Standard Engineering
Customer Inspired Excellence

Date: February 10, 2026
To,

Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra - Kurla Complex, Bandra (East)
Mumbai - 400 051

SCRIP CODE: 544333

SYMBOL: SETL

Dear Sir/Madam,

Sub: Transcript of the quarter and nine months ended December 31, 2025 Results Conference Call hosted on February 05, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with reference to our results conference call intimation dated January 30, 2026, please be informed that the results conference call for quarter and nine months ended December 31, 2025 was hosted on February 05, 2026 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 ENGINEERING TECHNOLOGY LIMITED
(Formerly known as Standard Glass Lining Technology Limited)

KALLAM HIMA PRIYA
Digitally signed by KALLAM HIMA PRIYA
Date: 2026.02.10 20:33:51 +05'30'

Kallam Hima Priya
Company Secretary & Compliance Officer

Standard Engineering Technology Limited

Encl: A/a

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"Standard Engineering Technology Limited

Q3 FY '26 Earnings Conference Call"

February 05, 2026

MANAGEMENT: **MR. NAGESWARA KANDULA – MANAGING DIRECTOR – STANDARD ENGINEERING TECHNOLOGY LIMITED**
MR. RAMAKRISHNA KANDULA – EXECUTIVE DIRECTOR – STANDARD ENGINEERING TECHNOLOGY LIMITED
MR. VENKATA MOHANA RAO KATRAGADDA – EXECUTIVE DIRECTOR – STANDARD ENGINEERING TECHNOLOGY LIMITED
MR. ANJANEYULU PATHURI – CHIEF FINANCIAL OFFICER – STANDARD ENGINEERING TECHNOLOGY LIMITED

MODERATOR: **MS. MONALI JAIN – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Standard Engineering Technology Limited Q3 FY '26 Earnings Conference Call. 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. Monali Jain from Go India Advisors. Thank you, and over to you, ma'am.

Monali Jain: Thank you, Steve. Good evening, everyone, and welcome to Q3 and nine Month FY '26 Earnings Call of Standard Engineering Technology Limited. We have on the call Mr. Nageswara Kandula, Managing Director; Mr. Ramakrishna Kandula, Executive Director; Mr. Venkata Mohana Rao Katragadda, Executive Director; and Mr. Anjaneyulu Pathuri, Chief Financial Officer.

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 risks that company faces. I will now request Mr. Nagesh to take us through the financials and business updates, subsequent to which we can open the floor for questions and answers. Thank you, and over to you, sir.

Nageswara Kandula: Dear shareholders, investors, analysts, partners and well-wishers, good evening all, and thank you for joining us today. It is my privilege to present to you the Q3 and nine months FY '26 performance of Standard Engineering Technology Limited, a period that marks strong financial execution, strategic transformation and the laying of foundation for our next phase of global growth.

During Q3, we formally completed an important milestone with change of our company's name from Standard Glass Lining Technology Limited to Standard Engineering Technology Limited. Let me be very clear, this is not a departure from glass lining. It is an expansion of our identity to reflect what we have already become.

Glass lining remains at the core of our DNA, and it continues to be one of our fastest-growing and most-profitable verticals. However, over the last few years, the company has evolved into a high-precision integrated engineering platform, capable of delivering complex multidisciplinary projects with single-point accountability from concept to commissioning.

The new name reflects our expanded engineering capabilities, our turnkey execution strength, our global ambitions and our role as a long-term strategic partner, not just an equipment supplier. This evolution has been deliberate, disciplined and customer led.

The initiative announced earlier have now been fully implemented during Q3. We successfully completed the acquisition of Scigenics India Private Limited, significantly strengthening our position of bioprocess, fermentation and life science systems. We acquired a majority stake in C2C Engineering Private Limited, now renamed Standard C2C Engineering Private Limited, beginning process mechanical, civil, HVAC, electrical instrumentation and automation engineering fully in-house.

With this integration, Standard Engineering Technology Limited today operates as a true end-to-end engineering solution company, capable of executing large, complex and regulated projects with speed, precision and accountability.

While our engineering platform has broadened, I want to reiterate the glass lining remains a major growth engine. Shell and tube glass lining heat exchangers developed with our Japanese partner, GL Hakko, have been exceptional market acceptance. Our 200 units already in order book, 100 units successfully delivered. These products are increasingly replacing graphite and alloy alternatives due to superior safety, life cycle, performance and reliability.

Conductivity glass lining reactors. One of the most exciting developments in our journey is the successful execution of conductivity glass lining reactors. Multiple units have already been manufactured, supplied and executed successfully. Customer feedback has been extremely encouraging, especially from regulated pharma markets.

