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Ref: SGL/Compliance/2024-25/26 **May 20, 2024**

Listing / Compliance Department
BSE Limited
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code : 532993

Listing/Compliance Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: SEJALLTD

Subject : Submission of Transcript of Earning Conference Call

Reference: Regulations 30 of SEBI (LODR) Regulations, 2015 read with Schedule III to the SEBI (LODR) Regulations, 2015 and our letter dated May 13, 2024, in this regard.

Dear Sir / Madam,

We enclose herein the Transcript of the Earning Conference Call held on Monday, May 13, 2024, at 03:30 PM (IST) to discuss the operational and financial performance for fourth quarter ended March 31, 2024.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Sejal Glass Limited**
ASHWIN SHANKAR SHETTY
Digitally signed by ASHWIN SHANKAR SHETTY
Date: 2024.05.20 17:52:13 +05'30'
Ashwin S. Shetty
V.P. - Operations & Company Secretary-Compliance Officer
Encl : As above

"Sejal Glass Limited Q4 FY24 Earnings Conference Call"

May 13, 2024

MANAGEMENT:	**MR. AMRUT GADA – PROMOTER, SEJAL GLASS LIMITED**
	MR. CHANDRESH RAMBHIA - CFO, SEJAL GLASS LIMITED
MODERATOR:	**MS. PREETI BHARDWAJ – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY24 Earnings Conference Call of Sejal Glass Limited hosted by Kirin Advisors Private limited.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Preeti Bhardwaj from Kirin Advisors. Thank you and over to you, ma'am.

Preeti Bhardwaj: Good afternoon. Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Sejal Glass Limited. From management side, we have Mr. Amrut Gada - Promoter and Mr. Chandresh Rambhia - CFO. Now, I hand over the call to Mr. Amrut Gada. Over to you, sir.

Amrut Gada: Good afternoon, everyone. Welcome to the Q4 and FY24 Financial Results Conference Call for Sejal Glass Limited. I am thrilled to share the outstanding performance of our Company, which is one of the leading architectural glass manufacturing Company.

Prior to initiating our financial analysis, I would like to present a brief and comprehensive overview of our esteemed Company:

Sejal Glass Limited, headquartered in Mumbai, Maharashtra, is recognized as one of the leading architectural glass manufacturer, specializing in the value-added glass and related products. We have significantly expanded our reach in the global market since our inception known for our commitment to superior quality. We have established ourselves as a premier architectural glass manufacturer, both in domestic and international market. With a diverse portfolio of high-quality architecture glass, we maintain a strong global presence, servicing clients in numerous countries. We operate a cutting-edge glass processing facility in Silvassa and UAE. Our plant, Silvassa is having a capacity of 10.68 lakh square meter of architectural glass and currently operating on an average 67% of its capacity, whereas our UAE plant is having a capacity of 28.50 lakh square meter of architectural glass and currently operating on an average 34% of the capacity.

Our product portfolio encompasses a diverse range of architectural glass, which includes tempered glass, laminated glass, insulated glass, ceramic and decorative glass. Approximately, 70% of Company's revenue come from fabricator and real estate developers, around 15% are from OEM applications including furniture, refrigerator and others. The remaining 15% derived from the retail sales through a dealer network. Some of the Company's marquee clients include Piramal Group, Lodha developers, Hiranandani, Kalpataru and Sunteck in the real estate segment and Nilkamal in the furniture segment. The Company is a leading player in architectural Glass segment holding approximately 20% of the market share.

Our manufacturing setup in UAE through our 99.01% subsidiary M/s Sejal Glass and Glass Manufacturing Product LLC, UAE underscores our dedications to global expansion and innovation. Looking ahead to the upcoming financial year, we are optimistic about maintaining our leadership position by prioritizing product quality, market expansion and plant optimization through a re-engineering and automation. These strategies ensure sustained growth and competitiveness for Sejal Glass Limited.

About the financial highlights, moving on the Financial Highlights for this quarter:

We are pleased to highlight our sustained growth. In Q4 FY24, the Company demonstrated a strong financial performance. Its consolidated income was Rs. 50.22 crores and EBITDA was Rs. 5.85 crores with an EBITDA margin of 11.64%. We also achieved a consolidated profit before tax of Rs. 0.5 crores, a significant improvement from the previous year's loss. For the FY24, our Company continued to perform well. Our total consolidated income reached to Rs. 164.73 crores marking a 253.47% year-over-year growth. The consolidated EBITDA for the year was Rs. 21.31 crores up by 455.71 % compared to the previous fiscal year with an EBITDA margin of 12.94%. Additionally, we achieved our consolidated profit before tax Rs. 3.17 crores, showing remarkable growth of 398.01 % year-over-year. Although the consolidated figures for FY24 are not comparable with FY23, as the investment in the subsidiary was made only on 18th May 2023. Also, the international contributions to the total revenue stand at 63.66 % while domestic sales marks up 36.34 % of the total consolidated revenue.

