

Date: 28 May 2025

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: SGLTL**

Dear Sir/Madam,

**Sub: Transcript of the Q4 and year ended March 31, 2025 Results Conference Call hosted on May 23, 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 May 20, 2025, please be informed that the results conference call for Q4 and year ended March 31, 2025 was hosted on May 23, 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 TECHNOLOGY LIMITED**

**Kallam Hima Priya**  
Company Secretary & Compliance Officer



## Standard Glass Lining Technology Limited

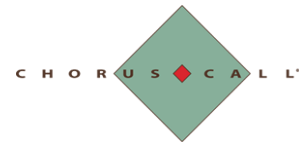
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Manufacturing Unit: Survey No. 42/A, Alinagar, Chetlapotharam Village, Gaddapotharam, SangaReddy- 501319





“Standard Glass Lining Technology Limited  
Earnings Conference Call”

May 23, 2025



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

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

**Moderator:** Ladies and gentlemen, good day and welcome to the Standard Glass Lining Technology Limited 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 touch-tone 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, Sagar. Good evening, everyone, and welcome to Q4 and FY '25 earnings call of Standard Glass Lining Technology Limited. We have on the call Mr. Nageswara Rao Kandula, Managing Director, Mr. Ramakrishna Kandula, Executive Director, Mr. Venkata Mohana Rao Katargadda, Executive Director, and Mr. Anjaneyulu Pathuri, Chief Financial Officer. We must remind you that a discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces.

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

**Nageswara Kandula:** Good evening, everyone. Thank you, Monali. It is with immense pride and gratitude that I welcome you all to this landmark investor gathering. FY '25 has been a truly defining year for Standard Glass Lining Technology Limited, a year where we not only crossed critical milestones but also set the stage for a bold and transformative future. This was our first full year as a listed entity, and I must begin by thanking all of you, our investors, customers, partners, and team members, for the trust you have placed on us. Your belief fuels our ambition and your support powers our execution, robust performance and strong fundamentals.

Let me start with our financial performance. We delivered strong results in FY '25. Revenue growth 14% year-on-year, INR626 crores, a clear indicator of value expansion and more value-added product mix. EBITDA stood at INR120 crores, with a robust EBITDA margin of 19.1%, reflecting operational discipline and cost optimization. PAT increased to INR69 crores, maintaining a healthy PAT margin at 11.0% at a growth of 14.4% in PAT.

We are proud to say that we are now net debt-free, with a solid cash reserve of INR266 crores, underscoring the financial strength and sustainability of our business. Q4 FY '25 in particular was a strong close to the year, with revenue INR171 crores, 20% growth quarter-on-quarter. EBITDA at INR28 crores, with 16.6% margin. PAT at INR16 crores, growth 4% quarter-on-quarter. Despite deferred export orders, we maintained the consistent double-digit growth, proof of our core of resilience, scalability, strategic growth and technological leadership.

FY '25 was not just about numbers, it was about bold strategy and future readiness. We are thrilled to announce a 20-year global strategic partnership with the AGI Group and GL HAKKO Japan. Through this exclusive collaboration, Standard Glass became the first company outside

Japan to manufacture Shell and tube glass-lining heat exchangers, a highly specialized and high-performance product.

We have exclusive global supply rights, excluding Japan, and initial production capacity of 200 units a month, going along in Q4 FY '26. Already secured 150 advance domestic orders, a strong validation of demand and trust. Tapping to an addressable market INR2,000 crores in India and \$2 billion globally.

This partnership is a game-changer, not just for us, but for the entire pharma and chemical heat exchanger industry. It places Standard Glass on a global technology map. Operational excellence, world-class infrastructure. In line with our growth strategies, we successfully commissioned Unit 5, a state-of-the-art, 100,000 square feet facility, and fully consolidated operations from Unit 2. This has enhanced productivity, improved cost efficiency and created a scalable manufacturing backbone for the future global footprint, trusted Indian engineering.

We are proud to share that our wholly-owned subsidiary, S2 Engineering, has entered into a long-term exclusive supply agreement with Gale Process Solutions LLC, USA. This gives a direct access to the international market for stainless steel, carbon steel, and nickel-alloy-based process equipment, further boosting our global credibility and revenue streams.

