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August 28, 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 August 21, 2024, in this regard.**

Dear Sir / Madam,

We enclose herein the Transcript of the Earning Conference Call held on Wednesday, August 21, 2024, at 04:30 PM (IST) to discuss the operational and financial performance for first quarter ended June 30, 2024.

This is for your information and record.

Thanking you,

Yours faithfully,

**For Sejal Glass Limited**

**Ashwin S. Shetty**

**V.P. - Operations & Company Secretary-Compliance Officer**

Encl. As Above



“Sejal Glass Limited  
Q1 FY25 Earnings Conference Call”  
August 21, 2024



**MANAGEMENT:** **MR. AMRUT GADA – PROMOTER – SEJAL GLASS LIMITED**  
**MR. CHANDRESH RAMBHIA – CHIEF FINANCIAL OFFICER – SEJAL GLASS LIMITED**

**MODERATOR:** **MS. PREETI BHARADWAJ – KIRIN ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to Sejal Glass Limited Q1 FY25 Earnings Conference Call hosted by Kirin Advisors. As a reminder, all participant lines will be in the lesson-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

**Preeti Bharadwaj:** Good afternoon. Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Sejal Glass Limited. From the management team, we have Mr. Amrut Gada, Promoter, and Mr. Chandresh Rambhia, Chief Financial Officer. Now I hand over the call to Mr. Amrut Gada, Promoter. Over to you, sir.

**Amrut Gada:** Good afternoon, everyone. Welcome to our conference call for Sejal Glass Limited. Before we dive into the details of our Q1 FY25 performance, I would like to provide a brief overview of our company.

Sejal Glass Limited has emerged as one of the prominent leaders in the architectural glass manufacturing industry. Headquartered in Mumbai, Maharashtra, we have constantly delivered high-quality, innovative glass solutions to meet the evolving demand of both the domestic and international markets. Our extensive product portfolio encompasses a diverse range of architectural glass products, including toughened glass, laminated glass, insulated glass, ceramic, and decorative glass.

These products are meticulously crafted to adhere to the highest standards of quality and design excellence. The heart of our operation is our state-of-the-art architectural glass manufacturing facility located in Silvassa, India, and Ras Al Khaimah in UAE. Equipped with advanced technology, this facility boasts a manufacturing capacity of 10.68 lakhs square meters at Silvassa and 28.50 lakhs square meters at UAE for the three products together, that is, toughening, laminated, and insulated glass.

The current average capacity utilization is 53% and 47% of Silvassa and UAE plants respectively, and year-on-year increase of capacity utilization is undergoing our commitment to optimize production efficiency and meeting growing market demands. Over the years, Sejal Glass has established a strong global presence, exporting to numerous countries and earning widespread recognitions for excellence across the industry. Our strategic focus on quality, innovation, and customer satisfaction continues to drive our success on the international stage.

Regarding the financial performance, I am delighted to report that Q1 FY25 has been a remarkable quarter for Sejal Glass Limited. Marked by significant growth and operational excellency, our strategic initiatives and unwavering focus on efficiency have yielded outstanding financial results. We achieved a consolidated total income of INR53.07 crores, reflecting an impressive year-on-year growth of 94.23%. Our EBITDA stood at INR7.33 crores, showcasing a substantial year-on-year increase of 99.07%.

The EBITDA margin expanded by 34 basis points to reach 13.81%, highlighting our effective cost management and operational efficiency. Our PAT surged to INR1.40 crores, making a reasonable growth. This substantial increase underscores the success of our strategic investment and operational strategies. During this quarter, we achieved a significant milestone in both domestic and international markets.

The domestic segment contributed INR15.17 crores, accounting for 29% of our total revenue. This represents a healthy growth of 5.24% compared to INR14.41 crores recorded in Q1 FY24, indicating steady and sustained progress in our home market. Our international operations witnessed remarkable expansion, generating INR37.59 crores and contributing 70% of the total revenue. This is reflecting our successful efforts in strengthening our global presence and capturing new opportunities in the international architectural glass market. Despite our operational challenges we encountered during the quarter, we delivered outstanding performance. A temporary halt in production of 6 days at our Silvassa plant due to an illegal strike posed significant challenges.

But our team demonstrated resilience and effective crisis management by swiftly resolving the issue and resuming operations on June 6, 2024. This prompt response ensured minimal disruptions to our production and supply chain, enabling us to seamlessly continue meeting our commitments and the growing demand of our products. Looking ahead, we remain highly optimistic about our growth trajectory for the remainder of FY25.

