

Date: May 20, 2026

To,  
Listing Compliance Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001

Listing Compliance Department  
National Stock Exchange of India  
Limited  
Exchange Plaza, C-1 Block G,  
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Mumbai - 400 051

**SCRIP CODE: 544333**

**SYMBOL: SETL**

Dear Sir/Madam,

**Sub: Transcript of the fourth quarter and year ended March 31, 2026, Results Conference Call hosted on May 15, 2026**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with reference to our results conference call intimation dated May 08, 2026, please be informed that the results conference call for the fourth quarter and year ended March 31, 2026 was hosted on May 15, 2026 and the transcript of the conference call is enclosed herewith.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

**For STANDARD ENGINEERING TECHNOLOGY LIMITED  
(Formerly known as Standard Glass Lining Technology Limited)**

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



Encl: A/a

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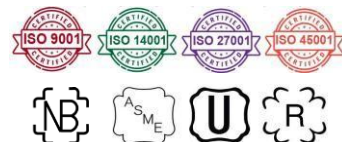
**Standard Engineering Technology Limited**

*(Formerly known as Standard Glass Lining Technology Limited)*

**Registered Office:** D-12, Phase -I, IDA Jeedimetla, Hyderabad-500055

**Corporate Office:** 10<sup>th</sup> Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad-500085

**Manufacturing Unit:** Survey No. 42/A, Alinagar, Chetlapotharam Village, Gaddapotharam, SangaReddy-502319





“Standard Engineering Technology Limited  
Q4 FY '26 Earnings Conference Call”

May 15, 2026



**MANAGEMENT:** **MR. NAGESWARA KANDULA – MANAGING DIRECTOR –  
STANDARD ENGINEERING TECHNOLOGY LIMITED**  
**MR. RAMAKRISHNA KANDULA – EXECUTIVE  
DIRECTOR – STANDARD ENGINEERING TECHNOLOGY  
LIMITED**  
**MR. VENKATA MOHANA RAO KATRAGADDA –  
EXECUTIVE DIRECTOR – STANDARD ENGINEERING  
TECHNOLOGY LIMITED**  
**MR. YASUYUKI IKEDA – EXECUTIVE DIRECTOR –  
STANDARD ENGINEERING TECHNOLOGY LIMITED**  
**MR. ANJANEYULU PATHURI – CHIEF FINANCIAL  
OFFICER – STANDARD ENGINEERING TECHNOLOGY  
LIMITED**

**MODERATOR:** **MS. PRAYASI PATEL – GO INDIA ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Standard Engineering Technology Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference call over to Ms. Prayasi Patel from Go India Advisors. Thank you, and over to you.

**Prayasi Patel:** Thank you, Steve. Good evening, everyone, and welcome to Quarter 4 and FY '26 Earnings Call of Standard Engineering Technology Limited. We have on the call Mr. Nageswara Kandula, Managing Director; Mr. Ramakrishna Kandula, Executive Director; Mr. Venkata Mohana Rao Katragadda, Executive Director; Mr. Yasuyuki Ikeda, Executive Director; and Mr. Anjaneyulu Pathuri, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in the conjunction with the risks that the company faces. I will now request Mr. Nageswara sir to please take us through the financials and the business update, subsequent to which we will open the floor for the question and answer. Thank you, and over to you, sir.

**Nageswara Kandula:** Good evening, everyone. Thank you for joining us today on the Q4 and full year '25-'26 Earning Call. A warm welcome to all our shareholders, investors, analysts, bank partners, global partners and members of the SETL family.

I want to begin by saying this, clearly this has been the best year in our company's history. The numbers will speak for themselves, but I want to convey is that it is not just a scale of performance that stood out, it was the breadth of it. Revenue, profitability, cash flows, working capital, execution quality, all of them improved together in the same year that does not happen by accident and I am deeply proud of what our team has built.

Over the past 3 quarters, I have spoken at length about our evolution from the Glass Lined equipment manufacturer to a fully integrated precision engineering and turnkey solutions company. The transformation is now complete and execution, not just in an intent. Glass Lined remains a core strength and one of our most profitable verticals, but today Standard Engineering Technology Limited delivers complex multidisciplinary projects with the single point accountability, from concept, process engineering and detailed design to fabrication, automation, installation, commissioning, water trial and the valuation.

Very few companies globally offer this depth under one roof for pharmaceutical, chemical, food and beverages and biotechnology industries. The acquisition of Scigenics and Standard C2C Engineering announced and completed it during the year, and integration completely done have made this capability, real and operational. C2C brings process, civil, HVAC, electrical, and instrumentation engineering fully in-house.