In Summary:

The notable revenue growth and expanded margins showcase the the Company's impressive performance and strategic initiatives. We have extended our reach far beyond India, with our products reaching. We have been a beacon of excellence in the architectural glass manufacturing industry and our commitment to quality has been recognized globally. We stand tall as the premier architectural glass manufacturer, delivering superior quality product and maintaining a formidable presence in both domestic and international market. Our gratitude goes to our dedicated team, suppliers, customers, lenders and shareholders for their unwavering support.

We can now consider for the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Farhaan Wadia from JM Financial. Please go ahead.

Farhaan Wadia: I had a question about the Middle East acquisition, I wanted some light on the margin and some light on the future growth?

Amrut Gada: Your question is on the margin?

Farhaan Wadia: Cost margin and future growth.

Amrut Gada: So, Dubai, our capacity, right now utilization is at 34%. Last week, we have also started our second tempering line and also started lamination line. So, this year more or less we are going to have a business of about 75 to 80 million AED and market share over there will be around 10% in UAE and certain part of GCC.

Farhaan Wadia: What will be 10%?

Amrut Gada: Market share in UAE.

Farhaan Wadia: I saw that you all have Rs. 120 crores of debt and thus increase your working capital days. So, I just want to see how you can improve that and lead to an increase in cash?

Amrut Gada: The working capital investment will increase further as our business will increase. That will increase our further working capital loans over there in UAE.

Farhaan Wadia: But do you see coming down?

Amrut Gada: Not for this year, because the business is on a growing stage, so the investment for working capital, we will improve on the working capital cycle.

Farhaan Wadia: And when do you see it coming down?

Amrut Gada: It will take another 2 years to come down or it will be stable on that level.

Farhaan Wadia: And just a repeat on the first question, for the margin also, but I wasn't provided with that?

Amrut Gada: Margin on the UAE, the business margins at EBITDA level will be around 15% or 16%.

Moderator: Thank you. The next question is from the line of Rahil Dasani from Mittal Analytics. Please go ahead.

Rahil Dasani: So, my first question is according to your guidance, we have to do Rs. 80 crores in India and Rs. 220 crores in UAE as of FY25 with 15% to 16% EBITDA margin. So, if you could explain the confidence for the topline, especially since you are guiding to more than double the UAE sales, are we in talk with clients or any LOIs or are we just confident on the demand as and when we increase our production? Secondly, please break up the margin guidance and how will we increase it by 300 to 400 bps from the current 12%? And lastly, what margins are we doing in UAE as of date?

Amrut Gada: Particularly related to this current year's performance, we have around 60 million order book position at UAE. And secondly, in India, we have around Rs. 30 crores order book position a year and every month as per the performance, the customer releases the size of the glass for the manufacturing. And every month, our sales team and marketing team are putting efforts to get the booking done and project closing. So, we get the LOI once the order gets confirmations and then followed by the size as per their requirement.

Rahil Dasani: Okay.

Amrut Gada: So, this is one part. Secondly, UAE last year our performance was around 14%-15% EBDITA. This year, with the value-added product, we are hopeful to increase around 1.5% to 2% more EBDITA level.

Rahil Dasani: And just in continuation of the 40 million order book in UAE, what is the execution period there?

Amrut Gada: 8 to 10 months, execution period.

Rahil Dasani: On the UAE entity, what went wrong for them that we got to buy them at 1x price to sales valuation and what gave us the confidence to turn around the business?

Amrut Gada: See that acquisitions happened in May last year, the wrong went with them, one was the COVID and the certain investor they have lined up, with the investment has not come on time and their account become NPA and third there was also certain realignment of the capacity. So, there was no proper alignment of the production capacity.

Rahil Dasani: Being the top four in UAE according to the last call, who are the other three and why do we think we can take away the market share from them?

Amrut Gada: I have not told that we will take over their market share. One, the market is expanding itself number 2, there is a gap. There is also, like four or five big player and there is a small size player also, which they are not up to the quality or this thing. So, there is a gap in the market. And secondly, UAE, Dubai is expanding, Sharja is expanding, Ras Al Khaimah and

Marjan area is also expanding. Ajman is also expanding and nearby country also expanding, Muscat and all. So, there is a growth in the market, so that growth, we will have a space in the growth market. And some of the old customer who wants to change their supplier, so that will be another thing and the plan from whom we have taken over, they are there in the last 18 years in the UAE, so they have a good customer relations and they have a good developer relation, so that is helping us to go in the proper way systematically in the market.

Rahil Dasani: Sir, that is what I am trying to understand, since we are to grow 100% year-on-year in UAE in terms of sales, so we must be taking margin, market share from someone. So, I wanted to understand who are we taking the share from and what are we doing better?