Our strategic priorities include to expand our reach in domestic and global markets with our innovative product offerings. We will continue to focus on enhancing our operational efficiency by optimizing production processes and cost structures to further improve profitability and competitiveness. With a global demand for architectural glass on the rise, we are well positioned to size emerging opportunities through our quality product offering and strong market presence.

We are confident that these focused strategies will drive sustained growth and enable us to achieve our long-term objectives, thereby creating lasting value for all our stakeholders. In conclusion, Q1 for the year '25 has been a quarter of exceptional growth and strategic advancement for Sejal Glass Limited. Our performance reflects the dedication and hard work of our entire team as well as the trust and support of our valued partners and customers.

I would like to express my sincere gratitude to all our stakeholders for their continued confidence in Sejal Glass Limited. We are now open to discuss our performance in more detail and address any questions you may have. Thank you very much. The forum is open for the questions.

**Moderator:**

Thank you. First question is from the line of Tushar Vasuja from Yogya Capital. Please go ahead.

**Tushar Vasuja:**

Thank you for the opportunity, sir. I have a couple of questions. Can you please give some details regarding the capex you guys are doing in UAE?

- Chandresh Rambhia:** Yes, one minute. Total capex what we had invested in UAE is around INR105 crores, which includes the acquisition cost and the working capital together.
- Tushar Vasuja:** Okay sir. What is the revenue potential and margins from this?
- Chandresh Rambhia:** Revenue potential as in total capacity utilization wise, it will be around INR300 crores with a EBITDA margin of 16%.
- Tushar Vasuja:** When would this capacity expansion commercialize?
- Chandresh Rambhia:** Capacity is already in place. We are increasing the utilization quarter on quarter. In FY25-26, we will be able to capture 100% capacity utilization.
- Tushar Vasuja:** Do you have any plans to foray into float glass?
- Chandresh Rambhia:** Not yet. We are not yet decided on that. We are studying the market for that.
- Tushar Vasuja:** As you said you have been studying the market. Can you please provide some guidance? Do you see a possibility of overcapacity in the float glass because a lot of people have been expanding in this sector?
- Chandresh Rambhia:** There is a huge potential in the float glass because glass is such a commodity which is not going to end anyway and the expansions that are coming in regards to future markets.
- Tushar Vasuja:** Sir, previously you mentioned about some new products like for Indian railway glass, automobile glass, bulletproof glass. What is the update on that?
- Chandresh Rambhia:** Bulletproof glass, we already have a sample manufactured at our UAE plant and the same is under testing. So, we will be getting a local test certificate first in the first phase around in October. Then after we will further go for an European standard certification which generally takes three months.
- Tushar Vasuja:** What about automobile glass and Indian railway glass?
- Chandresh Rambhia:** No, automobile we are not into that segment because it altogether requires a different furnace. But of course, the flat glass automobile segment we are looking for it like for the buses or the trucks.
- Tushar Vasuja:** Okay sir, you also mentioned about something about glasses near railway stations or something about that. I cannot recall it exactly but there is something about that.
- Chandresh Rambhia:** Yes, that is again under process only. Yet, we have not got any concluded order for that.
- Tushar Vasuja:** Can you guide how long will this be under development? And once it is developed and fully commercialized, what would be the revenue potential and margin from this?

