SHAILY
Engineering Plastics Ltd
CIN # L51900GJ1980PLC065554

Regd. Office & Rania Plants : Survey No. 363, 364 & 366, At & Po. Rania 391 780, Ta-Savli, Dist. Vadodara, Gujarat, India. Phone : +91-75748 05122 Phone : + 91-75748 05181 E-Mail : rania.plant@shaily.com

Halol Plant : 706,707,708 GIDC, Halol - 389 350. Dist. Panchmahals, Gujarat, India. Phone : +91-2676-222913/14 E-Mail : halol.plant@shaily.com

Correspondence Address : 8, J. P. Nagar, Old Padra Road Vadodara - 390 007, Gujarat, India. Phone : +91-265-2332706 E-Mail : sales@shaily.com Visit us at : www.shaily.com

SEPL/SE/May/26-27
27th May 2026

The General Manager,	The Manager,
Corporate Relations/Listing Department	**Listing Compliances Department**
BSE Limited	**National Stock Exchange of India Limited**
Floor 25, P.J. Towers,	Exchange Plaza, Plot No. C/1, G Block,
Dalal Street,	Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 001	Mumbai – 400 051
Scrip Code: 501423	**Scrip Code: SHAILY**

Sub : Q4FY26 Earnings Call Transcript

Ref : Regulation 30 of the SEBI Listing Regulations, 2015

Dear Sir,

We refer to our previous letter dated 20th May 2026, wherein the Company updated the audio link of Earnings call held on 20th May 2026 to discuss the operational & financial performance of the Company for the quarter and year ended on 31st March 2026.

In context therein, kindly find attached herewith transcript of the referred Earnings call.

A copy of the same is also available on the Company's website at www.shaily.com at https://static.shaily.com/9I2mMFBfQEGPns3H8SUq-sepl-q-4-f-y-26-e-arnings-conference-call-transcript-final-pdf

Kindly take the same on record.

Thanking You

Yours truly,
For Shaily Engineering Plastics Limited

Harish Govind Punwani
Digitally signed by Harish Govind Punwani
Date: 2026.05.27 12:03:34 +05'30'

Harish Punwani
Company Secretary & Compliance Officer
M. No. A50950

ENCL: A/a

"Shaily Engineering Plastics Limited

Q4 & FY '26 Earnings Conference Call"

May 20, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 20th May 2026 will prevail

MANAGEMENT:

- Mr. Amit Sanghvi – Managing Director – Shaily Engineering Plastics Limited
- Mr. Sanjay Shah – Chief Strategy Officer –Shaily Engineering Plastics Limited

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Earnings Conference Call of Shaily Engineering Plastics 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 a conference specialist by pressing star then zero on your touchtone phone.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance, and it may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Amit Sanghvi, Managing Director of Shaily Engineering Plastics Limited. Thank you, and over to you, sir.

Amit Sanghvi: Thank you very much. Good afternoon, and a very warm welcome to all the participants. I would like to thank you for joining us today for Shaily Engineering Plastics Q4 and FY '26 Earnings Conference Call. I have with me Mr. Sanjay Shah, our Chief Strategy Officer; and SGA, our Investor Relations advisers. I hope everyone has had the opportunity to review our financial results and investor presentations, which have been uploaded on the stock exchange as well as company's website.

Before discussing business performance, I would like to briefly comment on a broader operating environment. The quarter has witnessed heightened geopolitical uncertainty, particularly due to ongoing tensions across global trade corridors, which impacted freight movement, supply chain and input cost dynamics.

For the plastics and polymer industry, this translated into raw material price inflation and selective logistical disruptions across certain export routes. Despite this environment, we were able to navigate the quarter in a stable manner, supported by a diversified customer base, long-standing customer relationships, disciplined execution and very strong operational planning. Coming to key business developments.

During the quarter, Shaily achieved a landmark milestone with the successful commercial launch of our Shaily Harmony and Shaily Neo pen injectors with multiple customers for Semaglutide in India as well as other global markets.

We have also today made a press release announcing this significant milestone, which can be found on our website. This is a significant achievement for us. It represents years of development, qualification and regulatory work coming to fruition at commercial scale. The Semaglutide market is one of the fastest-growing drug segments globally, and our positioning as a supply partner in this space is a strong strategic asset.

Pen injectors manufactured by Shaily for Semaglutide have been successfully launched by our customers in the Canadian market. This marks our entry into one of the most regulated and quality demanding pharmaceutical markets in the world and is a strong validation of our manufacturing standards, regulatory compliance and the trust our customers place in us as a supply partner for critical drug delivery devices. In addition to the launch in Canada, Shaily's

Pen and its customer are the first to receive tentative approval in the U.S. market for Semaglutide.

Also, one of our customers received European market authorization for Teriparatide. These approvals are important validation milestones. They affirm the quality and the regulatory compliance of our manufacturing platforms across multiple geographies and therapeutic areas. I'm pleased to share that we successfully commenced commercial supplies to our consumer electronics customer during Q4 FY '26.