Scigenics strengthened our position in bioprocess and fermentation systems. Together, they make our integrated platform one of the most complete in the industry. C2C brings process brings chemical and instrumentation fully knows. The ability strengthened our positioning bioprocess and fermentation systems together, they make our integrated platform, one of the most complete in the industry.

As I said at the outset, this was the strongest financial year in our company history. And what makes it particularly meaningful is that the improvement was broad-based. Revenues grew strongly year-on-year. Profitability grew alongside revenues, not at the expense of investment.

Operating cash flows improved substantially, and our working capital cycle tightened, a discipline that is genuinely difficult to maintain while simultaneously expanding operations at the pace we have. Taken together, these results reflect a business that is growing in a healthy and sustainable way.

Total income stood at INR793 crores and 26.7% year-on-year growth. EBITDA: INR138 crores, 15.2% year-on-year growth with an EBITDA margin of 17.4%. Profit before tax,(PBT): INR111 crores, up by 18.9% year-on-year growth. Profit after tax,(PAT) INR83 crores, 21% year-on-year growth with PAT margins 10.5%. EPS improved to INR4. Working capital days has improved from 174 days to 150 days. Cash flows from operations are positive at INR45 crores.

Q4 results. Total income stood at INR231 crores, registered of 35% growth. EBITDA: INR36 crores with 26% growth, 15.5% margin. Profit before tax INR29 crores, reflecting 28.4% growth. Profit after tax INR21 crores, 27.8% growth. PAT margins 9.1%. On margins, Q4 saw some pressure on EBITDA, primarily driven by commodity prices increases in key input raw materials.

We are also making deliberate investments on manpower as we gear up for what we expect to be an even stronger year ahead. These are considered investments, not cost overruns. We are actively working to offset this pressure through operational leverages as our revenue volumes grow, tighter procurement discipline, and ongoing efficiency improvements across manufacturing and project execution. The revenue trajectory we are on is itself the most powerful lever for margins recovery.

A few technology milestones worth highlighting. Each of these is a proof point, not just a pipeline item. Our shell and tube glass-lined heat exchangers developed with our Japanese partner GL HAKKO now have over 200 units in the order book, with 100 already successfully delivered. This is commercial validation at scale.

Customers are actively choosing this over graphite and alloy alternatives, not because of price, but because of superior safety, reliability, and life-cycle performance. That is the meaningful shift in customer behavior, and it tells us that market is ready for what we are building.

Our conductivity glass-lining reactors are progressing well. Multiple units have already been manufactured, supplied, and validated into the field with encouraging feedback from regulated

pharma market. Our international partner IPP has expressed strong interest on distributing this globally. We will share more on the formal launch in the quarter ahead, but the early signals are very positive.

On our new 36-acres integrated advanced manufacturing campus, construction is progressing on plan. This facility will open the door to oil and gas, nuclear engineering, food and beverages, and heavy precision engineering sectors we are not currently serving at scale. Active discussions with global partners in several of these areas are already underway.

I want to highlight two governance decisions that I consider as much strategic as they are structural, and I want to give them the prominence they deserve. The Board has approved the re-designation of Mr. Yasuyuki Ikeda, an existing Non-Executive Director, to Executive Director, subject to shareholders' approval at the ensuing AGM. This individual has been with our board since early 2023 and has been deeply involved in international business development, strategic collaboration, and global expansion, particularly in Japan and other overseas markets.

In the enhanced executive role, he will lead global operations and marketing with a focused mandate on doubling down on our technology partnership and expanding our international reach as we accelerate our global ambition. Having this level of dedicated executive focus on exactly what this phase of growth demands.

The Board has also approved the appointment of Mr. Kancherla Uma Maheswara Rao, new Independent Director, subject to shareholders' approval. This individual brings over 38 years' experience in precision engineering, industrial manufacturing, and engineering technologies, with expertise in 3D plant modelling, intelligent schematics, and advanced engineering analysis. At a time when our engineering platform is becoming increasingly sophisticated, their profile adds exactly the kind of governance depth we need at board level. Both appointments are a signal of the kind of institutions we are building, one with the leadership and governance architecture to match our long-term ambition.

We enter the new financial year from a position of genuine strength. Our order book pipeline is healthy, our execution capabilities are expanding, and our platform is now differentiated in the way that matter to customers. Our international business continues to grow, and we see meaningful headroom ahead. As global demand for integrated engineering solutions increase, the structural tailwinds remain firmly on our favor. India's CDMO expansion, supply chain diversification globally, increasing are long-term structural shifts, and we are positioned at the center of them. We are confident in continued strong growth in the year ahead. The investments we are making today in people, in technology, and infrastructure are the right ones for the scale we are building towards.

