

Date: 17 February 2025

To,
The Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

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

SCRIP CODE: 544333

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Dear Sir/Madam,

Sub: Transcript of the Q3 FY25 results conference call hosted on February 12,2025

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our results conference call intimation dated February 07, 2025, please be informed that the results conference call for Q3 FY25 was hosted on February 12, 2025, and the transcript of the conference call is enclosed herewith.

This is for your information and records.

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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“Standard Glass Lining Technology Limited
Q3 and 9 Months FY ‘25 Earnings Conference Call”

February 12, 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 MOHAN RAO KATRAGADDA –
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 LLP**

Moderator: Ladies and gentlemen, good day and welcome to Standard Glass Lining Technology Limited Q3 and 9 months FY25 Earnings Conference Call hosted by Go India Advisors LLP. 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 call is being recorded.

I now hand the conference over to Ms. Monali Jain from Go India Advisors. Thank you and over to you.

Monali Jain: Thanks Yash. Good afternoon everyone and welcome to Q3 and 9 month FY25 Earnings Call of Standard Glass Lining Technology. We have the senior management of the company on call, Mr. Nageswara Rao Kandula, Managing Director, Mr. Ramakrishna Kandula, Executive Director, Mr. Venkata Mohan 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. Kandula to take us through the financials and business updates, subsequent to which we'll open the floor for Q&A. Thank you and over to you, sir.

Nageswara Rao: Thank you. This is Nageswara Rao Kandula, Managing Director of Standard Glass. Good afternoon everyone. It is an absolute honor to welcome you all to our first earnings call. This is a proud milestone in the journey of Standard Glass Lining Technology and I sincerely thank you, our investors and partners and stakeholders, for your trust and support.

We began this journey 12 years ago and within this short span, Standard Glass Lining Technology has emerged as a market leader in the pharma and chemical equipment sectors. But let me be very clear, we are not just equipment manufacturers, we are complete solution providers. We manufacture 72 types of products with 18 more under development.

As you know, despite a multi-year capex slowdown in the pharma and chemical sectors, we have grown approximately 20%-25% every year. Our comprehensive solutions, including vacuum solutions, drying solutions and reaction solutions, are backed by a fully integrated value chain from design and manufacturing to installation and commissioning, ensuring top tier quality and efficiency.

At Standard Glass, we have built strong strategic partnerships that position us for robust growth, some of which are as follows. AGI Inc. Japan is not just a financial investor in Standard Glass, but also a technology partner. They are bringing innovations such as shell and tube heat exchangers, conductivity glass and high corrosion resistance glass for the semiconductor industry. In the next six months, these parts will unlock massive domestic and global opportunities.

And second is Atlas Corp., our private-label agreement in vacuum segment, which is, we are India's largest vacuum pump supplier today, is already delivering strong results. And IPP Global, a global market giant with more than 1,65,000 clients worldwide, we have signed an exclusive agreement with IPP Global following them to sell our equipment across the globe. Except in India, Japan, Indonesia, the Middle East and Russia, this will significantly boost our export sales.

Expansion and future growth. We currently operate 8 manufacturing facilities, covering 4 lakh square feet in Hyderabad. We will soon inaugurate our ninth facility, adding 1 lakh square feet of capacity to our metal division. Additionally, we are expanding into the engineering services for the pharma and chemical industries, not just providing equipment, but also managing end-to-end engineering operations.

Our IPO received an overwhelming response, and we take this responsibility seriously and sincerely. We are strategically utilizing the process to reduce debt, expand manufacturing capacity, and do acquisitions. We are also investing in a wholly-owned subsidiary engineering industry private sector to further strengthen our technological edge and production capacity. As a company, we understand the value of our investors' hard-earned money. We are fully committed to making careful, responsible decisions and running this business with transparency and integrity.

Financial performance, future outlook. Our strong financial results speak for themselves. Nine months, 25 revenue, INR455 crores, 33% year-on-year growth. EBITDA INR91 crores, 42% year-on-year growth, with margins improved 20.1% EBITDA. PAT INR52 crores, 45% year-on-year growth, with margins at 11.5%.