This is a business we've been preparing and qualifying for over the past several quarters, and the commencement of commercial deliveries marks an important new growth vector for Shaily. We are now an active participant in the consumer electronics precision component ecosystem, a space characterized by high complexity, tight tolerances and less than a handful of players. We have signed a supply agreement with the Korean company for the manufacture and supply of semiconductor trays.

This marks Shaily's entry into the semiconductor supply chain, a strategically significant development at a time when India is actively being as an alternative manufacturing destination under the China Plus One policy framework. Semiconductor trays are precision critical components and our ability to win this business reflects our manufacturing depth and the trust global companies are beginning to place in Shaily.

In the industrial vertical, we received new business confirmation from customers for power tool and LED light components. These additions diversify our industrial business and expand the range of precision engineering applications that Shaily offers from automotive components to power tools and lighting infrastructure. Reflecting the confidence in Shaily's next phase of growth and the multiple new opportunities ahead of us, the Board of Directors have approved an enabling resolution to raise up to INR500 crores.

I would like to clarify that this is intended to be an annual affair. The company will seek a fresh enabling resolution each year to maintain financial flexibility and ensure that capital is always available to seize high-quality, high-growth opportunities without delay. This is not a signal of any specific fundraise plan, but rather a disciplined approach to be prepared with capital. As Shaily continues to evolve into a diversified IP-led global manufacturing platform, serving healthcare, consumer electronics, semiconductor trays, industrial and other consumer segments, the pace and scale of opportunity demands that we remain agile.

Having this resolution in place ensures that if and when a compelling, large, time-sensitive opportunity presents itself, the company remains ready for it. We've also taken some significant steps organizationally to strengthen our operations to deliver the scale up we have planned by onboarding Mr. Joe Kam. An announcement was made earlier in February regarding Shaily hiring its Chief Operating Officer for Healthcare.

I'm very happy to announce that Joe has hit the ground running and is taking real ownership and showcasing great leadership, taking Shaily's operation strengths further. He has a very disciplined approach and is a stickler for quality, something that we hold very close to our hearts at Shaily. Coming to segment-wise performance. The Healthcare segment was the standout performer in Q4 FY '26 with revenue doubling in Q4 FY '26. For the full year, healthcare revenue surged 139% to INR393 crores, contributing 40% of our consolidated revenue, up from 21% in FY '25.

This shift in revenue mix is the central storyline of FY '26 and reflects the compounding benefits of our multiyear investments in R&D, in pen injector platforms and drug delivery capabilities. The Consumer segment unfortunately de-grew in Q4 '26, primarily reflecting weaker market demand for home furnishings across Europe and the U.S., our 2 largest export markets for this vertical.

For the full year, consumer revenues were at INR511 crores, down 9%. While the near-term environment has been softer, I want to emphasize that the consumer business continues to add new customer programs, and we remain focused on building sustainability streams in this segment, particularly through consumer electronics and semiconductor trays. The Industrial segment continues to grow with Q4 FY '26 growing at 60% year-on-year.

For the full year, industrial revenues grew 41% to INR87 crores. reflecting new customer additions and expanding engineering applications. We secured new business from customers in power tools and LED lighting, both of which speak of the increasing complexity of application that Shaily is now being trusted with. As we look ahead to FY '27, our priorities are clear: continue scaling the healthcare vertical, build and scale the Abu Dhabi facility on plan, deeply ramp up our consumer electronics and semiconductor programs and restore growth momentum in the consumer home furnishing segment.

The building blocks are firmly in place and the team has demonstrated consistently that we have the capability to execute.

I now hand over the call to Sanjay to walk you through the operating and financial highlights in more detail. Thank you very much.

Sanjay Shah: Thank you, Amit. Good afternoon to everyone on the call. I will start with the operating metrics for the quarter and full year ended 31st March '26 and then move on to the financial performance. Operationally, we continue to improve efficiencies across our manufacturing network. Machine utilization improved to 47.6% in FY '26 compared to 42.2% last year. Exports continue to remain strong and contributed around 68% of our revenue in FY '26.

Let me now summarize the consolidated financial highlights for Q4 FY '26. Revenue stood at INR237 crores as compared to INR218 crores during Q4 FY '25, a growth of 9% year-on year. EBITDA stood at INR69 crores as compared to INR55 crores in Q4 FY '25 a growth of 27% year on year. EBITDA margin stood at 29.3%, an increase of 420 bps Q4 FY '25. PAT stood at INR40 crores as compared to INR29 crores during Q4 FY '25, a growth of 40% year-on-year.

PAT margins stood at 17.0%, an increase of 390 bps over Q4 FY '25. Coming to segmental revenue breakup for Q4 FY '26. In the Consumer segment, revenue stood at INR102 crores as compared to INR148 crores during Q4 FY '25, a degrowth of 31%. Amit in his opening remarks explained the reasons why this degrowth happened. In the Healthcare segment, revenue stood at INR113 crores as compared to INR56 crores during Q4 FY '25, a growth of 101%[1].