To our shareholders and investors, this year results belongs as much to you as they do to us. Your belief in this journey through every phase of our evolution has been the foundation on which everyone else has been built. Thank you. To our customers, employees, banking partners, and global partners, your trust and partnership made this possible. We do not take either lightly. We have come a long way, and the most exciting part of this story is still ahead.

And now, I will hand over to Mr. Yasuyuki Ikeda, Executive Director, Global Operations, and share his thoughts. Over to Mr. Yasu.

**Yasuyuki Ikeda:**

Thank you, Nagesh. Good evening everyone. My name is Yasuyuki Ikeda. I was elected to Executive Director of SETL. So, I have been closely looking at SETL as a Non-Executive Director for last two years. And I can confidently say that, this company is building something very unique for the future.

As Nagesh just explained that financial year '26 was very strong, but what is more exciting is that as Nagesh explained, we have started evolution from equipment manufacturing company. Now we are adding engineering capability, execution capability, so we are becoming a One-Stop Solution Company, which is very unique and I have never seen such a company globally. And this is what we are trying to achieve. So, I'm very excited about the future growth potential of SETL.

Today we are still evolving from traditional equipment manufacturing company into a global integrated engineering and technology platform. And very few companies, as I said, I have never seen such a company in the world. So we are trying to become something unique, something new to the market. Not only engineering, but advanced manufacturing and turnkey project execution, automation, installation, commissioning, water trial, validation and documentation. So we can do this all under one platform in the same company for pharmaceutical and chemical industry. So this integrated capability creates a powerful long-term business model.

I strongly believe that SETL is strategically positioned for the next phase of growth. So the company is expanding into new sectors including oil and gas, nuclear engineering, food and beverage, advanced process industries, and high-purity engineering systems and so on.

SETL is also building international partners, as Nagesh mentioned, technology collaboration with company like GL HAKKO, Japan which will strengthen its global positioning in the coming years. So I am a Japanese, so from Japanese perspective, there are still some areas that SETL needs to improve.

But having this Japanese strength, the quality contrast, conservative, keep the promise, with the Indian good culture, this combination is very -- not only the Indian customers can benefit from our collaboration, but we would like to tackle global market in the future. Of course, we will do it step-by-step, but the Japan plus India, now we can implement the same in the other global countries. We can do the same thing.

And so I believe that the financial year '27 is another major growth for SETL. So the future roadmap, the global partnership, technology focus, expansion plans, and integrated engineering platform gives me a confidence about the long-term future of SETL. And I am extremely excited -- this is an extremely exciting time for me as well. And thank you for your trust and continued support. I'm looking forward to building this future journey together. Thank you.

**Moderator:** Thank you, sir. The first question comes from the line of Disha with Sapphire Capital. Please go ahead.

**Disha:** Hello? Am I audible, sir?

**Nageswara Rao Kandula:** Yes, yes, audible.

**Disha:** Yes, thank you so much for this opportunity. So first question was on our gross margins. So our gross margins have declined from around 39% in Q3 to 32% in Q4. So what was the reason for that?

**Nageswara Rao Kandula:** I explained to you, madam. Thank you for the question. And I explained two things. One is metal -- slightly metal prices are increased, and second thing is we invested on people. Coming years we have very big order books, coming years we have high growth. Then we are - invested on people. We recruited many people for the coming years' growth perspective.

**Disha:** So how should we look at the...

**Nageswara Rao Kandula:** That is slightly impacted our profitability, and coming quarters it's going to increase our profitability.

**Disha:** So how should we see the EBITDA margins for FY27?

**Nageswara Rao Kandula:** Sorry?

**Disha:** EBITDA margins for '27?

**Nageswara Rao Kandula:** '27 is going to improve.

**Disha:** Any sort of numbers that you'd like to put?

**Nageswara Rao Kandula:** No, improve madam. This is further whatever we have given results, this further '27 is going to improve better than '26.

**Disha:** Okay. And what is the current order book position?

**Nageswara Rao Kandula:** Current order book approximately today we have order in hand approximately above INR1,000 crores.

**Disha:** And how much...

**Nageswara Rao Kandula:** We are not giving the order book, but order info is the pipeline order. So currently we have approx INR1,000 crores order book.