From April 2027, we will officially launch conductivity glass-lined reactors in India and global markets. Our international partner, IPP, has expressed a strong interest in selling a majority of these reactors globally, which we see as a powerful validation of the technology. We firmly believe these products has the potential to redefine safety standards in pharmaceutical and chemical processing worldwide.

The Union Budget 2026 with a nearly 10% increase in allocation to the Department of Health and Family Welfare created a strong structural tailwind for us. Pharmaceutical, biotechnology, advanced manufacturing facilities in a company like ours, deeply embedded in precision engineering and turnkey execution, this translates into a long-term demand, visibility across greenfield and brownfield projects.

Financial performance, strong and consistent. Coming to our financial performance, total income for nine months FY '26 grew by 23.6% to INR562 crores. Q3 FY '26 income increased by a strong 37.1% year-on-year to INR196 crores. Profitability improved in line with the growth.

EBITDA for nine months FY '26 stood at INR102 crores. Q3 EBITDA increased to INR34 crores. PAT grown 18.8% for nine months FY '26, and by 28.3% during Q3. These numbers reflect disciplined execution, improving operating leverage and the early benefits of our integrated engineering model.

We enter the next financial year with a strong order book. growing traction on turnkey engineering, glass lining, heat exchangers and advanced technologies. Export contributed already at 15% with significant headroom for growth. Robust order inflow in FY '27, strong export raw material, continued focus in profitable growth, capital display and execution excellence.

Behind every milestone stands our people, our engineers, technicians, partners and customers, whose trust and commitment fuel our progress. Standard Engineering Technology Limited today is not just a company. It is a platform for long-term value creation, a company built on engineering depth, technological leadership, and global ambition.

Thank you for your continued trust and support. With that, we will be happy to open the floor for questions. Thank you all.

Moderator: Thank you very much. The first question comes from the line of Raman KV with Sequent Investments. Please go ahead.

Raman KV: Congratulations on good set of numbers. So my first question is with respect to the margin. The margin has declined from 18.6% to 15.1%. And in the previous quarter also when we asked about the margins, you said the margins will be improving sequentially. So I just want to understand what was the major reason for the decrease in the margin during your quarter? Or is this the new normal, 15% going ahead?

Nageswara Kandula: Margin, sir, actually, in our last call, I told margins going to increase. We expected this 4.5 million export is happening, but third quarter only 1 million export is happened, and next quarter, we are going to do 3.5 million export. That is due to the company name changed. And equipment is ready to dispatch. So, fourth quarter going to be slightly that whatever declared thus far is going to increase in fourth quarter. Due to that, slightly this has decreased our profit. Okay? Any further question?

Moderator: Mr. Raman KV does that answer your question?

Raman KV: So yes, just a follow-up on that. How much was the impact due to Labour Code? Have we taken any impact on the Labour Code changes?

Nageswara Kandula: Sorry. Say again, please? The line is not clear. Please say again.

Raman KV: Have we taken any financial impact due to a recent Labour Code changes?

Nageswara Kandula: Your voice is not clear.

Anjaneyulu Pathuri: Myself Anjaneyulu. One second. So the Labour Code impact has been evaluated from the management side and provided in the financial results. There is no additional impact which needs to be considered in the financial statements.

Raman KV: Understood, sir. And sir, my second question is we have acquired two entities, Scigenics and C2C Engineering in the previous quarter, as you mentioned. Can I know what is the current run rate of these businesses?

Anjaneyulu Pathuri: Sorry, can you please repeat?

Nageswara Kandula: Sorry. Your voice is.

Moderator: Raman sir, can you please use your handset. We are not able to hear you clearly.

Raman KV: Can you hear me?

Moderator: Yes, far better. Thank you.

Raman KV: Yes. So I just want to understand that the two entities which we acquired, Scigenics and C2C Engineering firm, what's the current quarterly run rate of this and how much do you see the potential to scale this business?

Nageswara Kandula: These companies -- whatever companies we have acquired are size-wise very small. As I have said earlier as well, our strategy remain same. Technical and intellectual wise they are very high. And C2C, maybe last year or this year, they are going to touch maybe INR20 crores, INR22 crores revenue. Next year, we are targeting to at least to double or triple their revenue. Those possibilities are there in C2C revenue.

And Scigenics -- Standard Scigenics also -- after they came to Standard Technology under, maybe 25% to 30% growth is going to happen in Standard Scigenics also. So both companies have bright future. Total addressable market is very high. But due to some management constraints from their growth is not happened. Now we are pushing things and we are introducing our whole customer base, domestic and globally. So bright, very bright futures are there at both companies.

Raman KV: Understood, sir. And sir, we only -- in the previous quarter, you mentioned we have acquired 51% stake. Are we planning to acquire the remaining 49% stake in C2C?