Industrial segment revenue stood at INR22 crores as compared to INR14 crores during Q4 FY '25, a growth of 60%. Now coming to FY '26 consolidated highlights. Revenue stood at INR991 crores as compared to INR787 crores during FY '25, a growth of 26% year-on-year. EBITDA stood at INR288 crores as compared to INR178 crores during FY '25, reflecting a growth of 61% on a Y-o-Y basis. EBITDA margins stood at 29.0%, an increase of 630 bps over FY '25.

PAT stood at INR170 crores as compared to INR93 crores during FY '25, a growth of 83% year-on-year. PAT margin stood at 17.2%, an increase of 540 bps over FY25. Cash PAT for FY26 was reported at INR219 crores as compared to INR135 crores during FY '25, a growth of 62% year-on-year. Our ROCE and ROE stood at 35.8% and 26.9%, respectively, as on 31st March 2026. Our debt to equity stood at 0.3x and our fixed asset turnover ratio stood at 1.7x as on 31st March 2026.

Now coming to segmental revenue breakup for FY '26. Consumer segment revenue stood at INR511 crores as compared to INR561 crores during FY '25, a degrowth of 9%. In the Healthcare segment, revenue stood at INR393 crores as compared to INR165 crores[2] during FY '25, a growth of 139%. In the Industrial segment, revenue stood at INR87 crores as compared to INR61 crores during FY '25, a growth of 41%.

That concludes the update from my side. We will now open the floor for questions.

Moderator: Thank you. The first question comes from the line of Shaleen Kumar from the UBS India. Please go ahead.

Shaleen Kumar: Congratulation Amit. Congratulation Sanjay bhai. Great set of numbers and certain milestones in this quarter. So, to begin with, let's talk about the healthcare. So, Amit, I would like to take what are your customers talking about. So basically, what I'm trying to understand, are your customers coming back and asking more from you given there's a good reception of Semaglutide in India and other markets have opened up. Are there instances of like that to begin with?

Amit Sanghvi: Yes. Given only 2 launches in Canada, we are asked for more product. And we're doing what we can to install more capacity as fast as we can to supply that product. So, there are instances being asked for more, certainly.

Shaleen Kumar: Okay. That's basically a great indicator. Last since you touched upon the capacity. So, we have 25 million capacity came up in March, and then we had 30 million, right, earlier. So, are you using part of that 30 million also to supply Semaglutide?

Amit Sanghvi: No. The 25 million capacity that we installed in March is currently running at roughly 45% utilization, and not utilization, at operational efficiency. So, it's a process to get into that final optimal speed. We're going through that process of scale up. We have consistently been

---

[1] Mentioned as 110% during the call, however the correct figure is 101%

[2] Mentioned as INR 161 crores during the call, however the correct figure is INR 165 crores

producing at these levels for the last 45 days, which means that we will now be enhancing it in the coming months.

From the 30 million of original capacity, that is a mixed capacity between several product lines, including insulin, including Teriparatide, including the auto-injectors, etcetera. So, there's only a small portion of that capacity, which is being used for Semaglutide. The additional 25 million that will come in by July, August is purely for Semaglutide, which will be again used for the global markets where the product is launched.

Shaleen Kumar: So, what kind of optimal capacity we can achieve in these both the lines?

Amit Sanghvi: See, what our target is that by the end of the year, both lines should be able to produce at 65 to 67 parts per minute effectively, which gives us a combined capacity of both these 2 new lines of around 40 million to 42 million pens combined.

Shaleen Kumar: So basically, 40 million, 42 million is something, which is the peak utilization or the optimum utilization?

Amit Sanghvi: For this year -- Yes. And then as you learn more about the lines and you figure out what upgrades are needed to take it further.

Shaleen Kumar: Got it…

Moderator: Sorry to interrupt Mr. Shaleen I would request you to please come back in the queue for further questions. Thank you. The next question comes from the line of Harshh Shah with JM Financial. Please go ahead.

Harshh Shah: Firstly, congratulations on the new customer win in semiconductor and consumer electronics. So, 2 questions from my side. Firstly, on the semiconductor client with which you have kind of signed an agreement, right? How should one think about in terms of the supplies will be made to a fab player or an OSAT player? And is the understanding correct that these supplies would be happening in India?

Sanjay Shah: So Harshh, it will basically go to the OSAT players currently. Eventually, when fabs get set up in India, it will also go to the fab player. Yes, supplies will currently be made in India, but there could be a possibility where we could look at exports also to this company. We will basically be looking at supplies in India.

Harshh Shah: And when should one expect the supplies to start, sir?

Sanjay Shah: Quarter 4 of the current financial year.

Harshh Shah: Got it. Okay. Secondly, on the consumer electronics segment, right? So, you have mentioned that the commercial supplies have already begun. So, is this a case similar to semiconductor vertical wherein the supplies would be happening in India?

Or is there a possibility that we could even export to, say, a country like China or somewhere else? And also related to this, how large is this opportunity for this specific client, if you could give some color on it?