**Disha:** Yeah, so out of that how much will be export?

- Nageswara Rao Kandula:** You are talking about '26 or '27?
- Disha:** No, so this INR1,000 crores order book, what will be the proportion of exports?
- Nageswara Rao Kandula:** Export I think INR30 crores export is there, balance is domestic, majority is domestic.
- Disha:** Okay, so INR30 crores. Okay. And how do you see, sir, the revenue growth? Because you have a good order book, so what sort of growth are you expecting for FY27?
- Nageswara Rao Kandula:** Compared to '26, better. We are going to do better '27.
- Disha:** So this 25% sort of growth, can we maintain?
- Nageswara Rao Kandula:** Better than this year madam, sure.
- Disha:** Okay. And what was the capex number for FY26, sir? And what will be it for FY27?
- Nageswara Rao Kandula:** FY26, I think we invested in INR40 crores. And coming '27 we are planning to -- 2 years, coming 2 years INR130 crores we are going to invest on one facility.
- Disha:** So there was last time I think we spoke there was one Greenfield capacity that was coming up and you said the construction is progressing, so how much?
- Nageswara Rao Kandula:** That project is 36 acres, that project is started now.
- Disha:** Sorry?
- Nageswara Rao Kandula:** That project -- now Greenfield project construction started. We are going to complete within 2 years. First phase we are going to complete '27 April 1st, so it will 50% will going to coming into operations.
- Disha:** Okay. So how much capacity are we adding there?
- Nageswara Rao Kandula:** Total capex investment is INR130 crores. Firstly, we are -- this year we are going to invest INR65 crores, next year we are going to another INR65 crores we are going to invest on that facility.
- Disha:** Okay, and how much capacity are we adding and what will be the revenue potential from these plant?
- Nageswara Rao Kandula:** Existing facilities also we are improving. Last call I explained to you same thing, and existing facilities now we are bringing lot of robotic and automatic welding machines, automatic polishing machines. And so existing facilities, can handle another 60%-70% revenue can handle. And that facility totally if we complete, that almost that facility can handle up to INR2,000 crores capacity. And once Greenfield project is completed, that is another INR2,000 crores capacity. Total existing and new facility, total it will become a INR4,000 crores revenue.

- Disha:** Up to how much, sir?
- Nageswara Rao Kandula:** Total once existing facilities and new facilities completely finished, then our manufacturing capability is almost INR4,000 crores.
- Disha:** Could you repeat that? I could not hear you.
- Nageswara Rao Kandula:** Sorry?
- Disha:** Could you just repeat the number? What will be the total potential?
- Nageswara Rao Kandula:** Total existing facilities we are -- I told -- I explained you clearly. Existing facilities we are modernization happening and robotic and automatic machines everything we are adding. Once we -- everything we add, existing facilities going to a INR2,000 crores capacity. And once Greenfield project is completed, that is another INR2,000 crores capacity. Total existing and new facility, total it will become a INR4,000 crores manufacturing capabilities we are going to get.
- Disha:** Okay, okay. That is clear. Thank you so much, sir, and all the best.
- Nageswara Rao Kandula:** Thank you.
- Moderator:** Thank you. The next question comes from the line of KV Raman with Sequent Investments. Please go ahead.
- KV Raman:** Hello sir, congratulations on good set of numbers. I think about two quarters back you had given that you would be having a quarterly revenue of INR250 crores to INR300 crores. Is it possible that can we expect that INR250 crores to INR300 crores of quarterly revenue run rate from FY27 onwards?
- Nageswara Rao Kandula:** Yes, possible. Possible and definitely we are going to do.
- KV Raman:** And sir, what's your current utilization in the existing plant?
- Nageswara Rao Kandula:** Existing plants almost 70%-80% we are using. But once we moderate equipment we are adding another 30% we can create existing facilities capacity we can create.
- KV Raman:** Okay. And how much are you spending to modernize this -- for the upgradation of the existing plant?
- Nageswara Rao Kandula:** last year we invested INR40 crores, another INR35 crores to INR40 crores we are going to invest.
- KV Raman:** Okay. And sir, my second question is with respect to C2C Engineering. How much revenue did we do in C2C Engineering in FY26 and what's the guidance? How are you planning to grow that particular business in the coming year?

**Nageswara Rao Kandula:** This year actually we finished with INR24 crores. And next year we are targeting INR60 crores is possible, INR60 crores. That is our capability to integration and developing small business acquisition and scale up the business that is our philosophy. So this year I told you INR24 crores, next year INR60 crores because of order book already we have C2C order book almost INR46 crores, INR47 crores at the moment and INR60 crores.

**KV Raman:** Understood, sir. And what about your Scigenics acquisition you did in Q2? How has that planned out in FY27 and what's the growth guidance for that in the coming year as well?

**Nageswara Rao Kandula:** FY26 Scigenics did, I think INR20 crores something we did, this year -- only -- because of last quarter only we that full -- but the total I think this year also we are going to touch INR60 crores, that is also. Scigenics also we are going to touch INR60 crores.

**KV Raman:** So if my understanding is right, sir, from C2C as well as the Scigenics, you will be having incremental INR100 crores of sales?