Nageswara Kandula: At present, no. At present, their management will continue. They are very strong in engineering. They are very good people, old management and they have 20 years' experience. So they have very, very good contacts in the market. We are also happy to continue with them. They strengthen our technical and engineering aspects.

Raman KV: Understood, sir. Thank you.

Nageswara Kandula: Thank you.

Moderator: Thank you. The next question comes from the line of Koushik Mohan with Ashika Group. Please go ahead.

Koushik Mohan: Sir, I have -- just a small understanding over here. Can you help me with -- currently also -- last quarter we told that there is some exports which will be delayed. Again, it got -- it was going to come in Q3. Now we have the reason by telling that, we have changed the name and that's the reason this exports is not happening. So will this be passing on or it will be in the same in line for the Q4? Are we going to meet our growth guidance, whatever we have suggested?

Nageswara Kandula: Yes, you're exactly correct. And 4.5 million, 1 million completed in Q3. 3.5 million is almost in packing condition. That is going to complete in Q4. So whatever we committed, 13% export, that is going to be reached. That we are going to reach 100%.

Koushik Mohan: Sir, and on the sales side we have grown on a Y-o-Y basis around - 36%, to

37%. On Q-o-Q, we've grown around 4.8%. But when we look at on the gross profit margin, we made a gross profit of 38.9 percentage. But when we look at Q2, we made around 35.6%. There was an improvement in the gross profit.

But when it was flowing down to EBITDA -- I can understand the employee cost. That is because of Labour Code. But also, when we see our total expenses, that has also increased as per the revenue. So is there any -- why -- because majority of costing is coming under other expenses. If possible, can you give more clear understanding on other expenses? Why is this too high in this quarter?

Anjaneyulu Pathuri: Yes, Koushik, I'll just give you the logic behind it. One second, sir. I'll just give you the logic behind this. Maybe what you observed is perfectly right. So here, there are two reasons. One is increase in the employee benefit expenses. We had,we are recruiting the people at a high level to get into the new end-user industries as well and we are building the team to get into the new end user industries.

That is one reason. And second one is the increase in other expenses, mainly due to the increase in the consumption of the consumable item, which will be primarily used in the projects. So because of which, these two expenses have got increased in the current quarter and Y-o-Y as well.

Koushik Mohan: Okay. So that means that -- can I understand that Q4 this will not happen and the Q4 margins will improve? Is my understanding right?

Nageswara Kandula Q4 is going to complete the whatever balance exports and also growth is also good. So profit is going to -- increase.

Koushik Mohan: Got it, sir. So sir, then that means that our Q4 numbers will be more better than whatever we can expect, because whatever has been one-time costing over here, it will be -- not be considered there.

Nageswara Kandula: Mr. Koushik, last year also we announced this year we are going to grow. 20% to 25% this is going to grow. More than that maybe more than that.

Koushik Mohan: That will help for us for the growth part. And sir, one clarification only like recently, we have pledged our shares, right? Can we understand what's the reason, if it is possible?

Nageswara Kandula: Sir, that is promoter personal purpose we already said this, that's nothing related with company. Company has cash in the bank and cash INR250 crores. And even though CC also -- today we are using only INR40 crores in CC. This business is growing year-on-year, sorry, quarter-on-quarter. And CC limits also we are using at least INR40 crores. So –company’s cash flow or company’s cash, everything is very strong.

Moderator: The next question comes from the line of Ram Arvind with ithoughtPMS.

Ram Arvind: And just a question on the shell and tube glass lined heat exchangers. So this is going to have a considerable amount of our top line starting from FY '27, right? So I want to know if we have -- like what sort of order inquiries do we get, that is from which segment or service sectors do we get order inquiries for the high-alloy heat exchangers, not the glass line one, but the normal high alloy heat exchangers. That's my first question?

Nageswara Kandula: Hello? Excuse me. Can you speak -- can you ask again question please loudly? Your voice is not coming properly. I am out of country. That's the reason. Please kindly...

Ram Arvind: Yes. So apart from the glass-lined shell and tube heat exchanger, which we are going to be starting on full flow from FY '27, which is going to hit our top line, so I want to know what other heat exchangers, so which is the high alloy heat exchanger, which segment is this mainly being catered to?

And that's the first part of the question. And secondly, do we have a steady order pipeline or do we have inquiries from the petrochemical and oil and gas sectors? That will be my first question, and then I'll come with the next question.

Nageswara Kandula: See, this heat exchanger will be replaced with silicon carbide, high alloy heat exchanger and graphite, particularly graphite. Graphite, 80% industry is using because of low cost, but previously failure and particle issues. We are providing these solutions. High alloy also lot of intake is there.

Coming to silicon carbide, price is 5 times compared to this glass lining. With glass lining, life also very long life, at least minimum 15 years. I said 200 we booked. But we are limited. Because of April onwards, we are going to fulfil our capacity in Japan. Also we have expanded clients. And India also will be new clients completely. It's going to complete coming 4 weeks.