Looking ahead, the future is bright. FY '25 is a milestone. FY '26 will be a launchpad. With strategic partnerships, advanced product line, world-class infrastructure, and a healthy balance sheet, we are entering a transformational phase.

We are expected to achieve 20%-25% revenue growth, maintain the EBITDA margin at 18%-20%, continue to launch new high-performance products, and expand deeper into regulated global markets. Our vision is clear to be a global benchmark in a glass-line and high alloy-equipment and metal-equipment performance engineering solution.

Dear investors, this journey is not just ours. It is yours too. You have believed in us, and we are committed to rewarding your trust with performance, innovation, and integrity. Let me leave you with one last thought. We are not just building equipment, we are building India's engineering legacy in a global canvas. Thank you all.

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|---------------------------|--|
| <b>Moderator:</b>         | Our first question comes from the line of Mudit Bhandari from IIIFL. Please go ahead.  |
| <b>Mudit Bhandari:</b>    | Hi, sir. In terms of the glass-line equipment divisions, we have seen very good growth, both in terms of revenue and margin. So what are the end segments driving those, particularly within pharma and chemicals? Has there been any increased order booking or has there been any increased execution in terms of? |
| <b>Nageswara Kandula:</b> | Sir, your voice is very low, sir. Can you speak loudly?  |
| <b>Mudit Bhandari:</b>    | Yeah, sure. In terms of glass-lining division, we have seen good execution, particularly in terms of fourth quarter. So what are the end segments which have driven this, particularly within the pharma, if there are any specific equipments or any specific sectors?  |

And secondly, in terms of the new products that we have launched over the last 4 months, so any improvement, any demand side, a trajectory from that side would be helpful.

**Nageswara Kandula:** Industry is still, pharma industry is still growing single digit, but we did double digit. All areas we covered. It's not a particular one product, and we covered all areas and all products. Chemical is still a bit challenge, but we received some chemical areas of good orders from some clients, and that's the reason this growth is now possible.

**Mudit Bhandari:** And, sir, any indication of order booking, increased order booking, or any trajectory in terms of particularly glass-lining?

**Nageswara Kandula:** Coming year, almost all, or 80% we booked coming year, because our delivery is very, very faster delivery, that is our strength, very fast deliveries. So order booking, sir, we're not, because of our deliveries and our equipment is very fast delivery. But a good, very good order book we have. And also in pipeline discussions also very positive. Next year we are expecting very good growth.

**Mudit Bhandari:** Got it, sir. And in terms of new products like glass-lined heat exchangers and others that you were talking about, so any update in terms of those, in terms of number of orders or in terms of increased customer interaction?

**Nageswara Kandula:** Yes, yes. This is shell and tube heat exchangers. Last one year, we worked background with GL HAKKO and AGI, and now we are going to, exclusive unit also, we are going to start in '25 December in India. And also, at the same time we are expanding in Japan also, Japan facility, GL HAKKO facility also, capacity enhancing. So just we opened within 15 days we received almost 150 heat exchangers. Same, that encouragement, we are going to launch through GL HAKKO conductivity glass.

Now whatever, worldwide, all glass-lining equipment manufacturers are producing, non-conductivity glass-lining reactors. Coming 2 months, 3 months, we are discussing with some government institutes in the approval of the glass and certification of the glass. Once we are going, we hope we are going to complete within 2 months this glass certification. Once the certification is complete, we are going to launch this.

This is not a, this glass, conductivity glass is going to again game-changer, because we are not a business point of view. This is going to increase the safety of the pharma and chemical equipments. So this is also we are in the pipeline.

And one or two, three products, we are discussing with many global companies. That is also, chances are there this year. And also we are discussing with tie ups and things are going on. Many, many things are encouraging and very positive.

