Standard Glass
Customer Inspired Excellence

Date: 9th August 2025

To,

Listing Compliance Department	Listing Compliance Department
BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, C-1 Block G,
Dalal Street,	Bandra - Kurla Complex, Bandra (East)
Mumbai - 400 001	Mumbai - 400 051
SCRIP CODE: 544333	**SYMBOL: SGLTL**

Dear Sir/Madam,

Sub: Transcript of the Q1 FY 2025-26 ended June 30, 2025 Results Conference Call hosted on August 4, 2025

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our results conference call intimation dated July 29, 2025, please be informed that the results conference call for Q1 FY 2025-26 ended June 30, 2025 was hosted on August 4, 2025 and the transcript of the conference call is enclosed herewith.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

For **STANDARD GLASS LINING TECHONOLOGY LIMITED**

KALLAM HIMA PRIYA
Digitally signed by KALLAM HIMA PRIYA
Date: 2025.08.09 18:38:08 +05'30'

Kallam Hima Priya
Company Secretary & Compliance Officer

Standard Glass Lining Technology Ltd.

Enclosure: A/a

“Standard Glass Lining Technology Limited

Q1 FY '26 Earnings Conference Call”

August 04, 2025

MANAGEMENT: **MR. NAGESWARA RAO KANDULA – MANAGING DIRECTOR – STANDARD GLASS LINING TECHNOLOGY LIMITED**
MR. RAMAKRISHNA KANDULA – EXECUTIVE DIRECTOR – STANDARD GLASS LINING TECHNOLOGY LIMITED
MR. ANJANEYULU PATHURI – CHIEF FINANCIAL OFFICER – STANDARD GLASS LINING TECHNOLOGY LIMITED
MS. HIMA PRIYA KALLAM– COMPANY SECRETARY & COMPLIANCE OFFICER – STANDARD GLASS LINING TECHNOLOGY LIMITED

MODERATOR: MS. PRAYASI PATEL – GO INDIA ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to the Standard Glass Lining Tech Limited Q1 FY26 Earnings Conference Call hosted by Go India Advisors. 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 Ms. Prayasi Patel from Go India Advisors. Thank you and over to you, ma'am.

Prayasi Patel: Thank you, Muskan. Good evening everyone and welcome to Q1 FY26 Earnings Call of Standard Glass Lining Technology Limited. We have on the call Mr. Nageswara Rao Kandula, Managing Director, Mr. Ramakrishna Kandula, Executive Director and Mr. Pathuri, Chief Financial Officer and Ms. Hima Priya, Company Secretary.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that the company faces. I will now request Mr. Nageswara sir to take us through the financial and business updates subsequent to which we will open the floor for question and answer. Thank you and over to you, sir.

Nageswara Kandula: Good afternoon everyone. Thank you, Prayasi. A warm welcome to all our investors, analysts and stakeholders joining us today on the Q1 FY26 Earnings Call of our company. It is always a pleasure to engage with you and share our business progress. I am happy to report that we have started FY26 with a strong quarter both financially and strategically. Let me begin by briefly highlighting our Q1 performance.

Our total income was INR178 crores showing 23.6% year-on-year growth. Our EBITDA was rose by 31.9% year-on-year to INR35 crores with a margin of 19.5%. As a result, our profit after tax came in at INR21 crores up 37.6% year-on-year with a PAT margin of 11.9%. These results reflect our execution, strength, operational efficiency and strategic focus.

Strategic Updates-

1. Heat Exchanger - Major step forward

One of the most exciting developments this quarter is the domestic launch of our Shell and Tube Glass Lined Heat Exchangers. These innovative products meet the growing demand for corrosion-resistant, particle-free, safety and compliance in the pharmaceutical and specialty chemical sectors.

We have received strong initial orders from our key clients, which validates our positioning as a provider of engineered solutions, not just equipment. We are now investing further in these product lines, expanding manufacturing capacity, improving design and technology, educating customers about these solutions. We are confident that this business line will become a key growth engine for our company.

2. Expanding Southeast Asia reach through BioCon partnership.

Another important milestone was our agreement with BioCon Solutions Pte Limited, Singapore. BioCon is our exclusive agent for markets such as Indonesia, Malaysia, Thailand and Singapore.

Together we are already seeing early traction in enquiries from this region. This partnership strengthens our global presence and supports our strategy of geographic diversification and export led growth.

3. USA subsidiary strategic support to IPP.

As a part of our international expansion, we have incorporated Standard Engineering Inc., a wholly owned subsidiary in South Carolina, USA. This subsidiary has a clear purpose that is to support IPP. As you know, IPP is our exclusive dealer for USA and Europe.

IPP is a highly respected industrial equipment dealer with deep customer relationships across key global markets. By having a local standard glass entity in the USA, we can support IPP with technical and engineering resources, ensure faster delivery, respond better to customer requirements, strengthen after sales service. This is a strategic move to increase our brand presence and win long-term trust in the global markets.