Sanjay Shah: The supplies will happen both in India as well as it will be exported. In terms of an opportunity, I think, Harshh, last time on the call, Amit had mentioned it over a period of 5 years, this opportunity could be fairly large. And we have mentioned the numbers also at that point of time.

Harshh Shah: Got it. Just last, if I can squeeze in. This question is to Amit, sir. If you have to kind of give a road map, say, 5 years from now, which vertical are you most excited about, say, in terms of the potential or the scale or rather let me put it this way. If you have to rate in terms of, say, the absolute size that Shaily as a company can achieve, say, in all the newer vertical as well as your existing verticals, how would you rate them say, between health care, consumer electronics, semiconductor?

Amit Sanghvi: I would say it's very, first, it's a tough question because nobody knows what happens 5 years out. But I would say health care and consumer electronics represent the 2 largest opportunities. which scales faster is a very difficult question. And as you can imagine, the consumer electronics market is significantly larger than the pen market. But there are very limited number of players in the pen market.

So we, as being one of the few players present in that market, have a very significant opportunity to scale up. Those 2, I would put either number 1 and 2 or both of them would be number 1. Semiconductor would be the second largest scale-up opportunity we see and then the industrial and consumer. Industrial and consumer would more or less be together. Consumer is going through a bit of a rough time right now, but it will bounce back. We've gone through these cycles in the past. This is not the first of its kind. So it will bounce back at some point.

Harshh Shah: Got it. That was helpful. I will get back in the queue.

Moderator: Thank you. The next question comes from the line of Akhil Parekh with 360 ONE Capital. Please go ahead.

Akhil Parekh: Thanks for the opportunity and congratulations on the solid execution. My first question is on the pen side in healthcare side. Would you be able to quantify the volumes which we would have done approximately for FY26? Because if I recollect well, we were guiding for around 25 million, 26 million of volumes for full year if we were able to achieve that number? That's my first question.

Amit Sanghvi: Yes. Akhil, I don't have the exact number, but I remember the last time I saw them, they're in the range of 23.3 million or 23.5 million devices. Now I don't know the exact tally off the top right now, but they're a little lower than what we had said and primarily because our capacities are not able to produce what we had projected.

Akhil Parekh: Sure. This is helpful. And second, on the capacity ramp-up, right, the new capacity additions what we have been doing, I believe that we'll be adding totally 50 million by July, August, as you indicated, of which 25 million already added. What capacity in millions should come live by end of FY28?

Amit Sanghvi: By FY28, I think what we're targeting is 35 million to 40 million pens from that capacity should more or less be in supply by end of FY28.

Moderator: Thank you. The next question comes from the line of Bhavin Rupani with Investec. Please go ahead.

Bhavin Rupani: Thanks for the opportunity. So first question is related to consumer electronics. Sir, just wanted to understand how should one look at margin profile, ROCE and incremental capex, which you might need for this category?

Amit Sanghvi: It's a difficult question. And the reason is that all numbers, first, are not bad, they're quite good, but they only happen when you have scale, okay? So if you look at Shaily's history, even consumer, when we didn't have scale in home furnishings business, our EBITDA margins were single digit, profit margins were maybe very low single digit, right? So consumer electronics is going to go through a cycle. Maybe the ramp-up will be a lot faster, but it will go through a cycle where until you have a certain amount of scale, you will not be able to see great margins.

And the reason is very simple because it's a technically challenging manufacturing environment, your overheads are going to remain high even when you have less revenue. So a certain scale is necessary. Maybe that scale is 20 million, 15 million or somewhere around there before you actually start seeing good margins come in.

Bhavin Rupani: Any indicative range should be in here about consumer wear margins?

Sanjay Shah: Bhavin, we would not be able to give individual margins, it's a B2B business, and I think you understand the reason for that.

Bhavin Rupani: Right. And any incremental capex that we need for this business?

Sanjay Shah: So we have said that we would need to set up a plant down south. We are evaluating. But our estimate is we will need an initial capex of somewhere around INR100 crores when we set up the plant.

Bhavin Rupani: All right. Second question is related to sir, eye applicator. So we have recently commissioned machines for eye-applicators. Just trying to understand at what stage we are right now? And when should we expect incremental revenues flowing in from this category? And also if you can throw some light on what could be the market opportunity over here?

Amit Sanghvi: We've done for a single customer at the moment. Market already exists for that customer. We won't be able to give you a name, but the market already exists, and it's a substitute product for one that they are importing. Again, it's meant for regulated markets. And we have factored the commercialization of the eye-applicator in the current financial year.

Moderator: Thank you. The next question comes from the line of Dhruv Sitlani with Everflow Partners. Please go ahead.

.

Dhruv Sitlani: Congratulations on the good set of numbers, sir. So my first question to you is what is the entry barrier for someone looking to enter this space? And how long is the process for a partner to change or add an additional supplier to their drug filing made with regulators in, let's say, Canada and Brazil?

Amit Sanghvi: Okay. We'll talk about Canada. Canada, if you want to add another device to your filings, you have to run the full development program. It's quite time consuming. I would say nothing less than 24 to 36 months.