**Mudit Bhandari:** Got it, sir. I fall back in queue.

**Nageswara Kandula:** Thank you.

**Moderator:** Next question comes from the line of Prayan Sharma, an investor. Please go ahead.

- Paryan Sharma:** Good evening, sir. So, congratulations for good results.
- Nageswara Kandula:** Thank you.
- Paryan Sharma:** Sir, I wanted to ask firstly that our initial guidance was that we were about to do like INR80-82 crores of PAT in FY '25 and INR650 crores of revenue. So, what has actually gone wrong in achieving those guidance? And also, can you share something about export share this year?
- Nageswara Kandula:** Sir, the thing is, unfortunately, one consignment, we announced that also in the result. One consignment unable to export due to non receipt of export confirmations.. Due to that, there is slight impact in revenue and same time in PAT also. That is going to be covered in coming first quarter.
- Paryan Sharma:** Okay. So, we will see the effects of those like sales and revenue, PAT in the Q1 of FY '26.
- Nageswara Kandula:** Yes.
- Paryan Sharma:** Okay. And sir, what kind of response we have got from the new products like glass lined shell and tube exchangers and conductive glasses? As per the announcement from the company, production would be started from -- production should start from Q4 FY '26, right? So, what kind of revenues will be able to achieve from operating them at full capacity, like new products, 200 per month or so?
- Nageswara Kandula:** Just we opened announcement, shell and tube exchangers order booking one month back. And immediately within month, we received 150 numbers. But unfortunately, Japanese plant don't have any capacity to produce. They are producing only monthly 20-20 numbers. And now we need to expand that Japan facility also. So, we are expecting that facility expansion going to complete in Calendar year '25 December.
- January onwards, we are planning to produce 200 heat exchangers per month. We are planning. And same time, Indian facility also we are -- assembly center. This is almost 80%-85% manufacturing going to complete in Japan. And we balance 15% we are going to assembly in India, manufacturing going to India. That is we are building in exclusivity one more unit for this heat exchangers, and we are at 150 number.
- Now today, we are booking heat exchangers 24 weeks, 28 weeks delivery period based on. Because of already we are complete coming 9 months, we fully booked for heat exchanger business. We hope that particularly glass lining business, heat exchanger going to add at least 30%-40% growth.
- Paryan Sharma:** Okay. So, and sir, how about the reactors, sir? Glass line reactors?
- Nageswara Kandula:** Glass lining is good. We are doing good. We launched it recently without gas jet reactors. That is smart seal we patented. And without C-clamp reactors, we launched it. No one have this type. And conductivity of the glass also coming in 2 months. Already trials are completed. And some clients are using.

But we are approaching some institutes, Indian certification of the conductivity glass authentication. Once that certification complete, we are coming 2 months, we are going to launch this product also.

Based on that, this is going to big game changer, sir. Because of many plants, many agents happening due to static electricity. Once this reactor enter and plant going to fully safety, customer going to full benefit. So, this is glass lining reactor. So, conductivity glass, particularly I am talking about. Conductivity glass reactor is going to big game changer.

And also, we are launching with reasonable price. Already we are discussing with Japanese partner. And lot of -- after 2 years, they agreed to supply reasonable price with conductivity glass. So, we are bringing with reasonable price with higher end product.

**Paryan Sharma:** Okay, sir. One of the last questions from my side. Are there any potential products coming from Standard Glass, linked with semiconductor industry? Because glasses, reactive glasses, conductive glasses, I think they have some applications in semiconductor industry also. So, are we planning or do we have something in pipeline?

**Nageswara Kandula:** Yes, yes. Here, we are -- semiconductor industry require high purity chemicals, that is it, and leaching levels. Now, whatever pharma companies are using, glass leveling, leaching level is, PPM level. And conductivity glass lining, conductivity glass chemicals required PPB, PPT, low leaching, high corrosion-resistant glass is required.

That glass also, we are going to launch. Already we are discussing with one client, going to start this electromagnetic chemicals. That pilot plant, they are going to start. We already submitted our proposal also. This glass, this MIZ, we are calling low leaching, high conductive, high corrosive glass, we are launching coming months. And also...

**Paryan Sharma:** Yes, yes.

**Nageswara Kandula:** Now, we are only -- we are in API, chemicals and...

**Paryan Sharma:** Nuclear.

**Nageswara Kandula:** Chemicals area only, we are doing. Now, coming months, I am going to -- good news, Standard Glass going to enter formulation equipment and injectables area we are also looking for opportunities. Already we have started discussions. And we will -- coming months, we will announce good news.

**Paryan Sharma:** Sir, one last question from my side that what exports sir can we expect in FY '26?

**Nageswara Kandula:** This is -- today, but today, almost all, one minute. Very good, very good growth, sir. I can... Today, we have almost all, our coming year revenue 15% going to participate in export. And maybe, now, today projections are showing 15%. Maybe more.