Looking ahead, India's CDMO and specialty chemicals sectors are growing at a rapid pace, and the global market is increasingly turning to Indian companies for quality, compliance and scale. Standard Glass is well positioned to capture these opportunities with engineering excellence, customer-first thinking, global ambition and end-to-end solutions.

In summary, Q1 FY '26 has been a quarter of high-quality growth, strategic progress and strong execution. We will continue to expand high margin product lines, grow our international footprint, create sustainable value for all stakeholders.

Thank you once again for your continued confidence and support. Now I would like to invite our CFO to walk you through the detailed financial performance.

Anjaneyulu Pathuri: Thank you, sir. And good afternoon, everyone. I am pleased to take you through the financial highlights of our company for the quarter ended 30th June 2025.

Key financial highlights:

The total income for Q1 stood at INR178 crores, marking a 23.6% year-on-year growth, driven by strong execution and rising export volumes.

EBITDA reached INR35 crores, showing 31.9% year-on-year growth, with margin improvement to 19.5% due to favourable product mix and increased export contribution.

Profit before tax rose to INR28 crores, representing 39.6% year-on-year growth.

Profit after tax was INR21 crores, reflecting 37.6% year-on-year growth.

Balance sheet strength.

Cash and cash equivalent stand at INR209 crores, providing significant financial flexibility.

Working capital remains well managed at 173 days, reflecting our disciplined control on receivables and inventory.

Our focus on engineered products, high margin segments and global exports continues to support both top line growth and bottom line efficiency. We remain committed to financial discipline, strategic capital allocation and sustainable value creation for our shareholders.

Thank you. With this, now I would request the moderator to open the floor for Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kaushik Mohan from Ashika Stock Broking.

Kaushik Mohan: I just wanted to understand on the export side, sir. We currently in this quarter, we recorded around 4% on the export side in the total revenue. I just wanted to understand how much this 4% contribute to our EBITDA margin?

Nageswara Kandula: 25% I think. Exactly, we don't know, but 25%.

Kaushik Mohan: Okay. And what is our -- over the year, what is our expectation that we will be maintaining our export on the higher side? What numbers that we can…?

Nageswara Kandula: I think we are expecting 12% to 15%.

Kaushik Mohan: 12 to 15%? And in the EBITDA margin of 25 percentage, 20% to 25% can I assume?

Management: On the export, we are not dealing separately, but company as a whole, we told earlier.

Moderator: The next question is from the line of Koustubh Shaha from Wallfort PMS. Please go ahead.

Koustubh Shaha: So, I had one question regarding -- so we have done a couple of acquisitions in the past. Now, I just wanted to understand what synergies we have driven from these and any other M&A or acquisitions that are there in the pipeline for this financial year?

Management: Right now, present, we don't have any plans. But if the right opportunity comes, we will definitely consider and we will proceed. But earlier, whatever we acquired, that companies like CPK and Standard Flora, now we are pushing our culture and quality and both subsidiaries now started increasing sales growth. So, any further future opportunity comes, definitely we will consider that.

Koustubh Shaha: Okay. Next thing was on the, sir, when we are providing the services for the corporates. So, out of that, how much would be turnkey or high-margin versus the standard product services that we will be offering? And any application that you can…?

Management: EBITDA level, all are same, sir.

Koustubh Shaha: Okay. EBITDA level, whether it is a small service or a large service contract, everything will be the same. Correct?

Management: Yes.

Koustubh Shaha: Okay. And one more thing, sir, on the segment side, I just wanted to check one thing. The PTFE-lined equipment EBITDA margins are around about 8.5%. Obviously, last quarter it was also 8.6%, but then the last three quarters it was above 20-odd percent. So, any reason why it has come down and whether we should consider this as the standard margin for this segment?

Management: Mix of the products and customers.

Koustubh Shaha: Okay. That is the main reason?

Management: Yes.

Koustubh Shaha: Okay. And lastly, any plans for us to expand our portfolio into PTFE-lined categories where the market growth is there? High-alloy segment?

Management: We are expanding across all product lines. As part of this expansion, we are mechanizing and upgrading our existing manufacturing facilities. This includes undertaking new capex to automate processes across all current facilities.

Koustubh Shaha: Okay. And lastly, sir, regarding the new facility which is coming up, you had mentioned that you would also like to start serving the oil and gas petrochemical division. How is the progress of that facility and are we seeing any interest from any of the customers of that segment?

Management: No, sir. But the facility is going to start now, just we got permission and the government cleared everything. So, just we are going to start It will take another 15 to 18 months facility completion. After that facility completion, we will get into that area.

Koustubh Shaha: Okay, sir. Great, sir. If there are any further questions, I will come back in the queue. Thanks, sir.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Krishna Yoga, an Individual Investor. Please go ahead.

Krishna Yoga: Yes. So, congrats for the good numbers. Sir, for the -- a little clarification for the previous participant question. So, you maintain 12% of revenue mix you are going to expect from the international market, right, for this year?