- Chandresh Rambhia:** Margin will be EBITDA margin will be in the same range of around 15%. But it will give a good growth in terms of volume. And we are expecting this will start from Q3 maybe in October, November.
- Tushar Vasuja:** Sir, I am a bit new to your company. What I am not able to understand is how did the company end up in NCLT despite becoming debt free in 2011?
- Amrut Gada:** There are couple of reasons which we had explained in our previous calls also. There were certain bankers where some disputes were going on between the company and the banks on prepayment charges. And then the prepayment charges were not being refunded to the company.
- And then the market went in an adverse scenario after selling off our float glass project. And for some amount of the outstanding loan, the company turned into an NPA account. And then after that NCLT process was initiated and then successfully came out of that.
- Tushar Vasuja:** And so, one of your peers has entered into the architectural segment. They were primarily in automotive segment. So now they are in architectural segment also. And they are slowly ramping up their operations. So how will this affect your position in the market going forward?
- Amrut Gada:** We are confident for our capacity utilization. We are a good quality product supplier in architectural glass. So, we have a fixed customer base and repeated customer ratios are good. So, in both in India as well as in UAE, we are commanding a good market share.
- Tushar Vasuja:** Can you tell us what is the market share in India and in UAE?
- Amrut Gada:** India we are roughly at 20%-25%. UAE again capacity wise we are biggest. But still we are not completely utilizing our capacity. So, quarter-on-quarter, we can say that our market share is increasing. At present, we are at around 25%.
- Tushar Vasuja:** So, what is the current utilization for Indian plant and for UAE?
- Amrut Gada:** India plant altogether of three products, it is 53% average utilization. And for UAE, it is around 47%.
- Tushar Vasuja:** How are your ramp up plans for the UAE plant?
- Amrut Gada:** Ramp up in the sense we are targeting the GCC countries for the sale as well as the local market is also very huge. So gradually month-on-month of course we can see the growth in the sales.
- Moderator:** Thank you. Next question is from the line of Shanky Bansal, who is an Individual Investor. Please go ahead.
- Shanky Bansal:** Actually, I just want to have a follow up question based on the last con-call. In the previous con-call, we have guided that company will achieve a top line of INR280 crores or INR300 crores also with India contribution of INR80 crores and INR220 crores from UAE. However, we have seen that there is a drop in domestic sales and even UAE sales is at INR37.5 crores,

which is roughly 16 billion dirhams. So, please confirm whether we are on track on achieving the annual guidance or not?

**Amrut Gada:** We are very much on the track to achieve the projected figures of INR80 crores local India market and INR220 crores of UAE markets. So, ultimately this quarter is slightly slowed down in India because of rainy season. And apart from that, the six days production halt because of the strike has also impacted to a certain extent our revenue in this quarter. But of course, in the quarter 2 and onwards, we will be able to manage to achieve the targeted figures of sales.

**Shanky Bansal:** Okay. And for the UAE business, I think we are expecting a EBITDA margin of 15% to 16%. I think still we have a far away from that margin. So, for the...

**Chandresh Rambhia:** UAE market, we are already at 15% EBITDA as on date also. India this quarter, as I said that because of that production loss, the margin were dipped by around 2% on EBITDA level. But average EBITDA is around 13.81%, which is close to 14%, which we are still, if we increase the capacity utilization, this margin will go automatically up.

**Shanky Bansal:** Okay, fine. And what is the present order book of UAE and India?

**Amrut Gada:** The order book of UAE is around 40 million AED. And in India, it is like always month-on-month, the order book is there.

But particularly for India, the project which we confirmed for supply of the glass and to be manufactured, there is around INR25 crores as on today.

**Shanky Bansal:** Okay. And actually, in the last con-call, if I recall, I think in India, we are at 67%-68% utilization and we are achieving a top line of INR17 crores from India business. Just now, I think you have commented in India, the utilization is 53% and we are achieving INR15 crores- INR16 crores in India in this quarter. So, I am not able to get how the utilization is dropped and the difference is only one or two?

**Chandresh Rambhia:** See that the capacity utilization is average of the three products. So, if we see that way, my laminate production is 62% utilization, toughening is 60% and that IG glass is around 38% in India. So, if you average it out, then it is 53% that way.

**Shanky Bansal:** Okay. So, what is the maximum output we can generate from India plant?

**Amrut Gada:** In terms of revenue, it is INR80 crores. In capacity, in square meter wise, it is like toughened, we are having around 7.8 lakhs of square meter of capacity. And IG is around 1.8 lakhs and our laminate glass is 1.08 lakhs.