**Paryan Sharma:** I mean, if FY '25 is 15%, then FY '26 would be more. Am I getting...

- Nageswara Kandula:** No, FY '25 is less. One consignment stop, sir. I have not calculated. I want -- I need to take details. But FY '26 I am talking about. Now, as per order booking, this may be 15%, now, today. And maybe more going to increase FY '26 delivery.
- Paryan Sharma:** Thank you so much, sir. Thank you so much for answering my questions. That's all from my side.
- Moderator:** Thank you. Our next question comes from the line of Manish from B&K Securities. Please go ahead.
- Manish:** Thanks for an opportunity, sir. I have just one question. So, like, sir, how are you planning to build a distribution of the service capabilities in the international market? Especially like the outside India and Japan, where you have the exclusive supply rights for a new heat exchanger technology?
- Nageswara Kandula:** Sir, already we have signed with IPP USA. They have worldwide service centers. They are going to manage our products. That's the reason we exclusively tie up with IPP. And Singapore, Thailand, Malaysia, we signed with Biocon Solutions. They already, they are in the field. They have full service setups and storage facilities.
- Manish:** Okay, that's helpful, sir. Thank you so much.
- Nageswara Kandula:** Thank you.
- Moderator:** Our next question comes from the line of Garvita from Seven Islands PMS. Please go ahead.
- Garvita:** Yeah. So, my first question is if you could elaborate a little bit more on the glass-lined shell and tube heat exchangers which we are about to start production for?
- Nageswara Kandula:** Madam, say again, madam. Please, question. Repeat the question, madam.
- Garvita:** Sir, can you please elaborate a little bit more upon glass-lined heat exchangers?
- Nageswara Kandula:** Okay. Glass-lined shell and tube heat exchanger is first line. Japanese company GL HAKKO invented and they are manufacturing for last 15 years. But they don't want to disclose to technology or they don't want to sell outside. Then we approached and we convinced their management and later we got 20 years license. We are going to assemble in India. We are going to sell in India.
- This is a unique product. Because now our pharma, chemical companies are using graphite heat exchangers. Graphite heat exchangers always release the particles and also high alloy equipment, sometimes hydrochloric acid, whenever 50 degrees above, high alloy equipment will get damaged. Industry is facing a lot of challenges, black particles, mechanical failures. And this is shell and tube heat exchanger is going to be a game changer for, particularly the corrosive area heat exchangers.
- This is, we have launched, customers are very happy. Just within 15 days we got 150 numbers order. Now we stopped order bookings also. We are telling to clients, if you want a heat



exchanger, we will supply after 24 weeks. That is demand. We are announcing the addressable market INR2 trillion crores in India and globally \$2 billion market globally.

And the coming existing reactor, if you calculate the, almost all India running glass-fibre reactors, almost above 1 lakh reactors are current running, that all reactors require this heat exchanger replacement. Market is huge. But we announced only addressable market, current market. Whatever we got, 150 numbers, that is all existing reactors, they want to replace the heat exchangers.

**Garvita:** And sir, there is 150, like 200 units of capacity which we have. Is this the annual capacity or monthly capacity?

**Nageswara Kandula:** Present, we are going to start January '27 onwards, 200 numbers.

**Garvita:** Once the expansion is ready, we'll have a capacity of 200 units, right?

**Nageswara Kandula:** Yes, madam.

**Garvita:** And is that the annual manufacturing capacity or the monthly capacity, I am asking, sir?

**Nageswara Kandula:** Monthly, madam. This is 200 heat exchangers monthly, just start up. And based on requirement, we can increase the capacity. That is our plan. GL HAKKO, Standard Glass plan.

**Garvita:** So the current order which we have for 150 units, that will be delivered within 1 month after the expansion, right?

**Nageswara Kandula:** No, madam. This 150, we are going to deliver it coming 4 months. We are importing, these heat exchangers, we are importing from Japan and we are delivering now.

**Garvita:** Okay. So if I am reading it right, we are importing them and we are assembling them here, we are not manufacturing here in India, right?

**Nageswara Kandula:** Yes, madam.

**Garvita:** Okay. And sir, one more question. If you could tell me how much of the impact we can see on the revenue from this tie-up with Japan company and with the new product which we are coming with?

**Nageswara Kandula:** This shell and tube heat exchanger is going to increase or adding particularly glass lining division. I am not talking about the total revenue. Glass lining division, we are expecting 30%-40% of revenue from particularly shell and tube heat exchangers.