Anjaneyulu Pathuri: Yes.

Krishna Yoga: Yes, sir. 3 years down the line. What kind of revenue mix you are going to see from domestic and international?

Anjaneyulu Pathuri: Yes. Over a period of 10 years down the line, our objective is to maintain 40% from exports and 60% from domestic.

Krishna Yoga: Okay. 40% from exports and domestic 60%. So, sir, how do you see right now in this year the order inflow from the international market?

Nageswara Kandula: Order inflow is very good this year. And we are targeting this year -- see our results and our growth is showing our performance. 3 years back, really our export is zero. This year we are going to reach 13% to 15% export. We are planning to expand our export coming 5, 6 years at least to 30%, 40%.

And our product acceptance is day by day increasing, adding international clients. Many clients coming and seeing our facilities and they are very impressed. So, future is very bright. Once the export is increased, again our profitability is going to increase.

Krishna Yoga: So, sir, for the same time, actually you mentioned that 4% of revenue mix was there in the Q1 from exports. So, if you compare with the last year, June quarter, since we are adding 4% extra from export markets, still the EBITDA margins are still the same. So, how do you see the overall of FY '26? What is the EBITDA margin you are going to export?

Anjaneyulu Pathuri: FY '26?

Krishna Yoga: Yes, FY '26?

Anjaneyulu Pathuri: We will continue to maintain the same EBITDA margin. And we will put our honest and best efforts to continue the same EBITDA margins in the future as well.

Krishna Yoga: Okay, that I got it, sir. Because in this quarter we are already having 4% of exports, right? But if you see EBITDA margin, there is not much improvement if you compare with the last year, June quarter. In June quarter, there is zero exports. But this year we have 4% exports. But if you see EBITDA margins, both are the same?

Anjaneyulu Pathuri: No, even in June quarter also there is exports.

Krishna Yoga: So, last year there were exports, right?

Anjaneyulu Pathuri: Yes.

Krishna Yoga: Okay. Got it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Saurabh Saraogi from NCML. Please go ahead.

Surabhi Saraogi: Thank you for the opportunity. And it's actually Surabhi Sarogi. So, my question is, in your earlier calls you had guided for 20% to 25% of revenue growth. So, are we still maintaining that guidance and if yes, then what will be the driver for that growth?

Nageswara Kandula: Yes, really. We are exploring to 20% to 25% growth on the – already we reached the same this quarter and coming years also, we are going to maintain the same growth.

Surabhi Saraogi: Okay. And sir if you can explain the drivers behind this growth?

Management: Sorry?

Surabhi Saraogi: What will be the drivers for this 25% revenue growth?

Nageswara Kandula: Export and diversified product portfolios

Surabhi Saraogi: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Yash Purbhe from Inved Research. Please go ahead.

Yash Purbhe: So, thank you for this opportunity. So, sir, my first question is, this 123 basis points expansion in EBITDA margin was seen majorly by which of the triggers, like by better pricing, cost optimizations or only by export?

Nageswara Kandula: All aspects. We are focusing on the manufacturing cost decreasing and we are increasing export and increasing price, product price and all aspects to this results.

Yash Purbhe: Okay. And by the end of the year, how much you want to take this export?

Nageswara Kandula: That is, we are trying to export total top line, maybe 13% to 15% export.

Yash Purbhe: Okay. And do you feel any tariff pressure will affect this export?

Nageswara Kandula: It's not going to much affect. We analyzed compared to our cost, that is I think we are going to face 18% to 20% impact, but still we are cheaper compared to U.S. manufacturing cost.

Yash Purbhe: Okay. So, you don't think any margin pressure could come?

Nageswara Kandula: But we are discussing with our distributor, IPP. They are not raising any questions till date, but we'll see. But I am confident this is not going to impact anything.

Yash Purbhe: Okay. And, sir, what is the capex plan over the next, say, two, three years and could you give us a split of how much has already been deployed and in what areas for capability expansion, automation?

Nageswara Kandula: Existing facilities, we are coming 1 year, 1.5 year, we are going to invest another INR40 crores to INR50 crores on the automation and robots, building and everything. And a new greenfield project we started already. This is progressing, started progressing, but that we are going to invest another INR150 crores to INR180 crores.

That is complete higher fabrication, heavy engineering purpose we are building that facilities. Almost 7,000,000 square feet and we are going, that is 100 mm fabrication thickness and another 110 ton crane capacity we are creating that facility.

Moderator: The next question is from the line of Kaushik Mohan from Ashika Stock Broking.

Kaushik Mohan: Hi, sir. Sir, I just wanted to understand what is our current capacity utilization and with our new facility coming in, what will be post that with current numbers, what will be our utilization?

Management: Current we are using glass lining facility @ 50% and our metal divisions also almost on 60%-70%. But the thing is now we are going to add shell and tube heat exchanger facility. A new facility we are building, that is also, and existing facility we are modifying for shell and tube glass lined heat exchanger. And also, we are bringing automation, non-touching, mechanization in all equipment, fabrication, polishing, welding, everything.