While Q3 saw a marginal seasonal dip, this is every year festival moment, employee leaves, our growth momentum remaining, but still growth momentum remaining strong. Looking ahead, our focus remains on expanding our domestic and global footprint, enhancing efficiency and operational excellence, delivering sustained value to our investors and customers.

We feel that this is just the beginning for our growth journey at Standard Glass. And we are excited to have you with us. Thank you, Nages.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question and answer session. We will take our first question from the line of Mudit from IIFL Capital. Please go ahead.

Mudit:

Yes, thank you and congratulations on your first conference call. So, you have said that the third quarter is generally affected by the festive season. So, there is a little bit of this. If you compare it with the third quarter of FY24, it is almost flat in terms of revenue. So, is there any change in terms of share of exports and in terms of mix between pharma and capital?

Nageswara Rao:

Exports, some license delays happened. That's the reason the third quarter's export is late. We

got licenses now and the export is going to increase in the fourth quarter.

Mudit: Okay, got it. In terms of composition between pharma and chemical?

Nageswara Rao: We are still very strong in pharma. I think these 9 months, if you look into it, 82% is business coming from pharma.

Mudit: Okay, got it, sir. In the IPO, you have said various capex plans in various segments. So, can you update the status in terms of both pharma side and chemical side? At what stage we are in terms of how much capex we are yet to put and how much we have put?

Nageswara Rao: Capex means, our internal capex or you are asking about client capex?

Mudit: In aggregate.

Nageswara Rao: We are internal. We are expanding. I explained to you in my speech. The ninth facility we are going to add in within 10 days. Maybe in 10 days we are going to start operations in the ninth facility with 1,00,000 square feet. That is going to boost the metal division capacity. And last 2 years, 3 years, pharma, our client's capex is very less. But still, we are going 20%-22% growth.

And last 1 or 2 months, I'm discussing with many clients. Many clients have started big, big, very, very big capex. And they want to start some more facilities. And the coming years, 2-3 years, is very exciting, really. And also, we are started.

We are recently approached to the oil and gas sectors also. We are going to enter. And we are going to -- earlier in my investor presentations, I explained, we are going to build 36 acres land with 3,00,000, first phase, a total of 9,00,000 square feet we are planning, coming 5 years. But first phase, we are going to build 3,00,000 square feet. That is capacity, 150 ton crane capacity. With 150 ton crane capacity, we are going to build. That plan is on now.

Mudit: Okay, got it. And, sir, in terms of our standard glass capex plan, so if you can share in FY25 and in FY26, how much we are going to spend for that additional unit and additional product that we are launching?

Nageswara Rao: That is, we are -- Shell & Tube Glass Heat Exchanger is a game-changer product we are going to launch. That is a INR2,000 crores opportunity for our company in India, and a globally 2 billion opportunity. And that is, we recently -- earlier also we announced a license agreement with AGI Inc., Japan. And this is, coming years, we are going to launch that capex, that purpose only. We are going to, another INR25 crores to INR30 crores, we are going to invest in capacity for Shell & Tube Glass Heat Exchanger product.

Mudit: Okay, got it. And last one from my side. Is it possible to share the percentage of export in third quarter of revenue?

Nageswara Rao: Third quarter, very less export, and fourth quarter is going to, I mean, again, because of some Scomet license, we are not able to get the all types.

Mudit: Okay, got it, sir. Thank you so much. Thank you.

Moderator: Thank you. Next question is from the line of Jyoti Gupta from Nirmal Bang Institutional Equities. Please go ahead.

Jyoti Gupta: Good evening, sir. Good set of numbers, and thank you for giving an opportunity to ask questions. My first question would be, can you please explain a bit more about the new products that you are launching, and what is the estimated market size for the same? And what's the kind of market share that you intend to achieve going forward, maybe in the next 1 or 2 years?

Second is, can you elaborate on any innovations or technologies that standard glass line has developed, and how do you see these innovations contributing to future growth? Currently, do you have any competition, and will that be a major game changer for you in the next 1, 2 years if there are such innovations?