So April onwards our capability is, we can produce 300 heat exchangers per month. And average price, we are considering INR12 lakh heat exchangers. But how many -- how much -- immediately 300 maybe we can't tell. Every month, we are targeting. First quarter at least 100 -- each month 100-150 we are planning to sell.

This is a big market. India have 2x those opportunities, shell and tube heat exchangers. Global also there. Global also we are -- global requirements are firstly to Europe and U.S. market purpose, we are planning to start some sample equipment. And our global partner, IPP, also waiting about these products. The high alloy estimated life is 4 years, 5 years. But here many people they don't bother about cost. But 4 years, after 5 years, this is going to fill again the supply. But this is going to be a permanent solution to market.

Ram Arvind: Since already our revenues is close to 80% catering to the pharma sector, right, and even the glass-lined shell and tube exchangers will again -- I assume that will be going towards the pharma sector. So how is the like revenue diversification happening here?

Nageswara Kandula: Pharma requires that, but I sold -- in India, the first heat exchanger I sold to SRF. Later, I sold to Deccan and to Anupam Rasayan; these all are chemical clients. Recently I received/ reviewed

CDMO players, many CDMO players, Sai Life given recently big orders. And I think single order we received 45 numbers We are unique, and so this product no alternate suppliers, so this is very big.

But from April -- once we start in India assembly center, then we can full pick up. But equally, this product is required in chemical and pharma. Petrochemical less, not much. But pharma and chemical, and in this area it's very, very much required.

Ram Arvind: Okay, sir. Understood. On the high alloy heat exchangers, so which sector do you mostly get orders from, sir? Is it from the oil and gas?

Nageswara Kandula: Sorry?

Ram Arvind: Or petrochemical? So for the high alloy heat exchanger, which sectors do we get cater on?

Nageswara Kandula: Wherever high alloy heat exchangers are using. In oil and gas also, that place also we can replace. But based on application. Suppose vapor and coolant also both are corrosive, the heat exchangers are not suitable. Wherever one side corrosive, second side coolant is normal in India and we can generally use those.

Gujarat Fertilizers also -- GSFC also we are discussing. They are facing many problems. They are importing heat exchangers. A lot of the discussion is going on. But we are not fully ready. That's the reason we are slowly launching. But God's grace, successfully we supplied 100 numbers. All are happy. And clients are asking again when we are going to supply.

But recently, we announced we are going to supply April onwards full. We have started order booking. And prices also wherever -- now earlier prices are very high from import from Japan. Now recently, we reduced another 20% to 25% prices to heat exchangers. And our aim to sell more heat exchangers into the Indian market. And same time, our revenue growth, and same time, our customers are going to get benefit. This is our aim.

Ram Arvind: Okay. Sounds good, sir. Just one last question on the C2C acquisition. So can you just help me to like give some light on what exactly C2C does? And how it's going to help with your engineering capabilities, apart from equipment sales? Like how you're going to like transition to a solutions provider?

Nageswara Kandula: C2C acquisition -- actually, last 3 years back, we decided our company – from a product company to slowly become a solution provider. So based on that -- in-house engineering team is there. We are doing 3 projects ,our capability is 4-5 projects at a time, we can handle 2 engineering teams, an in-house engineering team. But demand from market is increasing day by day.

And also suddenly we got opportunity, C2C opportunity. C2C is a 20 years old company. They build scratch to complete plant -- high engineering plant, Deccan, Berger, Bayer, and many, many companies. They build Dr. Reddy's,]. They work with many -- pharma and chemical both and paint industry and food also, and even battery reprocess plants also they build.

They will give complete concept to completion. Means they will give -- suppose anybody who have land, they will give full concept they will provide basic engineering, they will provide detail engineering. They will complete, engineering they will provide.

And the Standard Engineering Technology is possessing 80% in-house equipment. So we are capable in-house equipment manufacturing and supply from its team up to water, So this is -- we have now full capabilities, end-to-end. Earlier also, we have in-house engineering capabilities. But after C2C acquired -- C2C have high engineering technologies. So based on this, we are -- so complete solution provided, we have become a complete solution provider.

This is only one company in the world. You can look into the, you can search in web box, you will understand. Many engineering companies are there, many equipment manufacturers are there. Many equipment means independent businesses. Some company is manufacturing only tools. Some company is manufacturing 2-3 equipment. Some company will standard variety of equipment. But we are having engineering capabilities, and 95 variety of equipment which are in-house manufacturing.

It's not only manufacturing. We are supplying completely. We are taking our responsibility. So customer also feel happy. So we are providing complete solution. That is purpose we are acquiring C2C.