So, capacity going to three-fold. Whatever capacity present now, we are going to another INR40 crores-INR50 crores. Then happily we can increase three-fold. Existing facility, three-fold manufacturing capacity.

Kaushik Mohan: So that means that, can we assume that top line can be INR2,000 crores with the kind of capacities that we are coming up with?

Management: Yes, yes, yes.

Kaushik Mohan: Okay. And, sir, what about the new facility which is coming up, our new facility totally, including that facility and existing facility? What can be the total, at a peak utilization, what can be the kind of revenues can be seen?

Management: That facility we are going to, we are expecting, whatever existing facility, all existing facilities equivalent to that new facility. So almost double the revenue.

Kaushik Mohan: Okay. So almost all around 4,000 crores or something can be with new facility and the current existing facility, our top line can be there?

Management: Yes possibility is next.

Moderator: The next question is from the line of Abhijeet K from CCL Products India.

Abhijeet K: Yes, hi. Good evening. I just wanted to understand, I just saw, I just heard Kaushik's question. So I wanted to clarify some, wanted some clarification on that. You mentioned that the capacity utilization is 50% to 60%. Is that correct?

Management: Yes, sir. Glass lining facility 50%, metal divisions and PTFE lines and other business, others are, we are using 65% to 70%. one more facility we are converting, earlier we are manufacturing glass lining reactors, that facility we are converting to shell and tube glass lining heat exchangers.

And existing facilities we are going to totally adding robos, automatic polishing machines, automatic welding machines, many, many things. We are going to another INR40 crores, INR50 crores capex we are going to do, not only existing facilities. Based on that, these existing facilities we can produce threefold, we are increasing threefold manufacturing capacity. That is I said, sir.

Abhijeet K: Okay. And is this shell and tube heat exchanger, is this the product that you had mentioned, which is solely you are one of the few people in the world who has access to this technology?

Management: No, we are only one company. Japanese company have this innovation, shell and tube glass lining heat exchangers. And we launched this product in first quarter this year, but we got some 250 orders this year. And we installed in one of our biggest client SRF, Dahej plant, and they are very happy with it.

Repeat orders also we received, and the customer response is very high. And this is a complete solution for the corrosion area, shell and tube heat exchangers area. Because particularly pharma is facing graphite heat exchanger particle issues, color change issues. And many, some clients don't have entry also. Due to this product, we are getting entries. They don't have choice. They don't have alternative.

We are approaching directly. They are requesting to supply. But at present, we don't have capacity to fully manufacture in India. But from the month of January onwards, we are going to produce 300 heat exchangers per month. That is going to key-drive growth for our Product Line base or portfolio.

Abhijeet K: After 2026?

Management: 26 is January, February, and March.

Abhijeet K: Okay, so 300 heat exchangers per month.

Management: We are going to have full-fledged sales from June 2026 onwards. Top line, this is going to touch this shell and tube heat exchangers.

Abhijeet K: Okay, great. And I wanted to understand, what is the export mix EBITDA margin? If you can share that.

Management: Export is 25% of EBITDA. Okay. Slightly compared to domestic, export margin is always better.

Abhijeet K: Okay. And one last question with regards to US tariffs. I know you have signed a partnership with a company in the U.S. So, the situation at the moment, has your partner told you anything about this uncertainty? Because I think the tariff rates are changing drastically. And there is no clarity on it. So, if you can give some light on that.

Management: Under 25%-30%, up to, this is not going to impact. Because we are still cheaper. My distributor is also selling our prices. So, they are selling prices almost double, sometimes 3x also. But whatever existing orders are there, all existing orders, they are not discussing anything.

And maybe future orders, maybe they will discuss. But that is not going to impact that much, I believe. Because US don't have equipment, much manufacturers. But manufacturers are there, they have only limited capacities. But still, they are selling, compared to Indian price, they are selling three-fold, four-fold.

Abhijeet K: Okay. And one last thing. Are you guys going to disclose any order books? What is your order book? What is the position of the company existing? Is that something that the company is exploring? Order book philosophy, we are not doing, sir. But this year, we are completely almost full.

Moderator: The next question is from the line of Swathi from Zen Securities.

Swathi: Yes, thank you. Sir, I wanted to know about this chemical specialty and fine chemical segment. I mean, if we compare year-on-year, this segment was relatively lower in terms of revenue share. So, is it because the pharma got increased higher, or is there any issues that are happening in specialty and fine chemistry?

Management: We said compared to chemical, pharma is increasing, capital investment are also increasing. But in the recent, particularly last 2 months, we are receiving many agrochemicals and specialty chemicals enquiries and capex requirements, big requirements. We received some orders also, good orders also, this last one month.

Swathi: Okay. Sir, one more thing is like, since there is lot of like CDMO companies are expected to do well, especially on the domestic front, like is there any enquiries that we are seeing on that part, and how is that happening?