**Garvita:** Okay, glass line contribution will increase by 30%-40%.

**Nageswara Kandula:** Yes, madam.

**Garvita:** Right. One more question I have, sir, if I can just squeeze in. How much of the contribution do we have from non-pharmaceutical business segment, sir?

- Nageswara Kandula:** No, madam, our major business is 85% coming from pharma, 15% only other areas. That is also we are now focusing chemicals and agrochemicals area. They are going to increase our business.
- Garvita:** I am sorry, sir, if you could repeat, 15% share is coming from?
- Nageswara Kandula:** Chemical, madam, chemical and agrochemicals.
- Garvita:** Chemical business. Chemical, all right. And can you name a few clients which we have from chemical and agro business?
- Nageswara Kandula:** No, madam, I can't disclose my client list, madam, please don't mind.
- Garvita:** Okay, not an issue, sir. Thank you so much. Best of luck.
- Nageswara Kandula:** Thank you. Okay, madam.
- Moderator:** The next question comes from the line of Rishi Kothari from Pi Square Investments. Please go ahead.
- Rishi Kothari:** Hello. Thank you so much for the opportunity. I had just one question to ask that is given that we have now...
- Nageswara Kandula:** Tell me, tell me, sir.
- Rishi Kothari:** So given that we now are net debt free with cash balance around INR260 odd crores, how do we plan to deploy that capital with it? Are we looking at capex, R&D investments or rather we want to, you know, return that money to Shareholders or through a biotech or something? How exactly are we looking at it?
- Nageswara Kandula:** Already we announced, sir, we have land 36 acres from Telangana government. And we are going to build 5.5 lakh square feet one plant, one roof. Current our plant capacity is 60 mm thick, 60 ton crane capacity plant we have. And we are going to build 100 mm thickness and 100 ton crane capacity plant we are going to construct.
- We are expecting 18 to 24 months we are going to complete this project. Once this project is complete, we are going to enter into petrochemicals heavy engineering divisions. This is where budgeted almost INR130 crores we are going to invest on this facility.
- Rishi Kothari:** So all would be investment in terms of capex and nothing in terms of other deployment.
- Nageswara Kandula:** But present we are focusing on capex. We are going to do capex INR130 crores on this facility. Any good opportunities, any future acquisition opportunities, we are all time open.
- Rishi Kothari:** Okay. Got it. Thank you. Thank you so much. I'll turn back to queue.
- Nageswara Kandula:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Hemaant Soni, an Investor. Please go ahead.

- Hemaant Soni:** Thank you for providing me the opportunity. So I had a couple of questions. First I wanted to ask is, we had earlier guided that we wanted to sell around sir, 50 to 100 heat exchangers in Q1 of FY '26 and gradually it will ramp up to 200 heat exchangers by Q3 of the current financial year, that is FY '26.
- So, I mean, I am new to the company and I think that the production will take some time for heat exchangers. So are we going to import it and assemble it here? And if that is so, then when will the production of the heat exchangers start?
- Nageswara Kandula:** Sir, this all, once again I will explain. Just last call also I explained. One month back we started booking these heat exchangers. Within 15 days we got 150 heat exchangers numbers. These all 150 heat exchangers we are going to complete within 16 to 20 weeks deliveries. We are importing from Japan and we are some additional parts we are manufacturing and we are doing.
- Future, we are talking about December, January '27 onwards, last quarter we are going to planning to produce 200 heat exchangers per month. But slowly this is going to 50, 60, 100 numbers like that. Then next fourth quarter is going to -- revenue growth may be good due to this heat exchanger. But whatever we have, 150 numbers are we are going to complete within 3 to 4 months.
- Hemaant Soni:** So, sir, I mean then the fourth quarter will start the production of the heat exchangers.
- Nageswara Kandula:** Production means that is also partial production. Full production, 80%, still 80% production going to happen in Japan.
- Hemaant Soni:** Okay, okay, okay. And sir, the Greenfield project which we were talking about of the 9 lakh square feet. That same...
- Nageswara Kandula:** No, no, sorry. 5.5 lakh square feet we are planning, sir.
- Hemaant Soni:** 5? 5.5?
- Nageswara Kandula:** 5.5.
- Hemaant Soni:** And the Phase One consists of 3 lakh square feet, right, sir?
- Nageswara Kandula:** No, sir. Total we are based on industry demand and international clients approach and everything based on that encouragement the management has decided to construct 5.5 lakh square feet at a time.
- Hemaant Soni:** And when will it go live, sir?
- Nageswara Kandula:** Sorry?
- Hemaant Soni:** When will it go live?
- Nageswara Kandula:** We are expecting this project to complete within 18-24 months.