All right, sir. Yes. Thank you, sir. If there's any more questions, I'll join back in the queue. Thank you.

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

Krishna: Good evening. Is it audible?

Moderator: Yes. It is audible.

Nageswara Kandula: Yes, audible. Speak loudly, sir.

Krishna: Yes. I was checking this Q3 financials. I understand there was a jump in the inventory by INR20 crores in absolute terms. May I know the reason for the same, why there was so much jump in the inventory?

Nageswara Kandula: Sorry, sir, your voice is low sir. Anjaneyulu, can you answer that question? I didn't understand that.

Anjaneyulu Pathuri: As he explained already -- hello? As he explained , so most of the export equipment's are also ready, which is there in the inventory, which needs to be delivered in a month. Because of that, that inventory levels are high. That is one thing.

And second one is we have acquired the Standard Scigenics as well, right? So there is some inventory over there, which is not in the Q3, which is in Q -- sorry, which is not there in Q2, which is there in Q3. These are the two reasons, primary reasons.

Krishna: Okay. If we see the -- for financial year '26-'27, '27-'28, considering the recent acquisition of C2C and what the extra subsidiaries we have incorporated in the US, what will be the revenue top line expectation for '27-'28 in the absolute terms?

Anjaneyulu Pathuri: Nagesh sir, can you answer? Top line for the '27-'28 financial year after considering the acquisitions of C2C and Standard Scigenics.

Krishna: Yes. Considering that US got incorporated, the subsidiary of our Standard Engineering.

Nageswara Kandula: Yes, as per the earlier discussions also, I think we have mentioned in the earlier calls also, our objective is to grow our revenues at 25%. Our objective is to grow at 25% continue to grow our revenue targets at that same level. It may go up also, considering all these things, but our objective is to grow our revenues at 25%, which is clearly evident based on the 9-month revenue currency, 9-month revenue versus previous year 9-month revenue as well. So, our objective is to grow like that.

Krishna: Okay. One last question. What will be your revenue contribution from the US market?

Nageswara Kandula: Sorry, come again?

Krishna: What shall be your revenue from the US market? Revenue contribution from the US market? You mean to say for FY 2026, '27 financial year?

Krishna: I'm speaking for '27, '28.

Nageswara Kandula: '27, '28.

Krishna: '26 to '27, I mean. '27, '28, not '26 to '27.

Nageswara Kandula: Yes, '27, '28, it will go, it will increase significantly. But our long-term objective is to increase our export revenue significantly, considering the collaborations that we have with Biocon and IPP.

Krishna: Okay, okay. Thank you. That's all from my side.

Moderator: Thank you. The next question comes from the line of Maitri Shah with Sapphire Capital. Please go ahead.

Maitri Shah: Hello? Am I audible?

Moderator: Yes, ma'am.

Anjaneyulu Pathuri: One second. Sorry. Sir, can you connect Mr. Nagesh sir once?

Moderator: Yes, sir, he is connected with us.

Nageswara Kandula: Yes, yes, I am there, sir. I am there.

Anjaneyulu Pathuri: Okay. Thank you.

Maitri Shah: Yes. Can I go ahead?

Anjaneyulu Pathuri: Yes.

Nageswara Kandula: Yes.

Maitri Shah: Okay. Firstly, I wanted to just check in about the 2 acquisitions that we did, the Scigenics and the C2C Engineering. Could you speak of the current revenue per quarter of those 2 companies?

Anjaneyulu Pathuri: Yes. So your question is like what is the revenue from the Scigenics business and C2C business in the current financial year, right?

Maitri Shah: Yes, correct. And not including them in our books, just on the stand-alone basis, what these companies are earning?

Anjaneyulu Pathuri: Yes. Based on the previous financial year, their revenues were somewhere around INR25 crores. And current year, it is expected to grow -- expected to touch financial year '26 somewhere around INR40 crores in the case of Standard C2C. And in the case of Standard Scigenics, it is going to touch somewhere around INR35 crores to INR40 crores in the current financial year, without considering the effective date of the acquisition date, I'm telling.

Maitri Shah: Okay. Okay. And we're expecting a 25% growth rate for FY '26 as well, for this year or this current year or fiscal year as well?

Anjaneyulu Pathuri: Sorry. Come again? Your voice is breaking a bit. Can you please repeat?

Maitri Shah: Yes. So for FY '26, are we expecting a 25% growth in the revenue as well?

Anjaneyulu Pathuri: Yes, yes.

Maitri Shah: Okay.

Anjaneyulu Pathuri: And this is very evident from the 9 months to 9 months as well.

Maitri Shah: Correct. And since you said that we had a delay in the export for quarter 3 and most of them are going to come in quarter 4, what sort of sustainable margins do you see, because now we'll see a year-on-year increase in the export sales as well? So what sort of sustainable margin profile you see in the EBITDA level going forward from fourth quarter FY '26 and also from FY '27?