Management: All top CDMO companies, almost 90% companies are working with Standard Glass.

Swathi: Okay. So, how are the enquiries there?

Management: Enquiries always flow is there, madam. Whatever expansions, whatever projects they have, we are the preferable vendors. Because of last 10 years, we made a very good relationship. All CDMOs, particularly, whatever we have some, I think 25 clients, very top clients are with us, CDMO clients. And almost of that is 4-5 clients called me and discussed with their Capex plans and everything. And we are also, that's the reason we are going to, we are also increasing our product lines, capacities and everything.

Swathi: Okay.

Management: This is the CDMO, always, sometimes capex, sometimes existing capacity increasing, sometimes replacement demands, all enquiries we are continuing, we are reaching, madam.

Swathi: Okay.

Moderator: The next question is from the line of Anupam Gupta from IIFL Capital.

Anupam Gupta: Yes, good evening, sir. A couple of questions. Firstly, the US investment that we are doing in Carolina, is there a capex that we are doing for that facility or what is the plan there?

Management: Initially, we are going to maintain the stock and service only. We are not going to invest much amount on that.

Anupam Gupta: Okay, but is there a plan in the longer term that you would want to invest or because of this direction, do you think this plan will change over time?

Management: Presently -- sorry, presently we don't have any plan to invest in South Carolina facility, but we started that structurally only stock point, scomet license issues and stock point and service, provide to service and support to IPP sales. That is our main prime objective.

Anupam Gupta: Understand. Okay. And secondly, in the 4% export share that we have reported for this quarter, does that include any supplier gone to IPP so far, or is it still the older exports which are still paying off?

Management: Old one. Older exports.

Anupam Gupta: So when will IPP supply start?

Management: The second quarter is going to, IPP export is there. Already we have planned.

Anupam Gupta: Okay. Okay. I understand. And just lastly, you said that you have installed one shell and tube heat exchanger in Dahej for SRF.

Management: Not 170, sir. No, no, no. 170, we have order in hand, sir, right now. Some of heat exchangers we installed, first installed in SRF, Dahej facility. Within 2 weeks, we received second order also from Dahej, SRF.

Anupam Gupta: Okay. And these were manufactured with, where, sir? Because it is not done in India, then where was it manufactured?

Management: **M**anufactured in Japan. Completely imported. 100% imported heat exchangers. Then, January onwards, we are going to assembly in India.

Anupam Gupta: So basically, so this quarter, obviously, given that these were manufactured in Japan, the margin contribution would not have been very big. But once, let's say, the India manufacturing starts, what sort of margins do you expect on the shell and tube heat exchangers for yourself?

Management: I'm expecting good margins. We are also, I'm also a customer-focused driven company. We are going to reduce some heat exchanger prices also. Now, today we are importing from Japan. Once we have started assembly in India, the prices also we are going to reduce. But the margins are going to slightly increase once the heat exchangers we are adding into our product line. Our total margins are going to slightly increase, I'm expecting.

Anupam Gupta: Sure. Okay. Okay. And just one clarification, what you said earlier in the call was that the heavy engineering way which you are trying to do for the oil and gas and other segments, that is still a year away at least, right?

Management: It will take another 12-18 months' time.

Moderator: The next question is from the line of Rupesh from IntelSense Capital. Please go ahead.

Rupesh: Hello, sir. Thank you for the opportunity and congratulations on fantastic set of numbers. I'm a little bit new to the company. So, just before starting questions, I want clarification. ANFD filters and heat exchanger in our segmental revenue, which segment do we report them in? Do we report them in glass lined equipment or metal equipment?

Management: Metal.

Management: Metal. Big. Compared to our glass lining, metal basically is bigger.

Rupesh: No, no, no, no. So, ANFD, sir. ANFD filters, that new shape filter and dryer, ANFD filter and dryer, that is reported into which segment?

Management: Metal division.

Rupesh: Okay. And heat exchanger is also reported in metal division?

Management: Both are there, sir. Shell and tube glass line heat exchangers recently launched. But majority, metal division also have manufacturing shell and tube heat exchangers, stainless steel and High alloy heat exchangers but this are not class lined. Glass lines shell and tube heat exchangers will be grouped under Glass lining division only.

Rupesh: Okay. Okay. So, it is reported in metal division. Okay. Okay, sir. So, sir, my first question is we have seen a significant increase in the glass line division, right? If I see Q1 of last year, it was 41 crores, roughly, and now it is 67 crores. And so, what is happening on the ground level? Do you see this kind of trend continuing?

Management: Pharma.

Rupesh: Yes, but so, Pharma CDMO, you have already said that Pharma CDMO is doing capex. But can you give some idea about how it will grow this year, how it will grow next year? So that is question number one.

Management: Pharma, particularly Pharma and CDMO business inquiries have increased in the last 4 months. That is the reason, this growth. And also, this year, almost 90% of our order book is full. And coming, we are expecting next 10 years, this growth is there. This possibility is there because of our product baskets, and we are providing end-to-end solutions to clients. Not only equipment sellers, independent equipment sellers. We are the complete solution provider for two clients.