Amrut Gada: First of all, that the Company which we have taken, they were also at Rs. 82 million AED. So, first share is their own share which they lost in 2 years, so that share, we will take it. First is going this. Right now, that is where we have reached 50 million AED last year overall.

Rahil Dasani: And I understood that we have an order book of 40 million, so if you would explain what is the process of getting selected for an order and is it like on tendering basis or how does it go exactly?

Amrut Gada: No, it is not on particularly on the tendering basis. Particularly in UAE, the contract get awarded to the main contractor on the tender or whatever there is a process followed by the developer and then after main contractor divides the contract in different products like facade and window is given to fabricator, tiling given to other. So, we categorize ourselves in the fabricating or façade industry. So, the facade contractor or the fabricator, who has taken the order from the developer or the contractor, they give us the order. And there is a specification on the tender, related to the product, related to the quality and related to the other technical criteria like the performance of the glasses, then sunlight, wind pressure, light transmission. So, there is certain quality criteria and technical performance criteria.

Rahil Dasani: And the last thing is, the receivables are approx. 40% to 45% of sales as of date. Is this due to restarting our business after a long time and also the new UAE business because of which we have to provide extra credit timelines? How are we thinking on this?

Amrut Gada: In UAE, right now, around 35% of our sale is on the LC. And rest other we are getting the PDC and in India our average realizations is around less than 60 days. And there is a regular customer and we have in-house, our defined process to evaluate the customer, but for the new customer we take the advance and sometime before delivery we take the money or sometime we take the PDC or LC, purely depend on the customer to customer.

Rahil Dasani: So, what is the working capital cycle exactly in the UAE in terms of days?

Amrut Gada: So, it is around 135 to 140 as we are not taking LC Discounted under this .

Rahil Dasani: So, we expect this number from 40% to 45% to go down next year, right?

Amrut Gada: We are expecting around 90 days cycle next year step by step, reducing the working capital.

Rahil Dasani: So, previously there was a JV with CGI International and Sejal FireBan was formed, so what the update there because there was a tech and patent angle to this. So, what can you tell about that?

Amrut Gada: No, that our JV with CGI International was long back and that this is a closed joint venture. And now there is no joint venture. It was fire product, which has to be traded in India. That is why there was a JV. Now, our research department is doing some development and producing in-house in UAE. So, it is in process.

Rahil Dasani: Secondly, we did a QIP at 280 when the stock price was much higher during that year, that period, it was approximately 500, so what was the reason to sell it out at the lower rate?

Amrut Gada: There was no 500 rate at that time.

Rahil Dasani: That QIP was done at 280.

Amrut Gada: No, that was prior to that approval of NCLT, so that was on the basic price on that time and then after order of NCLT the capital reduction has been happened and then there was fresh issue of the new shares and after the fresh issue, the price went up to around 300 and I think the OFS was done at around 5% discount. Not much more on that.

Rahil Dasani: The last thing is, there are some Rs. 7,500 crores of CAPEX and are being done to enhance the glass capacity, so how do you think we can be affected in the next 2-3 years in terms of oversupply in the market?

Amrut Gada: So, that expansion is from Saint-Gobain and the Guardian and other players for manufacturing the float glass. So, we have also done one survey recently from PWC. So, there is a gap in between demand. Demand is increasing so that expansion and whatever is coming in future that is aligned with the growth of the demand.

Moderator: Thank you. The next question is from the line of Dhruv Mukesh Bajaj from Smart Sync Investment Advisors. Please go ahead.

Dhruv Mukesh Bajaj: My first question was that is my understanding correct that the average prices of float glass which surged to unprecedented levels due to imbalances in demand and supply during the COVID period, induced lockdown and then the semiconductor issue, they have now started reverting back to their average levels?

Amrut Gada: Right.

Dhruv Mukesh Bajaj: So, was this the reason why your margins fell on a Q-o-Q basis or there has been some element of cost increase as well?

Amrut Gada: No, see there is a little bit of 1% or 2%, difference every quarter. Because of sometime import material flows, but we have material supply tie up with the Saint-Gobain and Guardian where always we get on the reasonable price and we don't commit on a large project that the same price privilege. Where the big orders are there, we write down in terms and condition that we have considered, like in construction, they consider the cement and steel, price escalation, so above 5% difference the escalation clause applies to the customers.

Dhruv Mukesh Bajaj: And sir, how do you see the competitive scenario intensifying given the ASHAI glasses itself commissioning Rs. 700 crores worth CAPEX for float glass. So, you I think mentioned about Saint-Gobain, but how do you see this thing because?

Amrut Gada: ASHAI, prime Focus is on automobile, t they controll above 90% or around 90% market share in automobile, so their float glass expansion is particularly for their in-house use of the automobile glass manufacture.

Dhruv Mukesh Bajaj: And sir, we keep hearing news that Sejal Glass is falling into defense quality glasses or automotive glasses. So, can you briefly share your views on the same and how are you planning to diversify revenues going forward because currently?