Nageswara Kandula: Yes, yes, madam. It is going to -- slightly going to increase. And revenue also we are expecting very good growth in next --'27. Q4 also. Q4 is going to -- we're trying to complete...

Maitri Shah: Any sort of number? You can give an update, sir?

Nageswara Kandula: Sorry?

Maitri Shah: Any number you can give on the sustainable margins we can use?

Nageswara Kandula: Present margins slightly going to increase, madam. That I can say. Number-wise, we can't. But slightly we are going to increase, better position.

Maitri Shah: And exports this year, we are targeting a 13% of our total revenue. What goal do you have in the next 2 years from exports? What sort of contribution do you expect from exports coming in? Can we reach a 25% number? Is that possible?

Nageswara Kandula: 25% maybe next year maybe not possible. Chances are there, but not sure. But we can reach 15% to 20% surely.

Maitri Shah: Okay. Okay. That is great. And what differential do you have in the exports versus the domestic sales? So how much more margins are we earning on the export side of the business?

Nageswara Kandula: Exports always better, ma'am. Export division is always better compared to domestic.

Maitri Shah: Correct. But any number you can give, like what sort of differential do you have percentage-wise?

Maitri Shah: Okay. That is great. And what differential do you have in the exports versus the domestic sales? So how much more margins are we earning on the export side of the business?

Nageswara Kandula: Exports always better, ma'am. Export division is always better compared to domestic.

Maitri Shah: Correct. But any number you can give, like what sort of differential do you have percentage-wise?

Nageswara Kandula: No. We can't disclose that type of detail, okay?

Maitri Shah: Okay. Makes sense. -- And it was mentioned in the...

Nageswara Kandula: Tariff -- tariff was there.

Maitri Shah: Correct. In the presentation, we have mentioned that we are going to incur INR130 crores of capex in the next two to three years. What sort of capex amount are we going to incur in FY '27? And if you could kind of explain, what are we adding to the capex, what capacities are we adding?

Nageswara Kandula: Existing facilities we are already -- we started investing this year. How much this year we invested in capex? What is it till date?

Anjaneyulu Pathuri: INR30 crores till now, current year.

Nageswara Kandula: INR30 crores -- sorry?

Anjaneyulu Pathuri: Current year INR30 crores, and totally somewhere...

Nageswara Kandula: Another -- fourth quarter also we are going to invest another INR20 crores. And existing facilities, we are improving and that improvement maybe another INR30 crores, INR40 crores, INR50 crores. Total INR200 crores gross block. Capacity we are creating INR2,000 crores.

And greenfield also, we are building one more project. That is in -- we got permission. And the first phase, we are going to build the -- some 4.5 lakh- 5 lakh square feet we are going to build in the first phase. And 2 lakhs, 3 lakhs square feet we are within -- we targeted '27 to complete.

Maitri Shah: The target is to complete the rest?

Nageswara Kandula: That capex investment maybe greenfield investment, maybe -- first year maybe -- next year maybe we are going to invest INR70 crores to INR100 crores, we feel we're going to invest on that project.

Maitri Shah: And this will be commissioned by when?

Nageswara Kandula: This -- one year it will take. '27 financial year, first phase may be availability to start the production.

Maitri Shah: Okay. So one year for commissioning and INR70 crores to INR100 crores is the capex. Is that correct?

Nageswara Kandula: Yes. That is greenfield. Greenfield, I'm talking about.

Maitri Shah: That is greenfield. Yes, that's greenfield. Okay. And close to INR30 crores to INR50 crores next year will be invested in the existing plant?

Nageswara Kandula: Yes, yes, madam. Correct. You're absolutely right.

Maitri Shah: So a total capex -- so a total expenditure of INR100 crores to INR150 crores on capex will happen in FY '27?

Nageswara Kandula: Yes.

Maitri Shah: Okay, yes, that is it from my side. Thank you and all the best.

Moderator: The next question comes from the line of Sai Kumar, an individual investor.

Sai Kumar: Thank you for giving me this opportunity. So, my question is on the Shell and Tube glass line heat exchangers. So you said from April, you are going to commence 300 units per month. So, like if you want to reach -- so for example, you are starting with 100 units per month. So how much time it is going to take for you to reach the 300 unit per month capacity utilization? So what is the time frame you have in your mind?

Nageswara Kandula: We are creating day 1, 300 heat exchangers capacity in Japan and India also same day, because of 80% equipment we are manufacturing in Japan and 20%-25% approximately we are manufacturing in India. So, both places, we are creating capacity. Once launch, customer acceptancy is good and we -- based on customer response only. But capacity, we are already going to create April month onwards 300 numbers.