**Nageswara Rao Kandula:** Yes, 100% increment, yes correct. You are right.

**KV Raman:** And sir, what about the margins in this C2C Engineering and Scigenics? Are they similar margin to the company's overall margin or a better margin business?

**Nageswara Rao Kandula:** Similar, similar margins.

**KV Raman:** Okay, similar margin. So I just have one doubt, sir. As you already mentioned that we are at 80% utilization and our utilization will further improve, can we expect the margins to improve from the current 14% margin to around 16%, 17% margin in FY27?

**Nageswara Rao Kandula:** Margins going to improve, definitely. Figure I can't confirm, but margins going to improve and revenue is going to better than '26, improvement -- growth point...

**KV Raman:** Okay. Just a follow-up on this, can you just explain where will the margin improvement come from? Like operating leverage or exports, etcetera something like that?

**Nageswara Rao Kandula:** No, we are -- actually this year we invested on people, very big number of employees we recruited for the future growth point of view. And already order book is very strong and customer response also very strong. And we are how we are going to margins improve, we are going to provide solutions. We are selling solutions. We are product-based always comparisons, always competition, but whenever we are going to provide to customer solutions, our margins are going to improve, that is believed. Last year also some cases we saw, same we are going to implement in coming years.

**KV Raman:** Understood, sir. Thank you, thank you so much, sir.

**Nageswara Rao Kandula:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Prakhar Tebriwal with Choice Institutional Equities. Please go ahead.

**Prakhar Tebriwal:** Yeah, hello sir, congratulations on a great set of numbers.

**Nageshwara Rao Kandula:** Thank you, thank you sir.

**Prakhar Tebriwal:** Sir, I am relatively new to this industry and I just wanted to understand your order book set of INR1,000 crores. So are we seeing a capex...

**Nageshwara Rao Kandula:** Sir, your voice is not clear, sir.

**Prakhar Tebriwal:** Hello?

**Nageshwara Rao Kandula:** Yes.

**Prakhar Tebriwal:** Yes, sir. So I just wanted to understand your current INR1,000 crores order book. So is it mostly now driven by the capex renewal we are seeing in India or are you also capturing market share from the larger competitors?

**Nageshwara Rao Kandula:** I can't comment that competitor point of view. We got orders from our clients.

**Prakhar Tebriwal:** Okay. And what about export plans, sir?

**Nageshwara Rao Kandula:** Export plans are good and good orders in pipeline. We are discussing with clients and due to war some discussions is slightly delay, but compared to last year this -- the FY26 our revenue is doubled, export revenue. So we are expecting '27 also this is going to grow.

**Prakhar Tebriwal:** Okay. Any specific countries or regions, sir, where you are focusing more?

**Nageshwara Rao Kandula:** No, we are focusing globally, sir. We are getting equally Europe and US and Middle East w good opportunities.

**Prakhar Tibrewal:** Okay, okay. Great, sir. Thank you so much.

**Nageshwara Rao Kandula:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Jatin from Aveksat Financial Advisory. Please go ahead.

**Jatin Raghuwanshi:** Hello? Am I audible?

**Nageshwara Rao Kandula:** Yes.

**Jatin Raghuwanshi:** Sir, in Q3 con-call you have said that USD3.5 million of export is going to dispatch in quarter four, but when we see on quarter four number our current export is just 5.3% against the

guidance, which we have given about 12% to 13%. So why the reason of this slippage if you can explain?

**Nageshwara Rao Kandula:** Reason is some equipment is almost ready, but client is asking to wait this quarter. We are going to clear this first quarter that whatever pending order is there. However, export is exciting, compared to FY25, FY26 our export revenue is doubled. So, same we are expecting in FY27 also.

**Jatin Raghuwanshi:** So, that remaining USD3.5 million order, which we have get, so this revenue will come in next quarter, or it will delay further?

**Nageshwara Rao Kandula:** No, no, this first quarter max to max we are going to complete. And we are waiting for some customer clearances also.

**Jatin Raghuwanshi:** Okay. Thank you. And my next question is like in previous con-call you have told export and solution and engineering have a premium margin, compared to standalone equipment. As we can see from FY25 to FY26, we have grown our export, as well as engineering revenue has increased, but when we see on margin that margin has been down? If you can explain this further.

**Nageshwara Rao Kandula:** Margin is slightly down, because of two things I told you, one is the metal prices are increased, that is slightly impacted. And second thing is we are recruited many employees for future growth point of view. That purpose slightly, manpower investment is happened. That is slightly margins are reduced, and FY27 it is going to pick up. Margins also going to increase.

**Jatin Raghuwanshi:** Okay. And on inventory side our inventory has been doubled when we compare from FY25 to '26. Any reason on that?