Amrut Gada: See, we are working on the product development. So, the Company which we have acquired, so they have this product that one is a fireproof and other is a bulletproof. So, we are getting again recertification and test of the product. So, once this is approved then we have a product. So, that product will be good for India's defense and also UAE defense and domestic police and all that bulletproof glasses. It will take, I think one month or one quarter for getting the certification.

Dhruv Mukesh Bajaj: And sir, how big is that industry as such like and will we require a separate capacity or we need to incur a newer CAPEX to cater to that requirement?

Amrut Gada: This year, I don't think there will be any much more CAPEX, maybe very little bit realignment or for giving some finishing product small size machines. Other than that, there is no bigger CAPEX this year. And about the bulletproof market, we are doing the survey that what is the size of the market and even there is certain more qualifications requirement has come on the quality and the standard of the bulletproof. So, that we are checking, I think within one quarter's time, we will be ready with the market demand, our market share and also with the product.

Dhruv Mukesh Bajaj: And sir, there was induction of Mr. Vijay Mamaniaji from Non-Executive Independent Director to Non-Independent Director, so can you please explain us regarding his induction as an Independent Director before when he was already a part of the key management in Aarti Group and who happens to be our promoter now and now since he is a Non-Independent Director, is that an indication that there will be more involvement of Aarti Group in our business other than the financial aid that they provided in the recent past.

Amrut Gada: No, this is the change of the status. As per his wish, we have changed, and we have one mechanism between Aarti Group and us. So, monthly, the reporting structure and MIS review is there. And of course, their input always helps us for the good governance and systematic approach in the market.

Dhruv Mukesh Bajaj: And sir, given the highly commoditized nature of that business and since again said before that the prices of this float glass is correcting significantly in the past few months, so how do we plan on achieving our guided margins of 12% to 14% in the coming years?

Amrut Gada: We have two or three product categories. One is the commodity what you rightly told which is the bread and butter for the day-to-day function and day-to-day cash flow and distributing the fixed cost, then we have a certain niche product where the margins are reasonably good and certain product like bulletproof, fireproof and that voice control products. So, that is a niche product which yet we are moving in the market and in the specification mode in the tenders, high product, high project. So, we are always as a Company, we don't want to go straight away to the commodity product, but yes 30% to 35% product portfolio of the commodity, 30% to 35% for the medium size margin product and around 25% to 20% for the niche product where we aligned our margins.

Dhruv Mukesh Bajaj: And sir, the product that you are talking about like bulletproof and all, so can we produce similar type of products in an existing capacity, or we will require some other type of capacity in future once we get the required approvals for the same.

Amrut Gada: Same capacity, certain modifications and certain supporting system equipment is required.

Moderator: Thank you. The next question is from the line of Rohan Shah from Valcore Capital Advisors. Please go ahead.

Rohan Shah: I just have one question. Sir, as we see the real estate market booming in the past couple of years, so what do you think would be the growth factor from there for Sejal Glass because you have customers like Lodha and Suntech have reported great numbers. So, how do you see the demand over there?

Amrut Gada: The demand, particularly in real estate in India will be growing year-on-year and with the housing requirement in India and particularly all metro stations, there is a very good demand and secondly visibility of the demand and the changing scenario of the real estate that all big corporates are now in the real estate. It is Godrej, Tata, Reliance, Adani. Even the Prestige, one of the premier developer of the South, is now in Mumbai and DLF, so all good developers are expanding and they have the visibility of the next 5 years, next 10 years that particularly mid segment and upper segment has a different demand and particularly after COVID and the concept of hygienic living, people are spending much more on good housing. So, that is one part of the growth and even if you see the National Housing Index, there is a huge growth. And in Mumbai, again, the development of SRA schemes, also for the development of demand to the commodity glass product as one hut of 200 square feet has no window and when they go in the slum rehabilitation scheme of 300 square feet, there is seven windows in house. So, that is the growth of the glass.

Moderator: Thank you. The next question is from the line of Rohit from Vijit Global Securities. Please go ahead.

Rohit: My question is as per SEBI and LODR requirements, minimum public shareholding has to be 25%, management had mentioned in previous call that remaining 3.96% will be completed in 1-2 quarters and now promoter holding is reduced to 77.45%, so by when can we expect this to come down to 75%?

Amrut Gada: In one or two quarter.

Rohit: Just a quick suggestion from our end to complete it as soon as possible and it will help the Company's equity shares to come from the B category, IBC category.

Amrut Gada: Well, taken point.

Moderator: Thank you. The next question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

Shikhar Mundra: I wanted to understand the volume data, how much you have done in Dubai and how much you have done in India?

Amrut Gada: 63.66% in UAE and 36.34% in India.

Shikhar Mundra: In terms of metrics ton volume, unit volume?

Amrut Gada: It is a square meter actually, not the volume.

Shikhar Mundra: So, square meter, what is?