That is based on customer acceptance. Once the customer wants -- customers' orders is 300, we can supply. That's the reason one month -- immediately maybe we will not get the order, 300 number. That's the reason I said 100 numbers comfortably we can book per month. That is we are planning.

Sai Kumar: So initially, you are going to start 100 per month. And slowly by year-end or one year or two years, you will reach 300 unit per month. That is...

Nageswara Kandula: Not one year. We have to see, as soon as possible, we want to utilize the capacity full fledge,that is our target. Anyhow we are producing every month 150 reactors, every month. And every reactor is required 2 heat exchangers. This purpose only, we created 300 heat exchanger capacity. And other competitors also every month they are producing 600 reactors, all other manufacturers.

That 600 also required heat exchangers. But for this part, the others don't have. So that opportunity also we will get. So this is -- that's the reason. Next year -- I hope, 100% I'm sure also, next year, we are going to become the largest glass lining equipment manufacturer in India. Earlier some people are claiming 50%, I'm the market leader, like that, not 50%.

I'm going to tell confidently we are going to become the largest glass lining equipment manufacturer in India. This is not only challenge to glass lining heat exchanger. Reactors also without gasket we launched. There is high response from clients. And conductivity glass lining reactors. And recently, Laurus Labs given one big order.

And Hetero is -- first Hetero,built one CDMO plant. They have given conductivity glass lining order. And big price -- very high response. Every year Sun Pharma is facing static issue and they have given one reactor order. We supplied successfully. Wherever we supplied -- Laurus Labs is to be supplied, but Hetero and Sun Pharma we supplied. They are very happy. This product don't have any alternative competitor.

And Europe Europe and U.S. markets, as explained,our partner, IPP, going to sell. So these all things if we consider, we are going to become the largest glass lining equipment manufacturer in India '27 financial year.

Sai Kumar: Okay. So one more question, sir. Last year, your sales is around INR615 crores, and this year, you are telling around INR750 crores, and exports will be 13% of the revenue. So my question is, then last year sales no exports. So, we are just growing like around -- by 5% in the domestic sales. So my question is like why so low growth in the domestic sales?

Nageswara Kandula: No, not low growth. This is a manufacturing company.. We are increasing the capacities, manufacturing capabilities and adding manpower. This year, we are growing 25%. So next year, may be more, more and exciting year next year. So growing, that is export and domestic. Why we are more focused on export? Because of high margins.

Sai Kumar: Okay. So exports you're...

Nageswara Kandula: Not domestically. We are focusing more export, so high margin -- purpose of high margins. So whether that is -- domestic growth or export growth, ultimately growth is important, high profitability. Top line and bottom line, both are important in any business that is we consider.

Sai Kumar: Okay. So export -- I mean, that was my question, like -- but margins are still coming down, because as you're telling, exports you are trying to increase. As you said, margins are high -- a bit high for the exports. But as you see, the margins are a bit coming down. So can you please quantify what was the reason like for coming down?

Nageswara Kandula: You know that is -- I said for Q3, we expected 4.5 million export, but we did only 1 million. And Q4, we are going to do 3.5 million. Margin is slightly going to increase. Next year, we are targeting higher EBITDA . We are targeting next year very high -- excitement here, I can say confidently.

Sai Kumar: Okay. Yes. Okay, sir. And what is -- can you please just tell me what are -- what kind of orders you are having for shell and tube glass-lined heat exchangers? Like how much quantity you are -- in the previous call, you said you're completely booked. So can you please tell the numbers per month, how many like...?

Nageswara Kandula: Presently, we don't have that much capacity, but completely booked means whatever Japan is sending to India that capacity we fully booked. Currently, we are ordering, adding -- I think 120 numbers are in hand. So April onwards we are going to full page.**Sai Kumar:** Sorry. I missed you're -- how much orders, sir?

Nageswara Kandula: Already in hand -- 120 numbers already in hand now.

Sai Kumar: 120 numbers. Okay. Okay. Sir, and what is -- one last question. What is our cash flow from operations?

Nageswara Kandula: Cash flow from operations. Anjaneyulu, this is how much in this call?

Anjaneyulu Pathuri: Yes. So approximately as on today, it is somewhere around INR15 crores. But as on 31st December, it is INR2 crores to INR5 crores, sir, cash flow from operations.

Sai Kumar: Okay. Going forward, we are expecting increase in -- right?

Anjaneyulu Pathuri: A significant inflow we are expecting in this quarter. By March 31st, we are going to get significant cash inflows from the collection of the debtors and from the business as well.

Nageswara Kandula: Already improved, sir. A lot of improvement happened compared to last quarter, cash from operations. This year, March 31, how much we are expecting, Anjaneyulu, approximately?