And one really needs to look at cost and risk. So cost is not going to be less than what you spent on the first program and then the risk of potential failure to get approval. But it's not impossible. I hope that answers your question.

Dhruv Sitlani: What is the approximate cost?

Amit Sanghvi: Look, I think on average, generic companies are spending INR100 crores, INR150 crores, I think, on a program. So I'd say probably 70%, 80% of that you would need to spend to add another device.

Dhruv Sitlani: Okay, sir. That is helpful. My second question is of the filings made in various geographies, especially Canada and Brazil, what percent of the filings have been made with Shaily device?

Amit Sanghvi: I stated this in the past. I think if I look at all the top, the first 6 filers in Canada, 70% is ours. In Brazil, it's a little bit more difficult because in Brazil, it's a lot of partnership filings, not direct from our customers and we are not privy to all the partners in Brazil. But I'm confident we will be in the first wave of Brazil approvals.

Sanjay Shah: Two customers who have got approval, two pharma companies who got approval in Canada, both are with Shaily.

Dhruv Sitlani: Okay sir.

Moderator: Thank you. The next question comes from the line of Dhwanil Desai with Turtle Capital. Please go ahead.

Dhwanil Desai: Hi good afternoon and congratulations for a very strong performance. So my first question is you mentioned that this year, we ended the year with 23.5 million kind of pens. And I think we were thinking about around 36 million, 37 million next year and maybe closer to 50 million the year after that. Now that the Canada approval is in place for the 2 large players, but Brazil is still nowhere in sight and India is picking up. So given all this, we still hold on to this number?

Amit Sanghvi: I mean, look, for the current fiscal year that we're in, obviously, our order book is frozen. So it's now about how quickly our capacities come up and how effectively they're able to produce. These are very, very complicated lines. So it doesn't have a whole lot to do with our skill set to produce. It has more to do with how quickly can the lines be running at the speed they are specified.

So I think for the current year, I'm fairly confident we should be on track. But of course, a big unknown at the moment is the line that comes in, in August, which is not installed yet. So I think we will be able to give you a better perspective on this probably towards our earnings call in September, October.

Dhwanil Desai: Okay. So a follow-up on that, sir. So our supply to both the players in Canada would have started and will ramp up. So if there is any bottlenecks on the production side, will that supply suffer? How should we look at that?

Amit Sanghvi: Bottlenecks on the?

Dhwanil Desai: So we are saying that we are ramping up the production, right, that are still in the early phases of production ramp-up. So if that doesn't go as per plan, is there any risk to the supply to any of these customers?

Amit Sanghvi: If we can't supply enough, then there is a risk, right?

Dhwanil Desai: Okay. Sir, second question is we are working with the innovators on the new project. So if you can give any update on that? And you talked in the initial commentary that Abu Dhabi capex we are going and that's one of the kind of road map for the current year. With the current geopolitical thing, any kind of rethinking on that project or any thoughts on that? So these 2 questions.

Amit Sanghvi: On the geopolitics, we don't see it as it being a long-term impact. If anything, it's a very, very short-term impact. Again, it's not really impacting our project time lines. We have factored in adequate additional time for bringing up the facility in Abu Dhabi. And we're probably eating into some of that buffer at the moment. Beyond that, it's a great region. We've got significant amount of benefits on, certainly on operational costs, ease of supply chain, availability of really, really international talent.

As you can imagine, it would be very difficult for us to, while we have done a good job, it's difficult for us to attract very good talent in a city like Baroda. So Abu Dhabi becomes overall a much friendlier place to scale this business. And if we were looking at healthcare, it has been growing at almost 100% every year. If we want to continue that momentum, we need the right people. And increasingly, what we pay for expat talent in India is much, much more than what we would in a country like Abu Dhabi.

Dhwanil Desai: Got it. And sir, on the innovative part?

Amit Sanghvi: Yes. These conversations are advancing well. That's all I can say until we have some breakthrough, I won't be able to divulge any further information.

Dhwanil Desai: Got it thank you. That's it from my side.

Moderator: Thank you. The next question comes from the line of Bhavika with Niveshaay. Please go ahead.

Bhavika: Just want clarity on the previous commentary you did on the capacity utilization. As you say that the capacity which is live in March, we are doing 45% of operational efficiency at the facilities currently. So by the end of FY28, we expect along with the 25 million capacity which is going to come in July. And so I just want a number for the FY27 and FY28, what optimum utilization we can expect from the total capacity which we'll have by the end of FY27 and FY28?

Amit Sanghvi: I think first answer, I've answered these questions partially, but I'll just go through it again. Look, our projections are, what, 36 million pens this year, roughly 50 next year. So when you look at all the smaller capacities we have, for example, on Tristan, on Toby, those products aren't in supply, right?

So when they get approval and they get into supply, those capacities will be utilized. So on semaglutide, for example, by the end of the year, we'll have about 50 million capacity. So we intend to fully or as fully as possible, utilize that over the next 2 years. And then we'll have capacity on insulin, which we also intend to utilize at least up to a 60%, 70% level. So that's roughly as capacity stands today.