Rupesh: So, this run rate for glass line equipment, can we expect to continue for next, maybe, eight quarters, six to eight quarters?

Management: Definitely, sir. Glass lining is, again, business going to increase much more because of shell and tube glass lining heat exchanger. Every reactor is required two heat exchangers.

Rupesh: But heat exchanger, you said, you report in metal division, right, sir? I am asking about glass line equipment.

Management: Sir, please, I am clarifying, please listen, sir. Shell and tube glass lining heat exchangers, we already started selling slowly. That is complete import and selling in Indian market. And January, next to 26th January onwards, we are going to assembly in India. And that is the shell and tube glass lining heat exchangers coming to glass lining division. And shell and tube stainless steel and high alloy heat exchanger coming under metal division. Both we are manufacturing.

Rupesh: Okay, I see, I see. It's clear now, sir. It's clear now, and okay, okay. So, you are saying this division, this run rate we can expect, okay. So, heat exchangers, my understanding is that there are already existing companies in India. I mean, the market leader, I think, has the product.

Then there is another listed company which acquired another company, Kinam, that has a product. So, what is different with this Japanese product? And how is it opening doors for us? I mean, what is the differentiating factor?

Management: Please understand the technicality sir. What I am saying,. Kinam is manufacturing metal shell and tube heat exchangers. India has almost 200 manufacturers are there, not only one company. We are also one of them. our metal division also, producing shell and tube stainless steel heat exchangers and high alloy heat exchangers. That is our metal division.

But coming to Glass Lining division, we are manufacturing shell and tube glass lined heat exchangers through AG Japan license. This part no one has in India, even the world also., we are going to pay royalty 4% domestic sales and 7% export sales. We are only one company. Please differentiate it. Whatever stainless steel heat exchangers are supplied, that means non-corrosive heat exchangers. Corrosive heat exchangers, shell and tube glass lined heat exchangers are separate. This part no one has.

Rupesh: Okay. Okay. So, glass line heat exchanger is the new product.

Management: Sir, one more, please understand. One more important point. Glass line is shell and tube heat exchangers. We are only one company in the manufacturing.

Rupesh: So, even the market leader, GMM Pfaudler also doesn't have this product in India. Is that a clear and correct understanding?

Management: Market, I don't know, sir. Who is the market leader? This area, I don't know. I am sorry to say this.

Rupesh: No, no, in this, even GMM Pfaudler doesn't have glass line heat and shell exchanger. Is that a correct understanding?

Management: Yes, correct.

Rupesh: Okay, okay. Okay, sir. And then, sir, you are saying that even with the imports, currently you are just importing and selling in India and still the margins are same as company level, but then once you start assembling in India, so I think what you said in the last call is the 80% manufacturing will still happen in Japan, but the assembling will happen in India. So, when this happens in India, you are saying you will reduce the prices little bit, but still this division will have margins higher than company average. Is that a fair understanding?

Management: That's correct, you are right. Once we launch this product full-fledged, per month 300 heat exchangers, what philosophy we are going to manufacture 300 heat exchangers? Every month we are, at present, we are manufacturing 150 reactors. 150 reactors, each reactor is required two heat exchangers. That's the reason we are going to manufacture 300 heat exchangers. Once the

	heat exchangers are launched full-fledged, our margins are going to increase. That is my stand. Still I am standing on that.
Rupesh:	Okay. Okay. And sir, what is the -- sir this -- I understand the application area from what you are mentioning is into corrosive chemistry. Is that correct?
Nageswara Kandula:	That's correct.
Rupesh:	So, what is the market demand in India total or in annual -- what is the -- what would be the annual demand of this glass-lined shell and heat -- shell and tube heat exchanger in India?
Nageswara Kandula:	Correct. Every year, INR2,000 crores demand. -- for suppose, this is all huge figures. I expect our estimation is 1 lakh reactors in running. But almost 98% reactors are having graphite heat exchangers. But existing replacement market is also huge. Already one of client recently indicated they want to 600 heat exchangers coming here. Because of first phase they are going to change clean room heat exchangers. Clean room they are getting particles and they are getting product color. Lot of issues are there. This is shell and tube glass-lined heat exchanger is going to be a complete solution for pharma, particularly and chemical also. That's the reason this is going to be a very blockbuster product.
Rupesh:	Okay. Okay. Even...
Moderator:	I am sorry to interrupt, sir. Hello. Yes. I am sorry to…
Rupesh:	Just a clarification. This is just a clarification of the existing question. I am not asking a new question. Can I please continue?
Moderator:	Yes.
Rupesh:	Yes. Sir, just to clarify. Sir, there are 1 lakh reactors. Only 2% have this glass-lined exchanger.
Nageswara Kandula:	That 2% glass-lined that have only high alloy heat exchangers. High alloy…
Rupesh:	Okay.
Nageswara Kandula:	Heat exchangers they are using. Balance all graphite heat exchangers are using.
Rupesh:	Sir, what you are saying is essentially graphite heat exchangers now from industry point of view are obsolete. And any upgradation will involve ordering of glass-lined heat exchangers. Is that a fair statement to make?
Rupesh:	Yes. Okay. I have more questions, sir. I will come back in the queue.
Moderator:	The next question is from the line of Yogesh Bhatia from Sequent Investments.
Yogesh Bhatia:	Yes. Sir, I just wanted to understand on the part of, are we seeing any slowdown in the key customer segments? Like in especially light of global macroeconomics uncertainties out there. So are we seeing any slowdown?