Anjaneyulu Pathuri: INR50 crores to INR70 crores positive, sir, cash flow positive.

Nageswara Kandula: INR50 crores to INR70 crores we are going to -- positive cash flow.

Sai Kumar: Okay. And like what is the EBITDA per CFO range? Can you please -- like what is the number, if you can give us?

Anjaneyulu Pathuri: Yes. it is approximately 30% to 40%,

Sai Kumar: Okay. Yes. Okay. Sir, can you give us some order number...

Moderator: I'm sorry to interrupt. Sai Kumar, could you please come back in the queue. The next question comes from the line of Raman KV with Sequent Investments.

Raman KV: I just want to understand the reason for the promoter pledge. I didn't quite get why there is a promoter pledge?

Nageswara Kandula: This is personal purpose, sir. This is nothing related with company.

Raman KV: And are you planning to -- by when do you have plan to remove the promoter pledge? Is there any time line?

Nageswara Kandula: Maybe next 6 months or maybe earlier also. Earlier also I have plan.

Raman KV: Understood, sir. And sir, just one doubt on the order book part. What's our current order book?

Nageswara Kandula: We have decided not to disclose the figures order book because of I don't want to take my competitor advantage. And next year a chance to do better than this year, if possible.

Moderator: The next question comes from the line of Koushik Mohan with Ashika Group.

Koushik Mohan: Sir, it was like -- I think someone -- previous to this question, someone had a question. Like -- the question was like last year sales was around INR615 crores, and this year, we are in the run rate of doing 25% growth. And if we assume 13% to be our overall exports, that means that this year's numbers will be -- on the domestic sales will be around INR625 crores.

So last year -- sir, this year it's only INR10 crores up. But when we see our execution in the ground, we feel that majority sales is coming from domestic. So how are we going to capture this, sir? Like how are we going to do it in the next year as well as this year? These numbers, how are these going to be changing?

Nageswara Kandula: What happened, Mr. Koushik, we are focusing in the export mode, not domestic -- they are both important, domestic important, export. But wherever -- good opportunities are coming from export because of high margins. So we are focusing on that. Ultimately, company year-on-year growing is important, growth is important and top line and bottom line also.

But ultimately, domestic -- we are not -- we are looking domestic this much growth, export this much growth. The combined growth is 25%. That we targeted, we are achieving. That's all.

Koushik Mohan: Got it. Great, sir. And sir, last question from my end. Just can I understand by current acquisitions and by current run rate and the factory which is coming up on a larger scale, by this

-- considering this, next 3 to 4 years, can also we expect 25% plus growth, is my understanding, on the revenue side? As well as if that is 25% on the revenue, then PAT will be around 25% or plus, because of operating leverage that we have. Is my understanding right?

Nageswara Kandula: No, PAT -- what is the PAT we have seen?

Koushik Mohan: 25 percentage plus...

Nageswara Kandula: I'm not understanding...

Koushik Mohan: My question was, this year, we have reinitiated that we'll do 25% growth. And with the same growth can we achieve for next 3 years also -- because I think on the ground as factory is coming up and everything is happening, right? So if the top line is 25% growth rate, then can we expect the same growth rate in the PAT, profit after tax?

Nageswara Kandula: Yes, profit. And EBITDA also is going to increase and PAT also going to increase. And also next year, we are going to grow in organic growth, not inorganic growth. Organic growth only, we are going to more than 25%.

our business fundamentals are very strong. That's the reason our company name also. A lot of people are confusing because of Standard Glass Lining glass lining is our core engine, growth engine, unique for us. Others don't have this type of glass lining business also. But we are strong.

But compared to our glass lining, other divisions are growing very fast, more than fast. So that's the reason our company name also changed. wherever engineering opportunities we are grabbing. We are high-precision engineering company. And sir, our precision engineering is going to be our growth engine next coming years.

Koushik Mohan: And I'm really happy that you really clearly mention that in next 6 months the pledge also will be removed. So we are really happy for that.

Nageswara Kandula: Maybe I will try to do earlier. Maybe I will try to do earlier.

Moderator: The next question comes from the line of Agam, an Individual Investor.

Agam: I just wanted to know the revenue contribution from glass line shell and tube?

Nageswara Kandula: Can you speak loudly, sir? Your voice is very low.

Agam: Yes. Am audible now?

Moderator: Agam, can you please use your handset, please?

Agam: Yes. And I just wanted to know that the revenue contribution from the shell and tube glass line heat exchanger for this quarter?

Nageswara Kandula: This quarter? This quarter maybe some -- how much, Anjaneyulu? INR4 crores or INR5 crores?

Anjaneyulu Pathuri: Yes, INR5 crores, sir, approximately.

Agam: INR 5 crores. Okay. Thank you.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Nageswara Kandula: Thank you. Thank you all for joining call.

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