**Shanky Bansal:** Okay. And my last question, what is the gross debt in the book right now?

**Amrut Gada:** Sorry.

**Shanky Bansal:** Gross debt. Debt?

**Amrut Gada:** Debt in India? In India, the...

- Shanky Bansal:** Consolidated debt in the book?
- Amrut Gada:** INR70 crores is the long-term debt and INR9 crores is my working capital loan.
- Shanky Bansal:** INR70 long-term and what is the short-term?
- Amrut Gada:** Short-term is working capital loan of INR9 crores. So, INR70 includes my long-term preferential shares also.
- Moderator:** Thank you. Next question is from the line of Tushar Vasuja from Yogya Capital. Please go ahead.
- Tushar Vasuja:** Thank you for the opportunity again, sir. Can you please explain a bit about the maintenance and replacement cycles of the machineries for architectural Glass?
- Amrut Gada:** You are saying, can you repeat the question which I should answer that you are saying what is the replacement cost of the both the unit equipments?
- Tushar Vasuja:** Yes. And what is also the maintenance capex you do annually to keep your cost of production maintained?
- Amrut Gada:** Replacement cost for the equipment will be around in Indian rupees, it will be around INR100 crores for both the plant together. Approx. And maintenance is our, around 1.5% to 2% of the turnover, which we budget every year.
- Tushar Vasuja:** Okay. And so, what about the life of the installed machinery right now?
- Amrut Gada:** The life of the machinery right now is, see, there is a certain technological change which we need to do for the movement and regular maintenance. The life we can proceed is around next 20 years for some of the machine and some of the machine next 10 years.
- Tushar Vasuja:** Okay. And so, I want to understand how did the acquisition happen? Like, were you in contact with the Gogri family before the acquisition? Like, how, what is the story of the acquisition? How did it come about?
- Amrut Gada:** For acquisition of UAE unit?
- Tushar Vasuja:** No, sorry. How did the Gogri family acquire Sejal Glass?
- Amrut Gada:** This is through the NCLT process. The company was in the IBC process.
- Tushar Vasuja:** Were you already in contact with the Gogri family before the acquisition or did it happen naturally?
- Amrut Gada:** No, we were not in contact with them. Then, once they have acquired and they, you know, gone in the process, then they have contacted for the old promoter and we are handholding the whole business. And we have the management agreement to manage the business.
- Moderator:** Next question is from the line of Deepa Choudhary from KL Advisors. Please go ahead.

- Deepa Choudhary:** Sir, my question is, what is FY '25 revenues and profit outlook?
- Amrut Gada:** Yearly target?
- Deepa Choudhary:** Sorry?
- Amrut Gada:** Revenue for '24-'25 yearly is INR80 crores for India operation and INR220 crores for UAE operation.
- Deepa Choudhary:** Okay. My next question is, what are capex plans for the next two to three years and plans of funding it also?
- Amrut Gada:** Right now, for the next two to three years, we are working on one or two acquisition proposals, which is yet not concluded. And for the remaining capital, once the conclusion will happen, we will plan the equity and the debt. But yet, it has not been planned.
- Moderator:** Next question is from the line of Rohit Bahirwani from Vijit Global Securities Private Limited. Please go ahead.
- Rohit Bahirwani:** In one of the earlier questions, you mentioned that your long-term debt is around INR70 crores and around INR9 crores is your working capital debt. If I look at the quarterly interest, it is around INR4 crores. So, can you please provide me the annual interest cost? How much is the interest cost?
- Amrut Gada:** Annual interest cost will be around INR11 crores to INR12 crores.
- Rohit Bahirwani:** Okay. I have another question. If I look at your financials, you have paid a tax of 5% in this quarter, which is for the first time after that acquisition from NCLT. So, is there any deferred tax balance left? And what kind of tax...?
- Chandresh Rambhia:** The tax has been provided for on a consolidated financial, which is on account of the corporate tax in UAE, which has been introduced from this year or it is applicable for the company from this year onwards.
- Rohit Bahirwani:** So, what kind of consolidated tax rate can we assume for this financial year?
- Chandresh Rambhia:** The tax rate is 9% in UAE on the earnings.
- Rohit Bahirwani:** Okay. And one suggestion also from our end, if you can provide the investor presentation as well from next quarter, also it would be great for investors like us.
- Amrut Gada:** Sure.
- Moderator:** Next question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