And my third question is, is the chemical sector facing any pricing issues from China? As you're seeing some sort of a slowdown from sales in the chemical sector generally, and also any supply side manufacturing issues in the manufacturing of equipment because of Trump's tariffs on steel and aluminium. Is that going to affect the business in any way? Just wanted your insights on that.

Nageswara Rao: Okay. And first, I will answer first your question is, we are launching Shell & Tube heat exchangers. That is, I explained to you earlier also, AGI Inc., Japan, it's a licensing agreement. This is -- India, every year that business is approximately, we are estimating INR2,000 crores, and globally 2 billion business opportunities available. And this licensing purpose, we are going to pay AGI Inc., Japan to 4% domestic sales royalty and 7% royalty on exports we are going to pay AGI, Japan. And this is a very good opportunity, game changer.

Actually, this is not a business opportunity. This product is going to help the pharma industry first. Pharma industry facing black particles issues, heat exchangers, heat exchanger quotient issues, and CIP issues. They are used in graphite heat exchangers, cast alloy, high alloy heat exchangers. A lot of issues they are facing. This product is going to support their production line and cleaning and CIP, many, many areas.

And the clean rooms, the product is going to increase their quality. And this is a very big game changer. How much we are going to get, we are estimating, but whenever we are going to approach the clients, when are you going to supply, when are you going to...All clients are excited and asking when Standard Glass is going to supply this product. This is very exciting moment to our company.

And the second is conductivity glass. Now, people are using static discharge purpose, tantalum tip, and that is some failures in the glass diameter. We are going to launch the conductivity, launch some products, and we got some orders of conductivity glass reactors. This is going to increase the plant safety. And price-wise only, this is going to -- price-wise only, project cost, if you compare to project cost, only 5% increase, but 100% plant safety going to increase. This is second product.

And the third product is, the semiconductor industry-related low leaching, high corrosion-resistant glass also we are going to launch. One of client, they are going to manufacture electromagnetic chemicals. That low leaching means PPM. PPM, now pharma is using, but this is going to PPB. And PPT, low leaching glass, we are going to launch in this product.

And the second, Standard Glass innovated many things. And without gasket glass-cladding reactors, so without C-clamp reactors, and smart manholes, many, many things we have added. That's the reason. Today, really, we don't have any concrete in the glass-cladding area. That's the reason we are growing very fast, and globally also very good response, and about the glass.

And at the same time, conductivity glass-cladding reactors, we are going to -- planning to launch in Europe market also, with Japan, ASAI glass technology. And supply of the raw materials, our supply chain is strong. We don't have any problem. We are sourcing from, SAIL and ArcelorMittal, we have --supply is good, we don't have any issues.

- Jyoti Gupta:** Okay, sir. Thank you so much, sir, and all the best.
- Nageswara Rao:** Thank you. Thank you, madam.
- Moderator:** Thank you. We'll take our next question from the line of Dipen Vakil, from Phillip Capital. Please go ahead.
- Dipen Vakil:** Thank you for the opportunity, sir. Sir, I wanted to understand a little bit about your margin.
- Moderator:** Sorry to interrupt. Can you use your handset mode, please?
- Dipen Vakil:** Sir, I wanted to understand a little bit on your margin side of, how are your margins panning out between different sectors? And can you tell us that while there has been a slight decline in our revenues, the margins have been really quite encouraging. So can you tell us how our margins are shaping out?
- Management:** So, if you look at the industry-wise, suppose my revenues are contributed by the pharmaceutical and chemical industry and different product segments that we are manufacturing. So if you ask me at the overall level, at EBITDA level, all the products are contributing the same margin.

And however, suppose if you look at the margins, as compared to previous year, it is a bit higher. It is because of the export contribution, is there in the current period, period ended 9

months earlier, 31st December 2024. Whereas in the previous year, the export contribution is zero approximately.

So my margins will be driven by these two things. One is export contribution, and second one is the mix of the products that we are going to get from the customers.

Dipen Vakil: Got it, sir. So you have raised an IPO amount of close to around INR210 crores. So can you tell us how you have been utilizing it? What is the status of the utilization as of now?

