

Abhilasha Satale

Sit I am talking in terms of EBITDA margin. There is increasing pressure from...

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Almost.

Abhilasha Satale

Anything... 18, 19%.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

I think it's for same growth.

Abhilasha Satale

Okay, okay. So in the export line there is some...

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Which are higher but that exactly we won't have that figures. But definitely it's 1 to 2% here and there.

Abhilasha Satale

Okay. Thank you. Then you mentioned regarding the coal blocks, I mean how much investment you will put into that?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

The upward trend acquiring, that was a strategic opportunity which we got that time, because, to have a merchant grade full mine that was a CMDC call, we can utilize the mining which is that... from understanding this data for right type of explosive and mines. So that we had to... So we thought of investing them and as far as investment is concerned, the total investment till date made is almost 97 crores.

Abhilasha Satale

And sir what are your plans under that and how much you are further investment -- will be occasional?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

There is no -- as I told you the there are two years still for part of that operational, but as far as other coal block is concerned, Madanpur one, it is under the... As soon as we get clearance from... we will be able to go further on Madanpur coal block.

Abhilasha Satale

Okay. Understood. Fine. Sir I was just wondering in this reference regarding... capacity will be completed, can you give ballpark numbers, I mean... if you could give revenue both capacity...

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We have proposed...

Abhilasha Satale

Okay, okay fine, thank you.

Operator

Thank you ma'am. Next on line we have Mr. Siji Philip from HDFC Securities. You may go ahead please.

Analyst

Good morning sir. Can just elaborate on the exports this year?

Manish Satyanarayan Nuwal, Chief Commercial Officer

We did the total exports of around 105 crores, out of this almost 30 crores has gone to our subsidiaries in Nigeria, Zambia and Turkey.

Analyst

Okay.

Manish Satyanarayan Nuwal, Chief Commercial Officer

The renaming we have sold in around almost 20 countries as far as the coal.

Analyst

Okay. Thank you sir.

Operator

Thank you sir. [Operator Instructions].

Corporate Participant

I think we're done with it.

Operator

Excuse me sir.

Corporate Participant

I think we are done with it.

Operator

Sir, actually we have one more question.

Corporate Participant

Okay.

Operator

Next online we have Mr. Arun Kumar from Tata Capital. You may go ahead please.

Analyst

Yeah. Sure sir, I would like to ask you the debt requirements for next three, four years. What kind of debt requirement or working capital requirement are you having?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

As far as debt is concerned, the plans which we have, we definitely won't be requiring any long-term debt to be raised.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

And probably we have one of the ECG's sanction with about 45 crores.

Analyst

Okay.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

So, if we may -- for our plants. But, beyond that we are not looking to

average any debt. And as far as working capital is concerned, we think that we will be able to meet our requirements at this current levels only, so we probably won't have to increase even that much in working capital.

Analyst

How much is the equity requirement?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Equity, I think equity we don't require.

Analyst

Okay. Right sir. I am through. Thanks.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Thanks.

Operator

Thank you sir. [Operator Instructions]. Next online we have Mr. Manish Shah from Sunmat Investment. You may go ahead please.

Analyst

Hi, sir.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. Hello.

Analyst

Sir, your tax rate seems to be quite high. So, is that the number you are forecasting for next couple of years or so?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Which tax rate?

Analyst

Sir the tax rate is around 35 odd percent.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

That is the full tax rate and it will continue to be the same.

Analyst

Hi, this is Manish. Is it Nilesh?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Analyst

Okay, can you again give sales breakup of 679 crores. You said 475 was India.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. The total is 722 gross basis. Out of which 549 is India, out of that 74.75 is exports, and then you have 78 crores of AN trading and balance 30 crores to invest our own subsidiaries.

Analyst

Can you also say that Coal India share had gone down to 22%?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Coal India share has gone down for almost 23%.

Analyst

Can I have a breakup of that, the other customers?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Others are like infrastructure and other non-Coal India customers.

Analyst

Those bulk and cartridge?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Analyst

So the cartridge is more to the private sector and bulk...

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Private sector even that has gone down because of our increased exports and the revenue is coming from Nigeria center.

Analyst

So Nigeria, we just have a distribution company which you acquired.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

We have also set up the plant there, which will be operational from this month... commence.

Analyst

Your customer is Arcelor Mittal?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

No, no. Construction market.

Analyst

Sir, in the Madanpur block what will be the capacity? Sir, what will be the reserves in Madanpur block?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Minable reserves are 25 million tonnes, geological are 36 million tonnes.

Analyst

And this will be the first which you will mine, right?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

As I told that we want to mine but this has come down under normal area. So we are auditing that clearance from the environment, they had just relaxation on this provision and you must be already aware that... office, Ministry of Coal, Ministry of Environment and different ministers from different form committees wherein there discussion does matter. So we really don't know what... come.

Analyst

In terms of your raw materials, can you tell us how is the price moment now? Are the raw material stable or do you expect raw material prices to further correct?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Even like from last year we definitely have moved up towards higher side. But like we said now we are able to pass it all the bulk to the customer. So wherever it goes though we see it through this... level. And even if there is small moment which can happen now a days it is very unpredictable to split the way prices moves.

Analyst

Price contracts with Coal India are yearly contracts?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah, Our contracts, is yearly contract with a price escalation clause.

Analyst

In the private sector.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Same there.

Analyst

Yearly contracts.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

No. It's somewhere yearly, somewhere six month and so, somewhere two years.

Analyst

There as a price escalation there as well?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah. That is quarterly or monthly?

Analyst

But, you said that your margin should see an improvement?

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Yeah.

Analyst

What is the reason you.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

With our sales the lowest margin are available from Coal India. And with our sales are decreasing there and increasing in other sector as far share increase. So we definitely see our margins improving. And even our overseas plans will help us to get some increment of margins.

Analyst

Okay sir. Thanks a lot. We are through.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Thank you.

Operator

Thank you sir. [Operator Instructions]. At this time, there are no further questions from the participants. I would like to hand floor back to the speaker for final remarks. Over to you sir.

Corporate Participant

Thank you everybody for joining this teleconferencing call.

Nilesh Panpaliya, Vice President - Finance, Compliance Officer

Thank you everyone.

Operator

Thank you sir. That concludes our conference for today. Thank you for participating in Reliance Conference service. You may all disconnect now. Thank you.