- Shikhar Mundra:** I want to understand. So, when you had guided for INR300 crores of total revenue last con-call, so did we assume that the June quarter, I mean, did we expect the June quarter to be this around INR50 cores-INR55 cores range?
- Amrut Gada:** We have, you know, guided our figure for the year is around INR305 crores. Out of that, the first quarter is INR53 crores. And next quarter, this is the current quarter, Q2, we are expecting around INR63 crores to INR65 crores.
- Shikhar Mundra:** Okay. I mean, I just wanted to understand, the June quarter was as per expectation only. I mean, there was no...
- Amrut Gada:** Reduction is around 12%. The guidance and our target was INR60 crores, but we have concluded with INR53 crores because of that illegal strike, which has disturbed our India operation. And secondly, there was heavy rain from June 15th that also has impacted little bit of that.
- Shikhar Mundra:** Okay. And will we be able to compensate for it in the remaining quarters for the...?
- Amrut Gada:** Yes. So second quarter will be around INR63 crores to INR65 crores. And third quarter will again go up and fourth quarter will again go up.
- Shikhar Mundra:** And what is the total revenue potential of both factories put together? Is it around INR400 crores?
- Amrut Gada:** Around INR300 crores this year.
- Shikhar Mundra:** I'm asking the optimum revenue potential for both factories put together at peak capacities.
- Amrut Gada:** Yes. Potential for UAE is around INR300 crores and for India, INR100 crores.
- Shikhar Mundra:** Okay. And will we be able to reach this by 2026?
- Amrut Gada:** We will reach, I think, by next financial year. If you see, you know, our past after COVID and after successful coming out of NCLT, every quarter, if you see the last eight quarters, we have every quarter, you know, we have upside only. So, we are growing quarter-on-quarter. And we are also improving our production efficiency at the same time, you know, working on the margin and also efficiency on the production by machine and by people also.
- Shikhar Mundra:** Got it. And margin, like what kind of best margins we can do at peak capacities with all the operating leverage coming in...?
- Amrut Gada:** Right now, this year we are targeting around 15% to 16% EBITDA. And maybe at the full potential, we can increase more by 2% to 3%.
- Shikhar Mundra:** And are we, you know, introducing new value-added products or it's mostly to increase the margins or it's purely an operating leverage play like?

**Amrut Gada:** No, there is two or three things right now we are working on. One is leveraging this productivity, number one. And number two, the basket of value-added products. So right now, we have around four products, which again we are doing the proper basketing to align the production. And third, certain products, which are under the pipeline, which is like bullet-proof product, which we are going to get the first UAE test in October, then European test in December. So, this year, certain revenue will come from that segment.

And certain designer glasses, ceramic frit and all will also add on to the margin. And because of this competitive environment, there is always a little bit of the selling price pressure. And we have also certain semi-organized competitions, where always there is a pressure on the pricing, though with our respectable brand, we have little bit of margin over competition. And that's how we are, you know, on quarter-on-quarter we are growing.

**Shikhar Mundra:** And what do you think are the key risks of not meeting the guidance for this year, next year?

**Amrut Gada:** Next quarter or next year?

**Shikhar Mundra:** Of course, this whole year, like what are the key risks of not meeting this guidance?

**Amrut Gada:** One key risk, if the economy of India and UAE can reduce, if the real estate can have the impact. Because our majority sale is coming around 90% from the real estate, architectural glasses for the commercial building, residential building. And both this industry in UAE as well in India, and particularly in Mumbai, now it is on the growth phase. So, we don't see as a risk, but that's the only reason where the market can go in negative development.

**Shikhar Mundra:** And the end industry must be growing at what pace?

**Amrut Gada:** Sorry, can you repeat?

**Shikhar Mundra:** The industry is growing at what pace, the glass industry?

**Amrut Gada:** Glass industry, the architectural glass is growing by 35% and the float glass industry is growing by around 12% to 15% compounding.

**Shikhar Mundra:** Okay. How is the architectural industry growing at such a fast pace, 35% because...?

**Amrut Gada:** 35% I mean to say that, you know, the float glass and the architectural glass is a different. Float glass is a normal glass. Now because of the certain municipal corporation's suggestions and recommendations made mandatory standards to convert this glass into toughened or insulating or laminated. So that conversion from the float glass to architectural glass is a value addition, which is converting our product, toughened glass and insulating. So that's why number one, that is growing.

And secondly, the growth of infrastructure, like metro stations, cruise terminals, and other hospitality industry, hotels and hospitals, that all have a demand of our product. So that's why the increase is 35% of that trend.