Management: So out of INR210 crores, INR130 crores as mentioned in the prospectus, INR130 crores we are going to utilize it for the working capital loan repayment, which we have done it already. And INR40 crores is towards the capex plans, which we are going to undertake in the parent company and material subsidiary company.

And INR20 crores we are going to utilize towards the acquisition of the unidentified subsidiary. And balance is towards the general corporate purpose. So out of INR210 crores, we have utilized INR130 crores towards the repayment of the loan and to some extent towards the repayment of the offer expenditures, which have incurred for the launching of the IPO.

So balance amount, whatever is there, we have kept it in a fixed deposit for the time being. And we are executing some of the purchase orders with the vendors towards the purchase of the capex items.

Dipen Vakil: Got it, sir. That's all from my side. Thank you so much and all the best.

Moderator: Thank you. We'll take our next question from the line of Nitish Rege from Chryscapital. Please go ahead.

Nitish Rege: Hi, thank you for the opportunity. Firstly, just on the press release, is there a typo that says that our cash flow from operations is 6 crores for 9 months, FY25?

Nageswara Rao: Correct, sir. That is correct, sir. Earlier, I think, last year, same period, we have minus INR65 crores cash flow. And today, we have—bring plus INR6 crores cash flow.

Nitish Rege: Okay. And how much do we expect, you know, cash flow generation to be in FY25?

Management: We are taking significant steps towards improving the cash flow. I think it will improve further, that operating cash flow. Okay.

Nitish Rege: And, you know, when do you expect the Asahi products to start reflecting meaningfully in our financials, you know? And could you guide us to the quantum you expect Asahi products to contribute to our top line, let's say, in FY26 or so?

Nageswara Rao: Partially, it's going to affect in next month's first quarter or next year's first quarter. And second

quarter onwards maybe 20% expectation, but after half a year, next financial after half a year, it's going to be a full-fledged launch. We are going to launch.

Nitish Rege: Okay. And just on our partnership with ICT Global, are they strong in any market like USA, EU or any key markets where they are strong and how do you see this our exports scaling up because of them?

Nageswara Rao: Yes, that is there. They already we are ordering I think 3.5 million orders we have in the hand from IPPs. Another 3.5 million orders we are discussing with IPPs. And this is going to next year, maybe 7 million, 8 million second quarter that we are expecting from IPP orders.

Nitish Rege: Okay. Got it. Thank you. That's all from my side. I'll join back in the queue if I have more questions.

Moderator: Thank you. We'll take our next question from the line of Tarbir Shahpuri from Nidara Capital. Please go ahead.

Tarbir Shahpuri: Hi, sir. Congratulations on your first call. On your press release, you mentioned that you're going to set up a subsidiary in the US. Could you just tell us a little bit more about that and what you're trying to do?

Nageswara Rao: We are going to arrange the first phase. We are going to plan this. scomet licence we are getting. Last quarter, we faced some scoment licence issues. That's the reason we are going to put the one subsidiary, 100% subsidiary in the USA. First phase, we are not going to manufacture anything. We are going to maintain the stock point because due to the scomet licence, any high-value equipment or glass-selling equipment to do export, you should have a scomet licence and the customer end-user name and everything.

These delays we don't want to get the delays this process. Once we have a subsidiary, we will export the equipment and we will maintain the stock there. When our end-user approaches our company, then immediately we will take an end-user purchase order and we will submit the scomet licence and we will supply the equipment. That's the reason purpose we are arranging the 100% subsidiary in the US.

Tarbir Shahpuri: All right, sir. Thank you so much.

Moderator: Thank you. We'll take our next question from the line of Divesh from Infinite. Please go ahead.

Divesh: Congrats for the good list of numbers. My question is that in the interview you told that your focus will be on entering the heavy engineering field. So, are we building any products?

Nageswara Rao: Sorry?

Divesh: I heard in an interview that you said you will be focusing on the heavy engineering field. Are

we building any products?

Nageswara Rao: Yes, we are planning. Sir, one facility we started construction. Once that facility is finished then we will approach the heavy engineering area.