Amrut Gada: I think this is data is not available at present , but I will provide you the square meter of India and the square meter of UAE.

Shikhar Mundra: And you said the capacity utilization in UAE was 24%, what is the same for India?

Amrut Gada: India, we are utilizing around 67%-68%.

Shikhar Mundra: And how much in Dubai?

Amrut Gada: Dubai, we are utilizing 34%, but now because we have reshuffled and reengineering all the machines, now one by one, all machines are going, so this quarter and second quarter there will be above 50% capacity utilization.

Shikhar Mundra: And sir, what is the expected CAPEX for this year, the incremental CAPEX?

Amrut Gada: Negligible, not much, maybe maximum Rs. 4 to Rs. 5 crores.

Shikhar Mundra: And what would you say like the revenue potential on these existing capacities?

Amrut Gada: India is around Rs. 92 crores and Dubai is around 80 to 90 million.

Shikhar Mundra: This is 80 to 90 million Dirhams?

Amrut Gada: AED.

Shikhar Mundra: How do you exactly define value-added in this, like what kind of margin difference is there between value-added and normal and what percent of your capacity is like?

Amrut Gada: Around 5% to 15% sale price different. There is a little bit of technical specifications are involved, for example, there is a project or there is a residence building nearby the railway stationand there is a sound of the railway. So, we have a product that we can give that product. So, the sound will be around 80 DB at the room. This kind of product have different combinations, different recipe to manufacture and that we give the solution.

Shikhar Mundra: And how much percent of your capacity right now is value-added.

Amrut Gada: It is around 10% to 15%, but it will increase to 20%-25%.

Moderator: Thank you. The next question is from the line of Anuj Jain from Green Portfolio. Please go ahead.

Anuj Jain: I just wanted to have a follow up question based on the last conference call. In the last conference call, sir, you have mentioned that you are submitting samples to one or two bus coach manufacturers and also you mentioned that you are working with Indian Railways. So, just wanted to understand what is the development since last concall on these two fronts?

Amrut Gada: That sampling process is on, yet we have not received the approval and we have got also from the railway that they don't want only glass, they want with the aluminum frame and full window. So, we are making one sample and then we will submit again.

Anuj Jain: And, sir, what is the approval and ordering process in Indian Railways? Just wanted to understand how much time will it take till we get a successful order from the Indian Railway?

Amrut Gada: It will take yet two months. There is one change that traditionally AC coach has a certain requirement and Vande Bharat has a certain requirement. So, now we are also working on Vande Bharat and for Kapurthala and Raebareli both.

Anuj Jain: So, sir, you are working on Vande Bharat, does this mean that government has asked you to work on Vande Bharat or you are doing it on your own and then you will submit the sample. How does it work, sir.

Amrut Gada: We are submitting the sample, but definitely Government is looking for new vendors.

Anuj Jain: And sir, in response to the bulletproof last point, you mentioned that, I missed that point, your voice was breaking there. So, how much time would it take till you get an approval for the bulletproof glass in UAE?

Amrut Gada: One quarter or four months around.

Anuj Jain: Last question from my side, sir, make us understand as to while we are working at 34% capacity utilization in UAE, we are doing an expansion there and in India we are at 67%-

70%, but there is no expansion in India, what is the thought process, number one? Number two relating point is, when we will be doing 75 to 80 million Dirham in UAE what would be the capacity utilization considering the new tempering and lamination line?

Amrut Gada: At 80 million or 75 to 90 million, we will be at around 80%-85% of the capacity utilization. And secondly, India this year also we will cross 80%-85%.

Anuj Jain: And sir, why no expansion in India, despite higher capacity utilization and why an expansion in UAE?

Amrut Gada: No, this UAE expansion is over. That is acquired in last year, beginning of the year, but the whole exercise went before that one year. And parallelly we are also looking for opportunities, acquisition opportunity or certain tie-up opportunity in India and we are working on that. Maybe within one or two quarters, there will be good news in the market.

Anuj Jain: So, can it be assumed, sir that you are in discussion with something?

Amrut Gada: Yes, we are in discussion with some potential buyer, some expansion. It is mid stage, not early stage, also not on mature stage, but within one or two months it will be more clear.

Anuj Jain: And final quick question, sir on India side, is there any Brownfield or Greenfield expansion as well besides this or inorganic expansion that you are talking about?

Amrut Gada: We are also working on solar requirement as this capacity is also increasing, solar glass, green energy glass. And we recently did a survey of the market that solar demand, solar glass demand and architectural glass demand and automobile demand. Right now, we are totally focused on architectural, but at the same time, we are also working on the solar market. If everything works, then management will think on investing in solar.

Moderator: Thank you. The next question is from the line of Raj Vaswani from InvestSavvy Portfolio Management LLP. Please go ahead.