So you can look at it as a range of somewhere between 40 million to 60 million kind of pen at the end of '24, 30 months from now.

Bhavika: Got it. And the second question I have on the margin side, like we did a quite good margin in this year. So do we expect this to sustain over time with the semiconductor segment coming in and along with the Dubai capacity? Abu Dhabi capacity sorry.

Amit Sanghvi: Short answer, yes.

We don't look at Shaily from a quarter-on-quarter perspective. Otherwise, the margins are sustainable.

Bhavika: Sustainable like at 28% and more?

Sanjay Shah: I think what we've been saying is if you look at more on a year-on-year basis, margins will be sustainable and we see margins improving. We do not want to get into numbers.

Bhavika: Thank you so much.

Moderator: Thank you. The next question comes from the line of Aman with Astute Investment Management. Please go ahead.

Aman: Good evening team. Just 2 questions, Amit. First, since our product was launched, I think, last week in Canada by both our customers, what has been the initial feedback from the customers as well as can you also talk about the feedback from India launch, both 2, 3 devices which we have launched in India? Any complaints and all those things we have received?

Amit Sanghvi: Yes, I think we have 2 complaints. One was a user error. It wasn't related to the device. And one was related to the device. There was slightly, we had an issue on one of our printing.

We print numbers. So there was a small issue. But in terms of performance, there have been no complaints. There is a particular reddit forum that I tend to read from time to time, which has kind of different user experiences in India, at least on taking different generic semaglutide. So happy to say at least that, people seem to have trust in the Dr. Reddy's product, which is also, I believe, marketed by Torrent.

Aman: Sure. That is helpful. Second question is, so annual launch has happened. But in your rough estimate, when do you expect the other 3 big geographies, say, Brazil, Turkey, Mexico to happen? Even rough estimate is okay for us.

Amit Sanghvi: Brazil, we are expecting very soon. I don't know if soon means end of this month, end of next month, but somewhere Brazil should come in.

Aman: Okay. And any update on, say, Turkey and Mexico, these are also big geographies.

Amit Sanghvi: I think they will only happen after Brazil, to be honest. I'm not sure if they are able to come before.

Aman: Okay these are from my side thank you.

Moderator: The next question comes from the line of Ankit Gupta with Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity. Congratulations for a great year. So on our UK subsidiary, for the past 2 quarters, Amit, if you look at it, we have seen like the lowest margins as well as revenues over the past 2 years. And so earlier, in the call, you used to tell that we should be able to maintain the growth rate and margins there. So how should we look at the performance of the UK subsidiary with the commercial launch on the sema front happening across geographies and most of the customers would have been already onboarded to the platforms?

Amit Sanghvi: We're doing slightly more longer-term projects in the UK. So agreements maybe engagement with customers that are going into multiple years, milestone-based revenue, sometimes you're not able to recognize a certain revenue. But we've significantly scaled the UK operations from a human resource perspective. Again, doing some of these more complex projects, see, we've done all the pens and auto-injectors possible.

We cannot be only doing pens and autoinjectors, right? So there is a next generation of drug delivery devices that we are working on. And those will be in development for a substantial period of time, be 3 years, 4 years, 5 years. We will still maintain margins in the UK, but you will need to look at these similar services between UK and UAE, right?

So our teams in both geographies kind of work in unison. So look at a combined margin for the UK and UAE, if you were, and that will give you a better perspective.

Ankit Gupta: So this, margins that we had reported prior to the second half, should that not be considered going forward in our financials from FY27 onwards?

Sanjay Shah: I think you should probably look at margins more on a year-on-year basis than a quarter-on-quarter basis.

Ankit Gupta: And growth also should bounce back?

Sanjay Shah: Yes.

Ankit Gupta: Okay. And the second question was on the purpose of the fundraise. Of course, you have mentioned everything, but there was an interesting line that you had used that time-sensitive capital intensive and competitively raised. So if you can elaborate more on this, like what kind of capital intensity will be required here?

Is it an urgent project where you highlighted that we'll be commencing supplies from Q4. So if you can elaborate more on this?

Amit Sanghvi: I think those were not related. The resolution for fundraise is essentially an enablement option. We''re not raising any capital right now. I mentioned that in my speech. But what we are more and more now are discussing projects where the scale and volume of the project and the associated capex required are very, very high. We're looking at setting up additional capacities for devices.

I'm not going to be able to service that from India or from Abu Dhabi, so the capex will be a one-off, substantial capex for the projectand this is why the resolution is there so that if such an opportunity arises, we're able to quickly act on it.

Ankit Gupta: Okay thank you so much.

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

Raman KV: Hello sir. I just have 2 questions. One is with respect to the semiconductor tray. What will be our total addressable market once we start manufacturing to multiple clients? As of now, we are doing only for 1 Korean customer. But what do you think is the total addressable market for this product?