**Hemaant Soni:** 18-24 months. Okay, sir. And sir, my one more question regarding the revenue guidance miss was, has already been answered. So just wanted to ask you one thing that export consignment has been deferred to Q1, right? So, can we expect some better numbers in Q1?

**Nageswara Kandula:** Definitely, sir. Yes, definitely.

**Hemaant Soni:** So, there should be a QoQ growth, right?

**Nageswara Kandula:** Yes, yes. Q1 is going to be good.

**Hemaant Soni:** And sir, one more thing is we have guided for 20%-25% revenue growth in FY '26, correct?

**Nageswara Kandula:** Yes, possibility is there.

**Hemaant Soni:** 20%-25% revenue growth. And sir, what will be the EBITDA margin?

**Nageswara Kandula:** Good, sir. Compared to this year also, next year, coming 10 years is very, very good company growth is there, sir.

**Hemaant Soni:** Okay, sir. Okay, sir. Thank you, sir.

**Nageswara Kandula:** Thank you.

**Moderator:** Your next question comes from the line of Yash from BNP Paribas. Please go ahead.

**Yash:** Hi. Thank you for providing the opportunity. I just had one question regarding the, like how exactly are you planning to build the distribution and service capabilities across globe, like in international markets, specifically outside India or Japan?

Like, where do we have exclusive supply rights for the new heat exchanger technology? Like, if you could throw some light on that.

**Nageswara Kandula:** In Japan, already we have investor and partner, GL HAKKO going to handle our products, that is directly. They are already networked. They are the world's largest all-glass equipment manufacturer and leading glass-lined equipment manufacturer in Japan. So, they have own sales network and everything.

In India, we have own sales network, network, network, okay, no problem. And particularly US and Europe, IPP, International Process Plant in New Jersey, USA, they have worldwide 1,56,000 clients and Europe and USA and Romania, they have already service center and stock points.

They are going to manage our business. They are sole seller for our products. We are already signed for an agreement. They are going to manage our business. And second is Biocon Solutions. Recently we signed. They are going to manage Indonesia, Thailand and Singapore and Malaysia. That region, they are already, they have service setup and sales setup. They are going to handle these products.

So, almost all, 80% we cover with IPP and Biocon Solutions and GL HAKKO. And rest of 20%, like Middle East and other areas, we are directly, we are going to handle their business.

**Yash:** Okay. Thanks.

**Nageswara Kandula:** Thank you, sir.

**Moderator:** Thank you. Next question comes from the line of Mudit Bhandari from IIFL Capital. Please, go ahead.

**Mudit Bhandari:** Hi, sir. In terms of your EBIT margin, so glass line shows strong improvement if you see from third quarter to fourth quarter and metal equipment division shows some decline around 17% in third quarter to 11% in fourth quarter. So, any particular reason or one-off?

**Nageswara Kandula:** Product mix, sir. Product mix. Due to product mix, this is happened. But, only you can look into year-on-year growth.

**Mudit Bhandari:** Got it, sir. So, within metal equipment division, which are our products, which are of lower margin?

**Nageswara Kandula:** No, EBIT is all are same.

**Mudit Bhandari:** Okay. Then, but this is a strong diverge from 17% to 11% in metal equipment division only because of product mix.

**Nageswara Kandula:** Sorry, say again, sir. Please.

**Mudit Bhandari:** In third quarter, 17% EBIT margin and in fourth quarter 11% margin is only because of product mix, right?

**Nageswara Kandula:** Yes, sir. Yes.

**Mudit Bhandari:** Got it. And, what are our capex plan for our expansion project? So, in FY '26 and FY '27, the total amount that we will be spending, including the maintenance and sustenance capex?

**Nageswara Kandula:** Existing facilities, we are going to invest almost INR40 crores on existing facilities. Whatever we said in IPO funds. And, new project, new capex, we are going to do INR130 crores with 36 acres land, 5.5 glass square feet we are going to build. That is one big expansion.