**Shikhar Mundra:** Okay, and I mean, the same trend is in UAE also or it's only in India such a fast growth?

- Amrut Gada:** In India, there is no raw float glass is used. There is all architectural glass only.
- Shikhar Mundra:** Okay. And how much of ours is architectural glass? How much is float glass?
- Amrut Gada:** No, we manufacture only architectural glass. We use float glass as our raw material.
- Shikhar Mundra:** Okay. Got it. Thank you and best of luck. I'll join the queue back for further question.
- Moderator:** Thank you. Next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Yes. Sir, if I look at your balance sheet, the debt on our balance sheet as of March 31, 2024 was around INR140 odd crores and it has reduced to INR79 crores as of now. So, I'm trying to understand, how come such a big difference? Did we do some QIP or how did we pay such a big amount?
- Chandresh Rambhia:** No. Looking at the March balance sheet must be a consolidated figure. We discussed was on a standalone basis.
- Madhur Rathi:** Okay. And sir, what would be a debt on a consolidated basis right now?
- Chandresh Rambhia:** INR140 crores only.
- Madhur Rathi:** Sir, I didn't get you.
- Amrut Gada:** On a consolidated figure the balance sheet figures are same what you discussed or you said that.
- Madhur Rathi:** It's INR140 crores of debt?
- Amrut Gada:** Correct.
- Madhur Rathi:** Okay. And so, if I look, next year will be at optimum utilization levels of our business. Where will growth come from for that? Because for centrality, we would have some plans of 5 or 10-year vision where we would like to take our company. So, do we plan to become integrated manufacturer of Float glass as well for captive consumption or just increase in architectural garage? And the second question would be, sir, what kind of advantage do we have in setting up a factory in UAE or it was because just we got it as a part of NCLT, we started running as it was a profitable business. So, is there a benefit for creating in UAE and can we import that into India and sell in this market? So, if you could just help me in your views on that.
- Amrut Gada:** Particularly, going to UAE, our vision was in 2015-16 that there is a very good market and growing market. So, we were looking for certain acquisitions and we got opportunity. We have acquired number one, one reason that the standard of the product in UAE is very high level. So, the quality of the product is on the higher level, which helps us in India to attract the architect and the developers to use our product in India also.

Number two, the technology which the plant have that is the same what European technology we have. And third, the location of Ras Al Khaimah is a nearby port and it's a strategically location where Africa is also near, Europe is also near and other Asian countries is also near. So, exporting to the other part of the world is a center in Dubai.

Fourth, particularly, the cost of living and cost of the people compared to Europe the UAE market is very much reasonable. So, the operation cost is at the control to get market competition and competitive advantage for the exporting in Europe and USA market.

**Madhur Rathi:** Okay. So, do we plan to increase our presence in UAE much larger than what we have currently? Are we currently exporting some of our products from UAE to either European or African markets?

**Amrut Gada:** Yes, we are exporting to around 12 countries from the UAE. We have started and in the future, we will also start the Europe.

**Madhur Rathi:** Okay. And sir, on the expansion part?

**Amrut Gada:** Right now, there is no such expansion as we are filling our capacity. But definitely, once the demand will grow and the market size enlarge and we have a targeted turnover and targeted EBITDA naturally, we will expand.

**Madhur Rathi:** Okay. So, there's a final question. Sir, what would be the timeline for when we decide to increase our capacity to actually its commissioning? So, what kind of timeline can we expect in the timeline?

**Amrut Gada:** Right now, expansion is not having any timeline but yes, we are discussing for the two acquisition, which has yet not concluded and we are hopeful to conclude in this quarter. So, there will be a ready-made capacity, we will get it.

**Madhur Rathi:** Okay. And this acquisition will be in India or UAE?

**Amrut Gada:** No, it will be in India.

**Madhur Rathi:** And sir, is there a margin differential between our India and UAE business?

**Amrut Gada:** There is as such no margin difference but yet we are getting around 2% to 3% higher EBITDA level compared to India. But with the India's product mix even we will be at the same level within a one or two quarters in India.

**Madhur Rathi:** Thank you so much and thank you for answering my questions. Thank you and all the best.

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

**Dipanshu Suman:** Good evening, sir. Hope you are doing well. I just wanted to check with you, how is the current quarter going on, sir? So, almost now we are on 21st of August and you are guiding for

almost INR60 crores, INR65 crores kind of revenue for this particular quarter. So, how has been the last 45 days, how has been the progress?

**Amrut Gada:** See, I will tell you in July in India we did around INR5 crores and UAE we did INR15 crores. And up to August, we are in line with our targeted, little bit of lower. And September also we have the order book position. So, we are hopeful that we will perform around 95% to 100% as per our target.

**Dipanshu Suman:** Understood, sir. On this India order book, what you mentioned on the call about INR25 crores and UAE 40 million. So, India order book, sir, how is the ordering period? So, is this INR25 crores to be in coming 3-4 months or whether it contains further for 8-9 months? What is the kind of cycle?

**Amrut Gada:** It will be delivered in next 5 to 6 months. But this is the project I have given you the figure. But other than the project, we have a retail segment and other smaller projects, which continue. Every day we have the new booking or the order booking of around in Indian rupees, it is around INR10 lakhs to INR12 lakhs per day. Every day we have the booking of the new order and further the project.