Sanjay Shah: We will be looking at supplying to everybody who's setting up semiconductor manufacturing in India, or chip manufacturing in India.

Raman KV: Let me just rephrase the question. I just want to understand out of the total value chain of the semiconductor, what percentage of this in terms of value will be this product?

Sanjay Shah: I think this is more of a volume game where this is a consumable and would be needed by the semiconductor plant on a day-to-day basis. Obviously, the chip value will be much higher, this is a packing, but it's a fairly decent value.

Raman KV: Okay. Understood, sir. And sir, my second question is with respect to the pen injectables, we have an existing capacity of 30 million pens, and we have added 25 million pens in March, and we are planning to add another 25 million by July, August. So what will be the incremental revenue from this newly addition 50 million once it reaches your optimum efficiency of like 60%, 65% in the next 2, 3 years?

Sanjay Shah: I think we have given out a total revenue number, which is possible from the capacity. You should look at that instead of an incremental number, which will be difficult to talk about it.

Raman KV: So total as in, with respect to the total 80 million, right? What is the revenue?

Sanjay Shah: Based on the investment in fixed assets which we have, you could probably look at 2 to 2.5x fixed asset turnover. So that's the way to look at it.

Raman KV: Understood sir thank you.

Moderator: Thank you. The next question comes from the line of Aman Thadani with Solidarity Investment Managers. Please go ahead.

Aman Thadani: Thank you for the opportunity. And Sanjay bhai, Amit bhai I have few questions. The first was, you alluded last quarter that you were seeing some rejections as in the machines were rejecting 30%. I just wanted an update on that. Like what is the rejection rate right now in healthcare and any other manufacturing challenges that you could face at scale?

Amit Sanghvi: Rejection has come down to 8% on the line and the speed has also gone up, now what happens with increased speed and we run it for several shifts, we come across a breakdown. So that breakdown needs to be resolved permanently so that it doesn't affect the speed again. So at the moment, we are running at roughly 35, 34 parts per minute on an 80 parts per minute line, which is why I said that we're running at 45% of overall equipment efficiency, but the rejections are down substantially. So yes, it's work in progress. It should be resolved. I mean, it's not an impossible task. So it's just a matter of time.

Aman Thadani: And some of the learnings from this 25 million capacity that came in phase 1, and when you again come up with a newer capacity of additional 25 million over there, is it fair to assume that the initial rejections would be low given the learning curve we would have had till then?

Amit Sanghvi: Yes. Yes, it's not going to be 0, but it will be lower for sure. And not so much our learning. I think what we need to start doing is we look at an investment cycle from triggering the investment to it going on stream of about 12 months. I think we need to look at 18 to 24 months now.

So we have to initiate the build soon. These are very, very complex lines. And as you can imagine, there's also a handful of suppliers globally who make these lines.

Aman Thadani: Got it. So, the second question is that two more big areas that you're looking at now that is consumer electronics and semiconductors. So, I just wanted to understand that what sort of maybe hiring or depth in talent you're looking for in these areas and when would that hiring begin?

Amit Sanghvi: For consumer electronics we are not doing anything in the middle east. Middle East is purely healthcare and hiring will begin towards maybe Q1 next FY all the way into September, October next year.

Aman Thadani: Got it. And then will you be looking for someone like Mr. Joe Kam that you hired for healthcare? So, would that be that sort of hiring or would it be more maybe manufacturing related?

Amit Sanghvi: No, Joe is the Chief Operating Officer. I don't need 2 of them. He is responsible for the India side. He's responsible for any site we put up globally.

Aman Thadani: For Electronics and semiconductor similar to that line you will be looking for or that are maybe not that complex. So you may not look for that. That was the question.

Amit Sanghvi: I think what we need on the consumer electronics side is a very high degree of technical expertise rather than organizational expertise. We might lean towards someone with much higher technical expertise and maybe less administration or organizational expertise. But again, it's candidate to candidate. We kind of take a call when we evaluate candidates.

Aman Thadani: Yes, very good. And so, just one last question. The semiconductor order that you got, basically can you qualitatively speak about it that time it took for us to qualify, how many players were we actually competing against and what is our edge in this product? That is all from my side thank you.

Sanjay Shah: I think the reason we were able to tie up with this customer is basically because of the technical competence which we have. While the product looks very simple, it's extremely complicated and it's made of conductive plastic, the key technical competence required for the product. I don't know how many people were in discussions, but I'm sure they will be in discussions with multiple people. But then we have been, the way we have looked at it, that we will be the sole manufacturing partner in India.

Aman Thadani: Got it sir I will get back in the queue. Thank you so much.

Moderator: Thank you. The next question comes from the line of Hena Vora with DAM Capital. Please go ahead.

Hena Vora: Just a continuation to the previous participant's question. Just wanted to understand on the semicon trays, what sort of landscape is this? Largely China replacement sort of opportunity? Because I understand you will be sole suppliers for your client, but how do we look at it from a more 5-year perspective over here? So who would we be competing even if it is in India?