Raj Vaswani: We see good performance year-on-year, my query was that while year-on-year there has been significant growth, Q-o-Q was quite flattish and especially if we are looking at such phenomenal growth in Dubai where we expect the market to grow significantly, then last quarter was kind of slightly disappointing in that sense, because I couldn't get why this was coming up?

Amrut Gada: So, you are talking about the last quarter?

Raj Vaswani: Yes, Q-o-Q, the growth was quite flattered.

Amrut Gada: One concern, it is not concern, but certain sizes from the order which we have, had not come on time and certain ready material, customer has not taken the dispatch, so because of that around, 5% to 7% of topline has been impacted.

Raj Vaswani: So, is that a permanent impact on topline or is it like a temporary, is it something which got shifted from December to January?

Amrut Gada: Yes, it happens like that, but sometime, on the last.

Raj Vaswani: As in March over April, so there are two things. Sometimes there is some delay in acceptance and the order gets to April instead of getting booked in March.

Amrut Gada: Yes, and secondly sometime because of the project delay from the developer side, we don't receive the size for the manufactur, so that has a carry forward in April, but it is in quarter like one month or two months delay.

Raj Vaswani: No, what I am saying is the delay, so what was lost in the March quarter is that going to come back in April, so that will be made up and you will continue with your regular growth because before that see if you look at the growth March over June, there was like almost 150% growth and then the growth was close to 40%?

Amrut Gada: 150% growth because from that month UAE operation has started consolidating.

Raj Vaswani: Yes, agree. So, that is okay, that I understand. Then June over September, there was about a 40% growth, 40 went to 48 which was 20 and this quarter was about 2, now if we were looking, even if I say that 70% of the revenues were actually lost and they would have come in, that would still have meant that you would have grown about another, say 3-3.5, which would have meant 12%-13% growth, so growth is?

Amrut Gada: They have ended at 54 quarter.

Raj Vaswani: Yes. So, 54 would have meant about 15% growth, if you have been slower than 28, is the growth slowing down considering that you have such a large capacity, which is there, which you built up, now, if the growth on month-on-month or quarter-on-quarter is slowing down, is that an indication that going forward and how do you see the growth again growing to like 50% to 100% from here again?

Amrut Gada: Every quarter like, for example, first quarter, second quarter, we have the certain projections based on the pipeline of the order and certain capacity utilization. For example, in this MAY we have started the lamination line, so impact will definitely come in the sale. So, maybe like UAE itself will give us around Rs. 40 to Rs. 42 crores plus India operation will give around Rs. 18 to Rs. 20 crores, so maybe this quarter first, we will cross Rs. 60 crores.

Raj Vaswani: So, again, if you are saying that 7%-8% out of that was last quarter's thing, so going forward we are looking at something like 10% to 15% Q-o-Q growth?

Amrut Gada: Yes, 15% growth. Our 90% or 95% products are tailor-made. Once we receive the specification then we manufacture. So, we don't have standard product where we can put and keep in stock and on last month of the quarter we can not tell our dealer that you have to lift the material . So, here there is a fundamental of our business model that whatever, there is no much ready stock. Everyday material manufacture, everyday dispatch, everyday material manufacture, everyday dispatch.

Raj Vaswani: But you think for the next year or so you would be able to track about 15% Q-o-Q kind of growth?

Amrut Gada: Mostly.

Raj Vaswani: And most of this is coming out of Dubai you are seeing.

Amrut Gada: No, both India and UAE. India, first quarter always June, is monsoon season, and in first season, there is a little bit of pressure and then second quarter is a seasonal like all Navratra and all more project launching, more furniture work. So, Q2 and Q3 always good.

Raj Vaswani: So, Q2 and Q3 are better than Q1?

Amrut Gada: Yes, always.

Raj Vaswani: But in this case you are saying since you will get 7%-8% of last quarter's demand into Q1, so you would still hit 60 in Q1?

Amrut Gada: Yes.

Moderator: Thank you. The next question is from the line of Dipanshu Suman from Sattva Ventures. Please go ahead.

Dipanshu Suman: I just wanted to understand from you, what are the total borrowings on the book and how much is working capital and how much is time zone out of it?

Amrut Gada: I will give to Mr. Chandresh, CFO.

Chandresh Rambhia: So, total borrowing on a consolidated basis is around Rs. 140 crores. Out of that, the working capital is around Rs. 15 crores. Rest is in the form of promoter or promoter Company's borrowing and the bank borrowing.

Dipanshu Suman: So, what are the repayment schedules for the bank borrowing?

Chandresh Rambhia: Bank borrowings are all 5 years repayment plan.

Dipanshu Suman: So, Rs. 125 crores is say bank of borrowing per promoter, which are say scheduled on a five year plan, right?

Chandresh Rambhia: Yes.

Dipanshu Suman: So, any plans or to bring down that debt on a gradual basis or are you of the kind of mindset that over a period of five year itself it will go down or is there any chances that we can we look to say offset this entire debt over a 3-year kind of period?