**Dipanshu Suman:** Understood, sir. On this finance cost, what you mentioned on the call, you said that about INR11 crores would be the interest cost. So, are you seeing this including the standalone and the consolidated Dubai business all put together interest cost?

**Amrut Gada:** Yes, it is put together interest cost.

**Dipanshu Suman:** Okay, because as the other participant also mentioned INR140 crores is the DEBT. So, put together about INR11 crores or INR12 crores should be the interest cost is what you are projecting, right?

**Amrut Gada:** Sorry, can you repeat?

**Dipanshu Suman:** So, about INR140 crores is the total Debt on balance sheet, including the promoter, the Aarti group and bank also, if you take into the account, what should be the total interest cost on all kinds of Debt put together?

**Amrut Gada:** So, total around INR12 crores.

**Dipanshu Suman:** Okay, sir. So, taking this into account, we should be -- so in the -- if we are able to achieve after INR60 crores, INR65 crores kind of revenue, what you are mentioning..

**Amrut Gada:** Sorry Not 12 crores, we have the around INR4.5 crores quarterly interest. So, it will be around INR16 crores to INR17 crores interest.

**Dipanshu Suman:** INR16 crores to INR17 crores interest cost, okay. So, what I am trying to understand is that suppose we start to get this INR60 crores, INR65 crores kind of revenue run rate in the coming quarter, will we be able to achieve say, a profit of about INR3 crores -INR4 crores kind of on a quarterly basis?

- Amrut Gada:** Mostly, I think, yes, we are going to achieve around 15% to 16% EBITDA. The last quarter was our EBITDA was 13.81%. Mostly, we will achieve 2% efficiency in this quarter. So, it will be around 15% EBITDA. So, then less depreciation from the interest.
- Dipanshu Suman:** Yes. So, there are no taxes to be paid as of now. So, lower taxes as of now, right?
- Amrut Gada:** Right.
- Dipanshu Suman:** Okay, sir. Thank you, sir. Hope you achieve this.
- Moderator:** Thank you. Next question is from the line of Shanki Bansal, an individual investor. Please go ahead.
- Shanki Bansal:** Yes, just a follow-up question. I think just now you have said that in quarter 2, we are able to - - we are expecting to achieve around INR63 crores to INR65 crores top line.
- Amrut Gada:** Right.
- Shanki Bansal:** So, if I combine the first half, so the turnover of the company will be INR150 crores to INR120 crores. And in the previous call, you had mentioned that Q2 and Q3 will be the best quarter for the company. So, how we will achieve INR180 crores plus in next half?
- Amrut Gada:** Yes. See, next, on the third quarter, there will be a, India will also, grow by around 15% to 20%. And UAE will also grow by 15% to 20%. So, third quarter will be, we are expecting around, 75 to 80 Cr. Around 70 Cr.
- Shanki Bansal:** Okay. And the order book which you have mentioned that UAE has the AED 40-million-dirham order book. Is it the domestic front of UAE or you have a mix of USA or Oman or Qatar?
- Amrut Gada:** It is around 75% is from the UAE market and 25% of the Qatar, Bahrain, Africa, GCC country.
- Shanki Bansal:** Okay. And so, my last question is, I think we have acquired this company in 2022. So, I think we have gone pretty far and we have performed well also in last couple of years. So, what is our aspiration? What is the long-term aspiration of the company where we see after 2 years to 3 years, what will be the main aspiration of the company to become in next 2 years to 3 years? Can you guide something?
- Amrut Gada:** Particularly this year, we are, want to fill our pending capacity. So, to reach around INR300 crores turnover. And the next year, we are targeting around INR400 crores turnover with the same capacity. And if the market is, performing the same, demand is performing the same way, then we will think over for the expansion. Even at the UAE also, we will put another tapering and IG line.
- And third, we are also, we'll go in little bit of forward integrations for making the facade panels and other product where we have the space and we have the capacity also. And I already told that we are working on the acquisitions. If the valuation is right, we will get. That

also will, come and there is also a capacity gap to fill. So, we will be more, aggressive on the market later on, for the marketing and sales. We will be more competitive also.

**Shanki Bansal:** Okay. Fair enough. And just now you had mentioned that you are expecting that there will be an acquisition by the company on the Indian side. So, I think we are in the middle of the negotiation, not in the early stage. That's why we are commenting that in this quarter, we will have the acquisition. Correct? So, how we will fund this acquisition through internal approval or again, we are taking some debt?