Divesh: Okay. Thanks.

Moderator: Thank you. We'll take our next question from the line of Krishna Yoga, a Retail Investor. Please go ahead.

Krishna Yoga: Hi, sir. Can you hear me, sir?

Nageswara Rao: Yes.

Krishna Yoga: Sir, in one of the interview, in the IPO interview you mentioned that you have given the guidance of like INR650 crores for the FY25.

Moderator: Sorry to interrupt Krishna, can you use your handset mode, please? Your audio is not very clear.

Krishna Yoga: Just a second please. Am I clear now?

Moderator: Yes, please go ahead.

Krishna Yoga: Sir, in one of the IPO interview, you mentioned that the FY25 revenue guidance will be like INR650 crores or INR670 crores. So, if you see right now we did only INR140 crores in this quarter. So, to achieve the guidance, you must do like a 250 odd crores in quarter 4. So, are you stick to the same guidance or you are going to reduce the guidance for the FY25?

Nageswara Rao: No, I think in 9 months we did INR450 crores. And we are sticking to the guidance, our order book is very strong and we are committed to deliver and we mentioned that time INR650 crores.

Krishna Yoga: Okay. That's it. Sir, are you going to give any guidance for the FY26?

Nageswara Rao: Sorry?

Krishna Yoga: Are you going to give any guidance for the FY26 for the new capex?

Nageswara Rao: Remaining, we are very strong customer base and we are - our growth is coming years same growth we are going to maintain.

Krishna Yoga: Like you mean to say 20%, 25% of growth?

Nageswara Rao: Yes. We can. Our fundamentals are strong, products are strong, customer base is strong.

Krishna Yoga: Okay. That's it from my side. Thank you.

- Moderator:** Thank you. We'll take our next question from the line of Aditya Goyal from Matterhorn Investment Advisors LLP. Please go ahead.
- Aditya Goyal:** Yes. Hi, good afternoon, sir and ma'am. Congratulations on the IPO and on the first call. My question is regarding the margins. Can you give us segment-wise margins for glass, metal, and PTFE fitting and also, my second question is you mentioned that the focus will be on exports. So, in exports, which segment will be driving the major part of it?
- Nageswara Rao:** The EBITDA level, all the segments are same and export also, all products we are exporting.
- Aditya Goyal:** So, in exports also, all the segments will be equally distributed?
- Nageswara Rao:** All exports. We are not only single equipment supplier, we are completely package supplier. So, all equipment we supply.
- Aditya Goyal:** Understood. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Ankit Dharamshi from RNM Capital Advisor. Please go ahead.
- Ankit Dharamshi:** Good evening and congratulations for the good set of numbers. My question is you just mentioned that heat exchange technology that we are collaborating with AGI Japan is around 2 billion market size globally?
- Nageswara Rao:** Yes.
- Ankit Dharamshi:** So, what is the plan? I mean, when are we going to start executing orders for the exports over there or first we are planning to only capture the domestic market share and then we are planning to look at the global markets?
- Nageswara Rao:** Next month first quarter we are going to sell some parts in India first phase. And maybe some qualities and due to AGI production capacity and second quarter going to increase again production capacity and third quarter onwards, third, fourth quarter and next financial third, fourth quarter onwards we are going to look at the international market, but first in India we have a lot of demand.
- First of all, we are setting up our capacity and AGI Japan production capacity we are increasing. Once this is increasing and sufficient to domestic supply, then we are going to focus on global.
- Ankit Dharamshi:** Okay. Thank you.
- Moderator:** Thank you. Next question is from the line of Mudit from IIFL Capital. Please go ahead.
- Mudit:** Hi, thank you. Sir, from your IPO proceed around INR40 crores were to be utilized for the

capex and also some internal accruals were to be utilized for capex. Can you just bifurcate in terms of either of any of your segment, either in terms of glass line metal and PTFE in which line items it is to be used and capacities is to be expanded from where to where in what time frame?