Sanjay Shah: So see, if you look at from a global perspective, there are players in Korea, there are players in China, there are players in Philippines who basically manufacture chips trays. Some of them might come and set up shop here, so then you would be basically be competing against them. I don't think on a long-term basis, any of the chip manufacturers would look at importing this trays on a day-to-day basis because this is something which is required by them every day to run the plant.

Hena: Okay. So I mean, assuming these players do come into India and set up, going down the line, do you think that will be sort of pressure on the profitability we will probably enjoy in the first few years?

Sanjay Shah: It's a little too early to talk about it in terms of that question. Again, a lot of it will also depend on the quality and if you have tied up with them earlier, then you have a much more longer relationship, then the customer would not be willing to make that change also. There could be multiple factors to work around that.

Hena: Okay. And sir, roughly, would we know how cost competitive, say, a Chinese player would be versus us?

Sanjay Shah: Again, it's something which is currently difficult to answer that.

Hena: Okay. Understood. And sir, one small question. I think we did speak about what sort of pen supplies we'll be doing this year. I think initially, I heard 40 million to 42 million, but then you also mentioned 36 million. So just wanted to understand the right number for FY27 that we would be targeting?

Sanjay Shah: I think Amit mentioned 36 million, right, Amit?

Amit Sanghvi: Yes, that's correct.

Hena: Okay understood thank you those were my questions.

Moderator: Thank you. The next question comes from the line of Loveleen with Systematix. Please go ahead.

Loveleen: Thanks for the opportunity Am I audible?

Sanjay Shah: Yup.

Loveleen: I wanted to know on the recently announced INR423 crores order book pen injector from a large domestic commerce company, could you clarify whether this order is generally incremental or it includes extension of any existing business order? And also, can you share any broad details regarding the customer profile?

Sanjay Shah: We are bound by NDA. We will not be able to share the name of the customer.

Amit Sanghvi: And the other details are already in the release. So it's a supply over 4 years pen injectors.

Loveleen: Okay. So it is incremental over the 4 years, right?

Sanjay Shah: It is the supplies are over 4 years. I don't understand what you mean by increment.

Amit Sanghvi: Yes, exactly. Sorry.

Loveleen: And the second question is that have we signed any agreements or entered into any commercial engagements with the innovator companies in the GLP-1 segment?

Amit Sanghvi: Not yet.

Loveleen: Okay thank you that’s it from my side.

Moderator: Thank you. The next question comes from the line of Priyanshu Jain with Growth X Infinity. Please go ahead. As there is no response, we will move to next questions. It's from the line of Shrenik Mehta with IndoAlps Wealth. Please go ahead. Your line has been unmuted please go ahead.

Shrenik Mehta: My question is about, the healthcare revenue that grew almost 139% in FY26, but the consumer declined almost 9% and now sits at almost 52% of the revenue versus 71% a year ago. Now you have this INR423 crores pen injector order that is spread over 4 years. Can you help us understand the quarterly healthcare revenue run rate that you expect in FY27? Specifically, what proportion of this INR393 crores of FY26 healthcare revenue was onetime ramp-up versus the recurring supply? And at what point does the consumer need to recover for you to sustain almost something, say, like a 25% consolidated top line growth?

Sanjay Shah: Shrenik. I think it's very difficult and we do not give out quarterly numbers, the way you are looking at it.

Shrenik Mehta: Only for the pen injector order, just kind of a run rate is what I was thinking.

Sanjay Shah: So that's what I'm saying that we do not give out that and quarter-on-quarter would be very, very difficult for us to do that. So we don't give that out. Second question is what sort of revenue comes from onetime and what is regular supplies. It's a combination. Again, we don't give the breakup of those numbers.

But this year, you will see a lot of ramp-up happening on GLP-1 with the launches which have happened in India, Canada and expected launches in other countries.

A lot of it will be basically be regular supplies, which will happen. So you will see a ramp-up on account of that.

Shrenik Mehta: Okay. And any light on when you expect or when you feel that the consumer need to recover? The consumer division?

Sanjay Shah: See, the consumer business has seen a degrowth in the second half of the year. And if you look at first half, the consumer business grew. That's because of what's happening globally with the US and Europe, 2 large economies seeing a dip in demand. In Q4, we also saw some cancellation of orders or something from Middle East because of the war happening there.

I think as and when the global situation improves, you would see that demand coming back. At the same time, as we have mentioned in the presentation also and earlier, we continue to add more products on the consumer space, and we will continue to do that. Growth will depend on how the global situation pans out.

Shrenik Mehta: Alright all the best you guys.

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

Amit Sanghvi: Thank you very much. FY26 was marked by smooth execution and continued improvement in operational performance. Our focus remains on scaling our new capacities and disciplined fund management. We remain confident of delivering profitable and sustainable growth in the years ahead. Again, thank you, everyone, for joining the call.

We hope that we've been able to answer all your questions adequately. For any further information, I request you to get in touch with SGA, our Investor Relations advisers. Thank you, and have a nice evening.

Moderator: Thank you. On behalf of Shaily Engineering Plastics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.