**Management:** No. With the debt and equity ratio.

**Shanki Bansal:** What will be the debt and equity ratio we are expecting?

**Management:** It's like again, once, we freeze on the valuation, then how the valuation payment structure are made, then we will decide. But yes, we will not, go more on the interest burden.

**Shanki Bansal:** Okay. Thank you very much.

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

**Shikhar Mundra:** Sir, I wanted to understand the acquisition we will be doing. So, they will be just to purely add capacities or they will bring some different technology or some different type of products which we don't manufacture?

**Amrut Gada:** No, it is just, little bit of value addition. Like in the cloth, we add the embroidery or the design. So, same way, we have to add certain designs and certain value additions in the product. So, there will be no such much, on the equipments and other things.

**Shikhar Mundra:** Okay. And like what kind of...

**Management:** No much capacity.

**Shikhar Mundra:** Okay. And what would be like the scale of the acquisitions? I mean, size of those communities?

**Management:** That acquisition will give us the around INR100 crores more top line or INR125 crores more top line.

**Shikhar Mundra:** Okay. And these companies will be like profitable from day 1 or will be integrating them and...

**Management:** We will turnaround.

**Shikhar Mundra:** Turnaround companies. Okay. And is there like Q1 quarter is slow, is like the Q4 best quarter?

**Management:** Sorry, can you repeat?

**Shikhar Mundra:** Is Q4 the best quarter for our business?

- Management:** Yes. Q4 will be the best quarter.
- Shikhar Mundra:** Right. And last question related to the tax fund. So, till when will our tax rate be zero in India business? Like, how much accumulated losses we have?
- Management:** Next 3 years to 5 years.
- Shikhar Mundra:** Okay. Next 3 years to 5 years. All right. Got it. Thank you and best of luck.
- Moderator:** Thank you. Next question is from the line of Dakshit and Individual Investor. Please go ahead.
- Dakshit:** Hi. I want to ask one question. So, when we say we are trying to taper into new geographies like the European markets and I think in the AGM, you also mentioned that we will be tapering into the U.S. markets, right? So, I just wanted to understand, are there any negotiations going on or have you provided some samples over there? Or is there any other factor by which you are confident on this mini turnover kind of thing, right?
- Management:** No, see, we are right now negotiating with three to five projects in Europe. Sorry, America and two to three projects in India, which is very sizable, which will give us the Q3 and Q4 operations on a higher level.
- Dakshit:** So, you're telling that the U.S. markets will be accessible from Q3 onward, right? So, we'll be entering the U.S. market as well along with the European market, which you told us.
- Management:** Yes, Mostly
- Dakshit:** Okay. And another question is that in the previous con call, you had mentioned that the lamination and other value-added products will be going live in this quarter, maybe in one or two quarters. So, I just wanted to know what is the status on that and how are we proceeding on that?
- Management:** Lamination line, now the samples are on the testing stage. We have already started trial working on that. So, maybe from next month, we will have a revenue stream from that product.
- Dakshit:** And are there any differentiation in the margins for those products and are those already accounted for when we spoke that?
- Management:** No, that is already accounted, but that's what we are saying that 15% to 16% or more than 16% with the new product and value-added product and product basket, there will be a 100% difference on the EBITDA level.
- Dakshit:** So, that is already accounted. So, 15% to 16% is already taken care of those...
- Management:** Yes, but with the incremental efficiency, maybe we will cross 16% also, maybe 1% more.

- Dakshit:** Okay. And one more thing, my last question will be on this. So, in the last quarter, in this quarter only, I think we saw this labor strike going on. So, I just wanted to know what is the ground level update on that? So, are we still facing or so there's a problem?
- Management:** So, labor strike was for the 6 days. It was an illegal strike and the labor strike is over. And now, more or less, it's a proper working is going on.
- Dakshit:** And we don't expect this to continue upcoming quarters as well, right?
- Management:** No, there is no such issue. So, there was a certain issue which we have sorted out and certain people we have already, taken the legal actions.
- Dakshit:** Okay, that's it from my side. Thank you. And one more thing, the last thing would be, as someone has also mentioned that an investor presentation would be very helpful for us. So, that's it.
- Management:** Yes. Okay.
- Dakshit:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for the day. I would now like to hand the conference over to Ms. Preeti Bharadwaj for the closing comments. Over to you, ma'am.
- Preeti Bharadwaj:** Thank you everyone for joining the conference call of Sejal Glass Limited. If you have any queries, you can write us at research @kirinadvisor.com. Once again, thank you everyone for joining the conference call.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.