Nageswara Rao: Within a year, we are going to invest in major metals we are going to invest in capex. And partially we are going to invest in glass lining. we have full capacity and we are going to launch this shell and tube heatexchanger, that production purpose partially, we are going to invest.

Mudit: So majorly, you are saying in terms of metal equipment and some glass line which is basically...

Nageswara Rao: Majority is metal.

Mudit: Okay, got it. Can you share some capacity numbers or utilization numbers from where to where it will go and what utilization level it will reach in let's say 2025-26?

Nageswara Rao: Utilization glass lining we have today glass lining facility we are utilizing only 50% capacity only. And more and more we are going to focus on export region. We are going to fill the capacity. Metal division is almost 90%, 95% facilities we are utilizing. That's the reason 9th facility we are going to add coming 10 days. That is going to another 30%, we are capacity adding 1 lakh square feet.

And also we are going to invest 40 crores in automatic cutting machines, robots and automatic polishing machines everything. That's all capex done with this 9th facility. Maybe metal division going to another 30%, 40% capacity going to increase.

Mudit: Okay. And all the four launches that you said heat exchangers, line reactors, and PTFE line. So these are all into these 8 facilities or some of these are into the new unit which you are planning?

Nageswara Rao: No, shell and tube heat exchangers we are going to use existing facility only. And PTFE lines also we have existing facility only, no new facility. Heavy engineering purpose ninth facility we are adding for metal division that is stainless steel and alloy steel manufacturing purpose. Heavy engineering purpose we are going to construct one new facility that is we have already land that is 36 acres and we are planning to build 9 lakhs square feet and first phase we are going 3 lakh square feet. We are expecting within 15 months we are going to finish this facility.

Mudit: Okay. Got it. Thank you so much.

Moderator: Thank you. Next question is from the line of Nitish Rege from Chryscapital. Please go ahead.

Nitish Rege: Hi. Just following up on a question asked by a previous participant. Did you highlight that there is no margin delta in export versus domestic?

Nageswara Rao: Sorry.

- Nitish Rege:** Did you mentioned that there is no margin differential between export and domestic?
- Nageswara Rao:** No domestic is very tight situation. Export is high margin we said.
- Nitish Rege:** And just we have around 25% EBIT margin in PTFE segment. Is this sustainable and if you could just highlight what are sustainable margins would be segment?
- Nageswara Rao:** Whatever we are showing that is less. We are going to more and more best we can do. We are putting our efforts to deliver the best result.
- Nitish Rege:** Any guidance on working capital days?
- Nageswara Rao:** We are putting efforts to bring it down to 110 days.
- Nitish Rege:** 110 days and currently do we have visibility of orders or do we have orders in the other segments the oil and gas where we are planning to...
- Nageswara Rao:** Oil and gas we don't know, but pharma and chemical and food and biotechnology again we have very strong orders, we are visible in pharma and chemical and food and biotechnology.
- Nitish Rege:** And in these other sectors where we are planning to expand, to diversify how easy, difficult is it for us to enter, get an order from a new client, how do you see scale up in those industries?
- Nageswara Rao:** Equipment are the same petrochemical, chemicals, agrochemicals, pharma it could be the same, but thickness wise and size wise is different. We have fabrication skills that is not a big deal. We have U stamp, R stamp and CED capabilities, already we are doing these jobs. And size wise job today we are manufacturing capacity of 50 tons. Future maybe 100 tons, 150 tons we are planning to manufacture in heavy engineering.
- Nitesh Rege:** No sir. My question was on the other industries other than the pharma and chemicals?
- Nageswara Rao:** Others means that is heavy engineering petrochemicals and we are talking about the petrochemicals area we are going to enter that area we have to enter.
- Nitesh Rege:** Okay. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Ajay Bania an Individual Investor. Please go ahead.
- Ajay Bania:** Congratulations for the numbers. I just want to understand. Can you hear me properly?
- Nageswara Rao:** Yes.
- Ajay Bania:** I just want to understand how what are our strategies going forward to market ourselves in the low market and what is the current stake domestic versus international?