**Mudit Bhandari:** So, this 130 will be done in current year FY '26?

**Nageswara Kandula:** No, no, no, sir. That is, that we are expecting 18 to 24 months that project is going to complete. That is complete Greenfield project.

**Mudit Bhandari:** Okay. Okay. Got it, sir. Thank you so much.

**Moderator:** Our next question comes from the line of Roumil Jain from Electrum PMS. Please go ahead.

- Roumil Jain:** Thanks for the opportunity. So, firstly, just to understand on this glass-lined heat exchanger business. So, as you mentioned, you are going to -- so this is an outsourcing contract, basically outsourcing of heat exchanger manufacturing from Japanese guys, right? AGI. So, you will actually manufacture for them and sell it to them only, right? If I understand that correctly.
- Nageswara Kandula:** Not, not, sir. They are innovator. We got license. We are going to sell worldwide except Japan. Japan directly they will sell.
- Roumil Jain:** Okay.
- Nageswara Kandula:** And we will sell India and rest of world.
- Roumil Jain:** India and rest of the world you will sell with their technology, with their license. So, are we going to pay any royalty or any one-time fee or anything like that, if you can clarify to the Japanese company?
- Nageswara Kandula:** Domestic royalty we are going to pay 4% and global royalty we are going to pay 7%.
- Roumil Jain:** Okay. Okay. Got it. And, sir, when till 2027 January, we will largely import from them and sell it. But later on when we manufacture on our own, will the margins start moving upwards in this segment?
- Nageswara Kandula:** Yes, sir. Yes. Good. Good. This is going to be one of good product for Standard Glass.
- Roumil Jain:** Okay. Okay. And, sir, you mentioned that you will have 200 units per month capacity. So, let's assume that in a by '28 you will be fully utilized. So, what is the game plan after that? Where can this capacity go?
- Nageswara Kandula:** Capacity, based on demand, we can expand. We are planning to produce per month 600-700 heat exchangers also. That plant we are building like that, future purpose. Now, we are going to see the market response, market estimation. We are going to start first phase, 200 heat exchangers, '27 January onwards.
- Roumil Jain:** And the application for this will be largely pharma and chemicals. Is that right?
- Nageswara Kandula:** Yes. Largely pharma, chemicals, petrochemicals.
- Roumil Jain:** Okay. Okay. And lastly, sir, just on this conductivity glass, when it is going to start in terms of production and all? And can you just help us with what kind of revenues will this contribute and what kind of margin implications it will have?
- Nageswara Kandula:** Conductive glass technology is going to be a game changer. Currently, not just in India but even global players are producing only non-conductive glass-lined reactors. However, we have taken a significant step ahead. Our Japanese partner company, along with their team, has been training our employees and production staff over the last 3 to 4 months. As a result, we have successfully completed the demonstration and production of conductive glass-lined reactors. Now, we are approaching proper institute's approved authentication certificate. Once that we got certification,

coming, we hope we will get within 2-3 months. Once we got the certificate, we will officially this conductivity glass lining going to be launching.

That is how much we are growing, we need to see, sir. We are also launching with reasonable price because of we don't want to put higher price and customer can't bear also. My intention is my business should be - this is we are doing B2 business, B2B.

Whatever we are selling, that customer also going to get benefit. Once we started selling this conductivity glass lined reactors, customer plans also going to be very safe and they can grow. Customer grow, we grow. That is it. And the revenue profitability, how much grow, we need to see. What is the customer response, how much they are going to pay. That we need to analysis, we need to wait sometime.

**Roumil Jain:** So, we can see FY '27 getting some revenues out of this?

**Nageswara Kandula:** Yes, yes. Now, our target is all reactors, we are going to sell conductivity glass. That is we are planning. Customer also going to accept because of now whatever customer is using tantalum tip. Tantalum tip is the static discharge, but that is not sufficient. But government now instructed every reactor require tantalum tip.

Because of earlier, no one have conductivity glass lining reactor -- glass lining. But once the conductivity glass launched, government instructed to use conductivity glass lining reactors, then that is going to be a big game changer for glass lining industry.