Chandresh Rambhia: So, see bank borrowing will go on the repayment through its installments as per the schedule. Only thing that promoter funding, which has been infused as in loan, which we call it as quasi equity also, so that we can convert it into an equity, but not at this stage maybe in a couple of years.

Dipanshu Suman: So, what is the India steady state margin? What you guys because the India margins have been quite volatile because of different kinds of say reasons what other participants have also alluded to. So, what is the India steady state margin, what we should be looking at?

Chandresh Rambhia: EBITDA margin?

Dipanshu Suman: Yes, EBITDA margin.

Chandresh Rambhia: EBITDA margin is around 12% to 13%.

Dipanshu Suman: Because almost say, last 3-4 quarters we have been in the range of 7% to 9%, 10% kind of.

Chandresh Rambhia: Correction, this year we had closed around 12% EBITDA margin in India. So, definitely that will improve by 2% to 3% further in this year as the capacity utilization will increase, fixed cost will remain same. So, EBITDA margin will be improved.

Dipanshu Suman: So, in terms of, going back to the capital structure of the Company, so instead of promoter is selling the stake in the market, can the board think about any proposal to raise funds in the Company so that the Company is better capitalized because again by the end of this particular year, if everything goes well, you guys would be sitting at 80%-85% kind of capacity utilization at both the locations, so instead of just selling in the market by promoters, can't it be done through some qualified institutional placement or any other mechanisms?

Amrut Gada: We can think about it. So, right now, whatever the promoters are selling is just to bring that the holding at 25% of the public as per the required norms of LODR. So, post that, we can think about any QIP or anything for replacing this, the promoter loan or something like that or for the expansions, what we plan in India.

Moderator: Thank you. The next question is from the line of Lalit Agarwal from Krishna Agencies. Please go ahead.

Lalit Agarwal: Sir, as you said, the capability utilization after this '24-25 will be around 80%-85%, so what will be the topline you are estimating for this year, '24-25?

Chandresh Rambhia: Basis it will be around 275 to 280 Crores.

Lalit Agarwal: And what will the EBITDA margin on the total?

Chandresh Rambhia: Average is 16%.

Moderator: Thank you. The next question is from the line of VN from Shanthi Financial. Please go ahead.

VN: So, the question I have is with respect to the extraordinary performance which happened in Sujal, this was around a year back. I wanted to understand what could be the reason for such a massive performance, but it was actually a one-off kind of a thing, so if you can kindly shed light on that?

Chandresh Rambhia: Performance growth you are talking about from the last year.

VN: Yes, March 22 when you had this massive Rs. 147 crore PAT and while your topline was just Rs. 24 crores, but your PAT was Rs. 147 crores, so?

Chandresh Rambhia: No, March 22 was an exceptional profit because of the effect of the NCLT order, which has been given into that financial year. So, there were certain liabilities in the books which were written off or written back based on the NCLT order as per the resolution plan. So, that was an exceptional profit, not from the operation profit.

VN: But that did have an impact on the performance of your stock also, if I can, the valuation of the Company, I think, right?

Chandresh Rambhia: No, because we had given quite a good number of disclosures in our financials notes to accounts everywhere.

VN: No, I am not faulting the management for how, I just wanted to understand, you said extraordinary performance due to some NCLT observations and thereby the market also kind of recognized it, so I am just trying to understand the context on the background. I am not trying to in any way find any fault here, but I am just trying to understand the background.

Chandresh Rambhia: That is what I am saying that there was no such thing which can happen when the disclosures are properly given, that this was an exceptional onetime transaction effect in the financials and it is not to be considered the performance of the Company on operational side. This is very clearly mentioned in our notes also. The breakup was also given that this is because of extinguishments of some of the liabilities of the Company due to resolution plan which was approved in the NCLT.

VN: And subsequently the Company has been on a profitable trajectory while prior to that it was struggling for profitability, if you can also shed light on that?

Chandresh Rambhia: Of course, the last two years the Company had performed well. The growth is also seen from the financials, on the sales side and on the EBITDA and the margin side. So, then after the expansion was also done in the Company by acquisition of UAE plant, so definitely the growth is there. And in near future also we are targeting the same growth story.

VN: And if you can just give some trajectory of what kind of growth we can look forward to in the next 1 or 2 years?

Chandresh Rambhia: That is what we had mentioned in our call that next year we are targeting around Rs. 275 to Rs. 280 crores of turnover with an EBITDA of 16%.

Moderator: Thank you. The next question is from the line of Anurag Jain from Al Maryah. Please go ahead.

Anurag Jain: So, my only question is on the interest component and the tax part, so what we are planning, given the market situation, we have a rate cut going forward, are we planning to have like something rate cut on our loan partners also from the promoter or the bank side and average is the tax?