Nageswara Kandula: But last six months we are not expecting this much growth. Pharma clients' enquiries. And last two months too much increase in enquiries now.

Yogesh Bhatia: So we are not seeing any slowdown, according to you, right?

Nageswara Kandula: We are not expecting. CDMO is the main drive.

Yogesh Bhatia: Right. Another thing is, I wanted to understand, I mean, I just need one more clarification on the thing that we said that there is a INR2,000 crores of top line with an investment of INR200 crores. Can you specify the timeline for the same?

Nageswara Kandula: Year-on-year we can grow steady within 20%, 25% growth. Based on that you can calculate.

Yogesh Bhatia: All right. And also just one more last question. Like considering our international exposures increasing, how are we managing our forex volatility? And I mean, there is a cross-border sales that is happening. So how are we managing that?

Nageswara Kandula: Managing -- can you elaborate your question?

Yogesh Bhatia: Like there is a lot of forex volatility that we might be having since we have a cross-border sales. So are we -- do we have any plans to manage that?

Anjaneyulu Pathuri Are you talking about the forex?

Yogesh Bhatia: I mean, sir, we are having a lot of like cross-border sales, right?

Anjaneyulu Pathuri Yes.

Yogesh Bhatia: Like imports are increasing. So there will be certain the forex volatility that is going to happen as well. So do you have any plans to manage that?

Anjaneyulu Pathuri: See, generally we also do the imports from US and other countries as well. Generally, automatically it will become a natural Hedge and we don't have any forex exposure as well.

Moderator: The next question is from the line of Meet Mehta from Prasun Exponentials.

Meet Mehta: Yes. All my questions have been answered. Just one thing that the technology that you are saying, you are getting it from Japan. So what is the sizing differentiation from the traditional engineering that is sold in India? And do you see your market share in India?

Nageswara Kandula: Your voice is not understanding, sir. Your voice is not audible, sir.

Moderator: Sir, I just request you to use handsets, please.

Meet Mehta: Yes. So one question that what is the sizing differentiation that you are importing from Japan's technology compared to the traditional GLE that is selling in the market?

Nageswara Kandula: Yes. What is the -- can you elaborate, boss, your question? I'm not understanding. Graphite versus shell and tube glass exchange price. Always higher price. Always, always higher price.

Meet Mehta: Yes, sir. Okay.

Nageswara Kandula: Yes.

Meet Mehta: And do you see any market share increase because of this?

Nageswara Kandula: Market share just started happening, shell and tube exchange. It's going to a full-fledged impact next January onwards and full-fledged maybe 26th, first quarter onwards. Partially, it will start…

Meet Mehta: Okay.

Moderator: Hello, Mr. Mehta?

Meet Mehta: Yes. Understood.

Moderator: The next question is from the line of Abhijeet from CCL Product India.

Abhijeet: Yes. Hi. I wanted some clarification with regards to the shell and tube heat exchanger. What can be the approximate price if you guys are producing it here in India and if you are importing it, will the product be cheaper? I mean, I know the manufacturing costs and etcetera should be cheaper. But tentatively, when you sell the product, will that affect the turnover because you will be adjusting it as per the price?

Nageswara Kandula: No. We are selling now monthly two to three glass lined heat exchangers . That time we will sell 300. So, turnover, how will it affect? Nothing going to -- it is going to increase.

Abhijeet: No. No. The price -- I am saying the price of the shell and tube heat exchanger.

Nageswara Kandula: Yes. We are going to decrease the price,, once we assemble and start in India

Moderator: The next question is from the line of Yash from IIFL Capital.

Yash: Yes. The S2 Unit 5 was commissioned recently, which was supposed to integrate other facilities, which were earlier separate. What is the current capacity utilization and by when do you plan on achieving full utilization?

Nageswara Kandula: This Unit 5, presently we are utilizing at present 60%.

Yash: Okay. And by when do you plan on achieving full utilization?

Nageswara Kandula: we are focusing on that. We are also adding automation in that area also.

Yash: Okay. And like, have you purchased any robots already for the same? Like we have…

Nageswara Kandula: Yes. Yes. Current -- currently, we have seven robots. How many, seven total. Seven robots. We ordered also some. Another coming one year, we are going to at least we are going to add 40, 50 robots in this segment.