**Nageshwara Rao Kandula:** Because of export and our projects, we are integrating, lot of metals we need to procure and integrate and will dispatch. It's not only manufacturing, many things we need to, that's the reason our integration, and also, we are providing project solutions, so lot of inventory is required to reduce the lead time and delivery time.

**Jatin Raghuwanshi:** Okay. But when we see in presentation on page number 26, we can see our inventory days has not been doubled or increased, it has been decreased. So, you can tell how you are calculating those inventory days?

**Anjaneyulu Pathuri:** So, generally what we do is, because since we received an advance from the customer for the inventory, we reduce the advance received from customer from the inventory value, and then we will arrive the inventory days.

**Jatin Raghuwanshi:** Okay. Thank you.

**Moderator:** Thank you. The next question comes from the line of Rohit Ohri with Progressive Shares. Please go ahead.

**Rohit Ohri:** Hi, team. Couple of questions. First one, sir, you mentioned about this order book. Can you take us through that, if you can break up this order book into the revenue mix and you do that?

**Nageshwara Rao Kandula:** Break up means?

**Rohit Ohri:** The order book, if you can break up into glass-lined versus heavy engineering and the other segments.

**Nageshwara Rao Kandula:** No, no, we can't disclose the break up.

**Rohit Ohri:** Okay. In terms of this order book, we're winning these orders, because of quality or speed or pricing?

**Nageshwara Rao Kandula:** We are working with our Japanese partners, lot of quality and uniqueness also. Whatever we are, company -- our company is a complete unique company. We are end-to-end solution provider. We are selling solutions; we are not independent equipment sellers.

**Rohit Ohri:** Okay. Sir, we did mention about the advance that is taken by the customers, that is paid by the customers. What percentage is that, if you can share that, how much advance do we take from the customers?

**Nageshwara Rao Kandula:** Generally, we will accept 20%, 30%, sometimes customers who will pay around 10%, based on customer discussion we take the advance.

**Rohit Ohri:** Sir, we see this development, which is happening with Standard Projects. You intend to enter infra and EPC. I know, I understand that you're giving solutions, but then in terms of the design capability, fabrication, and commission. So, do you think while going up the value chain our margins could get depressed?

**Nageshwara Rao Kandula:** No, no, sir, we are not going to a construction company, we are not going to do any EPC jobs also. EPC means Engineering and Procurement and Construction. But we are different, unique company, we build the unique. We are anyhow equipment we are manufacturing, and we are supplying execution, water tank, designing, and concept to completion. And sometimes customers are asking, generally we will avoid the civil part to client.

We can't do both, but clients are insisting, you can do this also, then we don't want to do conventional constructions. That will be take lot of time and manpower involvement. Today you can see last two -- one quarter, people are not available due to elections, some summer, lot of things.

We don't want to affect our business, then we are planning to -- we have capability to pre-cast, we can build the through pre-cast very quickly, fast, building production blocks will complete within six months. That capabilities we have, high engineering capabilities we have. So, we started pre-cast only. We do any greenfield projects coming day, any client wants we can complete within 12 months to 14 months. That is our capability. Now, we made a full platform for the pharma and chemical companies.

**Rohit Ohri:** So, sir, despite this small shift, which is more towards the metal equipment's that you might do, you are still hopeful that your margins will be in the range of maybe 17% or 20% kind of a range?

**Nageshwara Rao Kandula:** Equipment point of view always margins are very tight, but we always provide the complete solution to client. That advantage we are we are getting, future also it going to improve.

**Rohit Ohri:** Okay. Sir, we see this healthy growth, which is there, but when we look at the balance sheet, the balance sheet comes under little bit of stress. Understand there is expansion, which is taking place at your end and you are...?

**Nageshwara Rao Kandula:** Can you elaborate what is the stress you understand I can explain?

**Rohit Ohri:** Sir, in the inventories CFO sir said, but in terms of the balance sheet if we see the receivables, they are also increasing, which gives you a little bit of a shift in the ROCE also. So, that was the question that by when do you think that the cash conversion will become better from here on also?

**Nageshwara Rao Kandula:** '27 anyhow this is going to cash conversion is going to better, compared to FY26, '27 is going to better. Already compared to '25, '26 lot of improvement is happened. That is INR5 crores operations positive cash flow then became a 45, and working capital days also became a 180 became a 160.

So next coming year, anyhow our working capital days we required really 170, because of our business model is like that. And collection point of view, we are improving and margins point of view we are improving. This year also slightly we recruited many higher-end employees and we invested on manpower. So that is the reason slightly this year compared to '26 financial year '27, we are going to grow very high. So that manpower cost also we are going to cover coming years. So, our profitability also is going to increase.