**Roumil Jain:** Okay, sir. Thank you so much. I will get back in the queue and all the best.

**Nageswara Kandula:** Thank you, sir. Thank you very much.

**Moderator:** Our next question comes from the line of Satyam from Profit Mark Security. Please go ahead.

**Satyam:** Thank you for the opportunity. I have couple of questions. Maybe you have answered earlier. I joined bit late. As you said, you expected 20%-25% revenue growth in FY '26. What are the main reasons for the expected growth and how much could this be affected by changes in economy or the industry?

**Nageswara Kandula:** Now, sir, if you last 3-4 months, if you see the pharma also started, all pharma companies announced capex. And 2-3 chemical companies also announced capex. Inquiry flow is increased and order booking also increasing. And also same time, we are launching shell and tube heat exchangers. And metal division also we are launching 2-3 products, 2-3 various parts. Solid growth chances are there, coming years, based on this all mixing.

**Satyam:** Okay. And my second question is your EBITDA margins are strong at 19.1% and you are aiming to keep it between 18%-20%. What steps are you taking to keep your margins strong while starting a new production and expanding your operations?

**Nageswara Kandula:** This is new production, sir. We are cost saving and new shell and tube heat exchanger launching and export we are going to increasing. This all things going to help our EBITDA and PAT.

- Satyam:** Okay. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Hemaant Soni, an Investor. Please go ahead.
- Hemaant Soni:** Sir, thank you for providing me the opportunity again. Sir, I just wanted to ask one more thing, like what will be the asset turn for INR130 crore capex?
- Nageswara Kandula:** 130 crores? That is, that once that expansion is completed, now glass lined is 130 crores. 130 crores, today we are doing 6-7 times and now we are investing another INRR40 crores on IPO funds on existing facilities and that may be INR130 crores after completion we can reach easily total INR260 crores, we can reach easily 8-9 times we can turn over, revenue turn over.
- Hemaant Soni:** So, around INR1,000 crores something, right?
- Nageswara Kandula:** Not INR1,000 crores. More, sir. More.
- Hemaant Soni:** More. Around INR1,200 crores of incremental revenue, correct?
- Nageswara Kandula:** That is what I am saying, up to INR3,000 crores we can reach this after this capex investment.
- Hemaant Soni:** Up to INR3,000 crores?
- Nageswara Kandula:** Yes.
- Hemaant Soni:** And sir, if I understood it correctly, in the fourth quarter of the current financial year, we will start a partial production of heat exchangers and in January 2027 we will start the full production.
- Nageswara Kandula:** Full production. Yeah, April onwards, full production.
- Hemaant Soni:** And sir, that 5.5 lakh square feet infill project, the products will be heat exchangers and conductivity glass?
- Nageswara Kandula:** No, sir. That is entirely different. Immediately we are launching, sir. Coming 2 months we are going to launch conductivity glass. Conductivity glass is only existing glass we are replacing with conductivity glass. Shell and tube heat exchanger, we are building a new, special, separate unit.
- Hemaant Soni:** So that will be built under the 5.5 lakh square feet or it will be...
- Nageswara Kandula:** No, no. 5.5 lakh square feet is separate, sir. Separate project. That project we are building heavy engineering and petrochemicals area. Island gas downstream, upstream we are planning to manufacture. And also existing parts also, any capacity required, we can add that products also there. That is our multi-plan that 5.5 lakh square feet purpose we are building.
- Hemaant Soni:** That excludes the heat exchangers?
- Nageswara Kandula:** Heat exchangers is separate, sir. Heat exchangers unit is separate. That we are going to finish within 3-4 months. That unit we are going to complete because of December onwards existing



campus -- existing campus means our glass lining unit first starting unit is there. That unit we are converting shell and tube glass lining heat exchanger unit.

**Hemaant Soni:** So, sir, we will be doing around INR3,000 crores of capex sorry, INR3,000 crores of revenue from INR130 crore capex. So we...

**Nageswara Kandula:** INR130 and INR140, total INR170-INR200 approximately we are going to invest coming months.

**Hemaant Soni:** INR170 crores will give a revenue of INR3,000 crores on a consol basis, right?

**Nageswara Kandula:** Existing INR130 is there now, sir. Existing INR130, future is INR170-INR200 crores we are going to invest. Once that completion we can happily reach INR3,000 crores of revenue. That is my...

**Hemaant Soni:** Okay. Okay, sir. Thank you, sir.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments. Sir, please go ahead. Sir, can you hear us? Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

**Nageswara Kandula:** Thank you all. Thank you for participating and good call.