Chandresh Rambhia: Yes, so average borrowing cost is less than 10% as of today. So, the only borrowing is mainly from the promoter group Company. So, that was also for the acquisition of our UAE

Plant. In near future, we may replace this promoter funding through an either equity mode or any long term.

Anurag Jain: So, when you are planning this?

Chandresh Rambhia: It might take one year or two years. At least down the line two years.

Anurag Jain: And the second question on the tax, so how much is the deferred tax amount is available as of now?

Chandresh Rambhia: We have deferred tax asset of around Rs. 9.03 crore which we had recognized last year based on our carry forward losses, which are of unabsorbed depreciation which are perpetual in nature. So, on that, we had considered certain projections and that is also on a conservative basis and analyzed properly and then the accounting was done for deferred tax asset.

Moderator: Thank you. The next question is from the line of Pranay Jain from Deal Wealth. Please go ahead.

Pranay Jain: I just wanted to understand what is the kind of investments we have planned in infrastructure technology for increasing the value addition of products over the next couple of years?

Chandresh Rambhia: Not very much as of now. Right now, we are just on the couple of products as we mentioned in the call. First, our products should be get recognized. This can be produced with same capacity, only some attachments to be required, so there is no much huge capacity or the expansion required in this thing.

Pranay Jain: So, whatever innovations we are doing for high-speed rail, bulletproof, all of that technology investments have already been done, we will not require further material investments for that you are saying?

Chandresh Rambhia: Not much. That is what I am saying. That the only , certain attachments or the additional equipments which are not costing more than Rs. 5 to Rs. 7 crores.

Pranay Jain: And as a result of whatever capacities that we have that we choose to sweat out over the next couple of years then, what is the potential revenue we can look at because like you said, we are definitely going to enhance our value addition mix and the margins are moving up, so then for both from Rs. 275 crores potential revenue in FY25, what could it be your further down the line and will margins be more or less around 16%, we are kind of satisfied or we see room for further moving up to high teen?

Chandresh Rambhia: On a full-fledged capacity, the turnover will be around Rs. 350 crore. And the margins will be at the same level or maybe 18% somewhere. So, we can improve by around 200 basis points in the EBITDA margin once our capacity utilization will increase.

Pranay Jain: And any indication you can give on the value-added mix contribution to the revenue from this year, what is it likely to move up next year?

Chandresh Rambhia: Next year, value-added products will be around 25%. Rest will be, as we discussed that basic product will be there of 35% to 40% and mid-size product will be around 30%.

Pranay Jain: We are not accounting for solar glass yet in these estimates.

Chandresh Rambhia: No, we are not.

Pranay Jain: Only on architectural side and existing for rail that we are looking at.

Chandresh Rambhia: Yes.

Pranay Jain: And lastly on the bottomline, any possible guidance on the PAT margins we could see if not next year then the year after, is there something we are aiming?

Chandresh Rambhia: We are aiming around 7% to 8% PAT margin.

Pranay Jain: And who are we keenly competing against in our existing categories like who do we benchmark as against and likely to try and pull market share from?

Amrut Gada: Actually, it is not market share pull . First of all, there is a growing demand. So, our placement will be with the growing demand and little bit of the market share. The major competitor in UAE is White Aluminum, Gulf Glass and Emirates Glass.

Pranay Jain: And in India?

Amrut Gada: India, we have here Fishfa Glass, FG Glass, Glasstech, Fuso and Sapphire and little bit of Ashai glass also.

Pranay Jain: Any progress we see on the automotive side with?

Amrut Gada: We are preparing ourselves yet.

Pranay Jain: So, maybe after 6 months or so you would be able to share something, or it will take a little longer quarter.

Amrut Gada: Next quarter, we will be able to share something.

Moderator: Thank you. The next question is from the line of Jignesh from Jiva Capital. Please go ahead.

Jignesh Vayda: Sir, just wanted to understand, you told that you have done some survey to understand the market. So, the survey is more into solar glass or for infrastructure or only in your current sector?

Amrut Gada: No, the survey is for the float glass, solar glass and our current architectural glass.

Jignesh Vayda: Because in solar, if I recollect Borosil is facing very tough competition from China, some duties, so are you thinking on that terms that you?

Amrut Gada: We have just done the survey and yet we have not made up our mind for the solar. So, I think the question will be not relevant as on today for the solar particularly.

Jignesh Vayda: And you also mentioned that you are in discussion with some partnership in India with few prospective people, so would that be for float glass only?

Amrut Gada: No, for the architecture. Right now, whatever expansion in current year, or any acquisition, is only for the architectural. No solar, no float.

Moderator: Thank you. As that was the last question for the day, I now hand the conference over to Ms. Preeti Bhardwaj for closing comments. Over to you, ma'am.

Preeti Bhardwaj: Thank you everyone for joining the conference call of Sejal Glass Limited. If you have any queries, you can write us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference call. Thank you, sir.

Amrut Gada: Thank you. Thank you everyone.

Moderator: Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.