**Rohit Ohri:** Sir, with the growth that we have, you think that in next two years or so that we will have good quality of free cash flow generation also?

**Nageshwara Rao Kandula:** Yes, yes, 100%. That is our target also.

**Rohit Ohri:** Sir, my last question...

**Moderator:** I would request you to please come back in the queue for further questions as there are others waiting in the line. Thank you. The next question comes from the line of Arvind Arora from A Square Capital. Please go ahead.

**Arvind Arora:** Hello. Am I audible?

**Nageshwara Rao Kandula:** Yes.

**Arvind Arora:** Yeah. So, sir, what is the execution timeline for our current order book?

**Nageshwara Rao Kandula:** I think this is almost eight months, I think, eight months, nine months.

**Arvind Arora:** Okay, great. And sir, you mentioned in the PPT that we are expecting a TAM of around 108 billion in USD. So, this is on export -- hello, am I audible?

**Nageshwara Rao Kandula:** Yeah sir, tell me. Your voice is some missed sir; some words is missed. Tell me sir, now again safely. Ask me again question.

**Arvind Arora:** Yeah. So, in the PPT we have mentioned that our global TAM would be 108 billion in USD. So, any discussion or anything in pipeline that we are discussing with the client and that you feel that will be converted soon?

**Nageshwara Rao Kandula:** No, the global TAM is there, TAM is available. Even India also INR70,000 crores TAM is there. And we are doing nothing, scope is there. If we try, sky is not a limit. That's the reason we are expanding facilities, and we are not only expanding our existing products also, we are trying to enter new areas also. That is, we mentioned in presentation.

And global TAM is very big. One company, I don't want mention here, one company German-based company, one product they are producing, that product is almost TAM USD10 billion. They are doing USD5 billion. We are not doing, but scope is there, future is very bright.

**Arvind Arora:** Understood, sir. But scope is there, but is there any discussion or any inquiries that we are getting or anything where we are...?

**Nageshwara Rao Kandula:** The inquiries we are getting, we are started supplying. That's the reason '25 versus '26 financial year, our export growth is doubled, okay. '27 also we are expecting same and positive response, but bit challenge to accept Indian products; now we are added Japanese technology, Japanese culture, and now our global operations going to control Mr. Yasuyuki Ikeda. That further improvement is going to happen in our business, we believe.

**Arvind Arora:** Understood. Okay. And my second question was regarding the inventory, which is at INR438 crores. So, what is the aging of this inventory, sir?

**Nageshwara Rao Kandula:** Next 10 months this inventory is going to clear. I think this is all below, 180 days, I think this inventory. No dead inventory.

**Arvind Arora:** Yeah, yeah, sorry sir, go ahead.

**Nageshwara Rao Kandula:** Inventory is all quality inventory only, I am clearing that to you.

**Arvind Arora:** Okay, understood. So, it's less than 180 days, that's what you said, correct?

**Nageshwara Rao Kandula:** Yes, yes, yes.

**Arvind Arora:** And sir, maintaining at a high-level inventory, is it we are expecting good growth in the coming year? That's why you are maintaining at a high-level inventory?

**Nageshwara Rao Kandula:** Yes, yes, yes. Compared to this year, next year is very high growth.

**Arvind Arora:** Okay, understood. And is it not because of these any supply chain constraint that you are feeling that could come due to this war, and this global scenario? Is there anything like that, sir?

**Nageshwara Rao Kandula:** Yes, some challenges already they are facing. Because today metal cost is X, tomorrow is X plus one. That is, we are facing already, not only us, whole industry is facing. So once order received immediately we are also against, we are also booking the raw materials. So, volatile is very high, particularly metals.

**Arvind Arora:** Okay, understood sir. Thank you. Thank you so much, and all the best, and you and your team is doing great job, sir. Thank you, thank you once again.

**Nageshwara Rao Kandula:** Thank you, thank you, thank you.

**Moderator:** Thank you. The next question comes from the line of Hemaant Soni, an Individual Investor. Please go ahead.

**Hemaant Soni:** Sir, thank you for providing me the opportunity. Sir, I have two questions. First question is, sir, you had earlier spoken that we will be manufacturing shell and tube glass-lined heat exchanger from the month of April. So, has it come live? First question is this. And sir, because currently I think we are importing it from Japan, right?

And sir, the second thing, which I wanted to know is, sir, you have briefly mentioned about the greenfield capex, which can generate INR2,000 crores of revenue with INR130 crores capex. So, when does it come live, sir?

**Nageshwara Rao Kandula:** First question your heat exchanger question is, we are started manufacturing not complete, I explained earlier also, partially we started manufacturing. That Indian manufacturing heat exchangers we sold in the market already 50 numbers this year, last April onwards. But full-fledged manufacturing, we are going to start on July 1st onwards, full-fledged. Okay, that is one question.