Nageswara Rao: Strategy is the - we are going to focus on pharma and chemicals sectors and we are going to food and beverages and we are going to add heavy engineering in future strategy and increasing the capacity. Today we are manufacturing 72 types of products and another 18 products we are going to add new products. So this is related to pharma and chemicals only and export this year we are going to touch some 10% we are expecting to touch this year financial year we are expecting.

Ajay Bania: Okay. Thank you.

Moderator: Thank you. Next question is from the line of Paryan Sharma an Individual Investor. Please go ahead.

Paryan Sharma: Thank you so much for the opportunity. In one of the IPO interviews we mentioned order book worth INR400 crores. Is there any addition in orders in during this period?

Nageswara Rao: Yes, we are getting good orders.

Paryan Sharma: Any numbers sir or we can't get?

Nageswara Rao: Numbers are not checked, but orders are very good and the next coming quarters visibility is very high. I can say that much.

Paryan Sharma: In the interview also we mentioned from May we are launching shell and tube heat exchangers and we have also received some orders from Japan. So, are we in line with the dates or month?

Nageswara Rao: This is next month first quarter we are launching. We are going to launch – we are going to sell shell and tube heat exchanger, customers are ready to release orders. Japan already started production and they are going to ship this month mid I think mid I think some equipment to India and June next month first quarter some quantities maybe 50 to 100 quantities we are going to sell.

And we are expecting and the second quarter maybe through under heat exchangers we are expecting and I think the third quarters onwards we are going to manufacture in India itself 200 heat exchangers per month we are planning. That is going to affect our sales going to zoom in third quarter on our site shell and tube heat exchangers sales.

Paryan Sharma: It will boost our export share?

Nageswara Rao: Not export, domestic. I am talking about shell and tube heat exchanger firstly we are going to launch in India.

Paryan Sharma: You also mentioned that we are getting – our products are getting certified in Japan. They are passing a certificate, so what about does that give extra assurance to the international players that our products are high in quality?

- Nageswara Rao:** Yes we are going to launch a giant brand inside the AGI inside the GL HAKKO like that some brands we are going to launch in the future, strategies are going on. Branding discussion is going on AGI Japan. Every glass line inside GL HAKKO technology like that we have plans and coming months we are going to announce that strategy.
- Paryan Sharma:** Got it. And the last question from my side are we going to achieve that 14%, 15% export number this year or It will take some more time?
- Nageswara Rao:** This year, maybe 10% to 15%. I last time in my investor presentation I told. This year, maybe 10% to 12% possibility. Next year, we are bright. Again, bright next year.
- Paryan Sharma:** So, sir, will we be able to achieve that INR650 crores, INR670 crores revenue and that 11%, 12% PAT margin?
- Nageswara Rao:** Yes, we are putting efforts. Definitely, we are putting our best efforts.
- Paryan Sharma:** Thank you so much for answering my questions. That's all from my side.
- Moderator:** Thank you. We'll take our next question from the line of Ravi, an Individual Investor. Please go ahead.
- Ravi:** Hi. Thank you for taking my question. My question is what is the order backlog today and how long the order takes to process? I mean, how long is the number of months required to process the backlog?
- Nageswara Rao:** Backlog thing, we don't have. With backlog, the deliveries are really fast. Whenever I started glass line business, that time deliveries are 20 weeks, but today everything, we changed the business model. Anybody wants 20 reactors also, we can deliver within two weeks.
- Our order book is strong and coming quarters we have a very good visibility order book, but backlogs no need backlog. Customer delivery is our high priority. That's the reason now 90% of the metal division we are claiming. That's the reason we are going to add within 10 days another ninth facility. Basically, our customer is high priority. So, no backlogs.
- Ravi:** Okay. I meant order backlog as in what is the unexecuted order as on 31st December and how long will it take to execute the thing?
- Nageswara Rao:** We have a very good order book, sir. It's not actually executed. Exactly not fixed, but we have a very good order book.
- Ravi:** Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to management for closing comments. Over to you.

Nageswara Rao: Thank you. Thank you all investors and who have participated in this call. And thank you. And coming years, we will put our best efforts and we'll deliver the best results. Thank you all. Once again, thank you all.

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