Yash: Okay. Okay, sir. And what is, like, the potential cost savings, like, because of this plan? Because you have integrated all the facilities.

Nageswara Kandula: Potential manufacturing cost we are going to save and also our consistency of quality and faster delivery.

Yash: Okay, sir. So, like, this is going to help with the working capital days, like, the requirement or something?

Nageswara Kandula: Working capital days coming, yes, yes, earlier also I told, we will -- we are trying to bring down to 150 days. More than that we can't

Yash: Okay.

Nageswara Kandula: We are doing many other areas also. End-to-end solutions, providing faster deliveries, customizing equipment and a lot of things are there. Our power plant's nature is like that. We require 150 working capital days based on our business nature.

Moderator: The next question is from the line of Rupesh from IntelSense Capital.

Rupesh: So I am referring to slide number 11 on your presentation. And in the segmental, I see that in the Q1 of FY '26, the plant engineering and services is almost 25% of the revenue, which was 10%, 11% before. So my question is, are we executing -- sit this is -- to me, it looks like a little bit like the EPC business. At least, so you can correct my understanding or you can tell me what do you do in this segment. And are we executing some large order for some pharma clients?

Nageswara Kandula: No. This is not. We are not in EPC area. We are in the engineering solution provider area.

Rupesh: So what do you do, sir? What -- can you give me some examples of what do you do in this segment?

Nageswara Kandula: Basically -- what is the difference? EPC companies, they will source equipment and they will execute. Here is our equipment. We are manufacturing equipment. We are integrating our equipment to client base. That is our top-key solution, end-to-end solution basis.

Rupesh: So you will take your equipment and you will do installation also and create a line. That is what you are doing in this segment.

Nageswara Kandula: Yes. Yes. Create a line upto water trails

Rupesh: Okay. Okay. But we don't do this with third-party equipment. This is done only with our equipment.

Nageswara Kandula: 90% our equipment. Maybe some equipment we will…

Rupesh: And why -- okay. Okay. And so this quarter, it seems like then we did installation for some large client and that is why that revenue is 25%. Whenever there is an installation at client side, the revenue will be higher. That is the correct understanding?

Nageswara Kandula: Correct. Yes always. Once a customer is purchasing equipment, that means they are going to install. They are going to not keep it in yard. They are going to install equipment.

Rupesh: Okay.

Nageswara Kandula: We are offering that our services, we are extending. We are offering that solution.

Rupesh: Okay. And then, sir, my last question is that one of the GLP, semi-glutide. So CDMO side you have talked about, but one of the GLP semi-glutide is going generic. The patents will start expiring from January 26 in many markets. And over next three years, four years, we will see large API capacities coming up in India for semi-glutide, hopefully. Sir, can you give some idea about, let's say, a client is doing INR500 crore capex. How much will be reactors? How much will be filters? If you can give some idea about that to understand the opportunity sides from semi-glutide generators?

Nageswara Kandula: Already all the generic players are already expanded. I know all…

Rupesh: Sorry.

Nageswara Kandula: Lot of clients are already expanded. They are ready to produce semi-glutide, sir. Last two years they are doing this capex, semi-glutide capex.

Rupesh: So you are saying semi-glutide capex is already done?

Nageswara Kandula: Yes.

Rupesh: But what is the opportunity, sir? One plant. Let's say somebody -- some generic player says I want to do INR500 crore API for semi-glutide. What is the opportunity in reactors and filters?

Nageswara Kandula: No…

Rupesh: Is it 30 crores? Is it 100 crores? Is it 300 crores? What is the opportunity?

Nageswara Kandula: Sir, we have supermarkets, sir. Everything is available. Today, Standard Glass is a supermarket for pharma and chemical. whatever they want, we are manufacturing, we are producing, including fermenters, everything.

Rupesh: Okay. Okay. And the normal, normal, sir, that ABC reactor you have listed, those are only used in peptide synthesis or are you -- are there some microwave peptide synthesizers needed? I mean, do we have products that can be used in synthesizing GLP or there are different products that clients need to import?

Nageswara Kandula: Sir, too much technical questions, I can't answer, sir. This is all my client information, I can't disclose.

Rupesh: Okay.

Nageswara Kandula: You are not asking what my company is doing sir. There are some exciting events that I can't talk.

Rupesh: But you do supply some product. I mean, you have products which can be used in these plants. At least that much you can confirm?

Nageswara Kandula: 100%. We are an end-to-end solution provider. We are the top company in India now, today. That's a reason supermarket, I said, sir, one single word.

Moderator: The next question is from the line of Vansh Jain, an individual investor.

Vansh Jain: Sir, just one small question. What would be your market share in glass-lining equipment?

Nageswara Kandula: 30% to 35%.

Vansh Jain: Sorry, sir, 30%?

Nageswara Kandula: 30% to 35%.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for the closing comments. Over to you, sir. Yes, sir. Over to you for the closing comments.

Nageswara Kandula: Thank you for all.

Moderator: On behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.