**Moderator:** I'm sorry to interrupt, Hemaant, there is some disturbance from your end.

**Hemaant Soni:** Just a second. Is it better now?

**Moderator:** Yes, yes.

**Hemaant Soni:** Yeah, yeah. Tell me, sir. Can you come again, sir?

**Nageshwara Rao Kandula:** First question my answer, already we manufactured in India, April onwards, 50 numbers, and we sold also. That is customer -- waiting for customer feedback. And we are manufacturing means we are earlier also on my calls I clearly, I told, 80% equipment going to manufacturing in Japan, 20% only we are manufacturing in India. That process we started, April we completed 50 and supplied to clients.

And another 50 numbers in order in hand, coming days we are going to execute that also. But our heat exchanger unit is completely coming to operation July 1st onwards. That is heat exchanger question. Second is greenfield project, coming two years, we are going to invest INR130 crores. That capacity we are creating INR2,000 crores, production capacity capabilities we are creating.

**Hemaant Soni:** Sir, when does it come live?

**Nageshwara Rao Kandula:** In coming two years, I told you two years. First phase 50%, 50% will come into operation 1 April, 2027 onwards. And 2 April 2028, April 1st onwards, second phase. We are building that facility in two phases.

**Hemaant Soni:** Okay, sir. So, first phase come comes live by April 2027 and the second phase comes live by April 2028, right?

**Nageshwara Rao Kandula:** Yes.

**Hemaant Soni:** And sir, from July how many number of pieces we are going to manufacture for glass-lined heat exchangers?

**Nageshwara Rao Kandula:** We are creating -- facility we are creating 200 numbers based on order we can execute. Capacity we are creating, creating capacity.

**Hemaant Soni:** 200?

**Nageshwara Rao Kandula:** Yes. Per month.

**Hemaant Soni:** Per month. And sir, what kind of revenue potential does it have, sir, incremental revenue?

**Nageshwara Rao Kandula:** We will see customer response and order book then we will see. Also, first one year, two years if we run, we will understand the growth and that requirements to customers. But total TAM is there, TAM, total addressable market INR2,000 crores, globally its USD2 billion is available. We are only one manufacturer in India this product.

**Hemaant Soni:** TAM in India is, sir, how much?

**Nageshwara Rao Kandula:** INR2,000 crores.

**Hemaant Soni:** INR2,000 crores.

**Nageshwara Rao Kandula:** Yes.

**Hemaant Soni:** Okay, sir. Thank you, sir. Thanks a lot. Thanks a lot, sir.

**Nageshwara Rao Kandula:** Thank you.

**Moderator:** Thank you. Next question comes from the line of Abhijith, an Individual Investor. Please go ahead.

**Abhijith:** Hi, thanks for the opportunity. I'd like to ask a question about the new subsidiary that has been floated. It says that you're getting into pre-engineering buildings. Is this correct?

**Nageshwara Rao Kandula:** No, sir, not pre-engineering, pre-cast building, sir, pre-cast building.

**Abhijith:** Is there any specific reason why you're venturing out into this industry?

**Nageshwara Rao Kandula:** No, not industry, sir. What we are doing, sir, our business is turnkey projects. Sometimes clients we are asking to do, we are not interested to do civil constructions, but sometimes some clients are asking to do complete. We don't want to touch civil also, then civil conventional we are not interested.

We have capability pre-cast, we can do pre-engineering for the building, our pipeline, reactors, how to travel, everything we can do engineering, that capability is there. Then we can -- easily pre-cast we can produce, blocks will be complete within six months. Our project speed going to increase. If we enter this area, our project going to increase the speed, execution speed. That is our intention.

**Abhijith:** Okay. Another question that I have is with regards to the inventory and also the order book. I understand the inventory is INR430 crores and the order book is INR1,000 crores. Is it correct that you are able to exhaust this order book within the eight months of the next financial year, or it'll take longer?

**Nageshwara Rao Kandula:** No, no, eight months to nine months, 10 months max to max.

**Abhijith:** Okay. And what is the impact of the war in general to the business, because we understand that the freight has become an issue and also steel costs, as you told, is also another issue?

**Nageshwara Rao Kandula:** Metal price is increasing. And freight anyhow our export freight always we put -- keep it in customer's scope.

**Abhijith:** Your furnaces dependent on gas or it's not?

**Nageshwara Rao Kandula:** No, sir, we are not using any gas.

**Abhijith:** Okay, all right. Thank you. Thank you. Best of luck.

**Nageshwara Rao Kandula:** Sir, one more important point please understand, our glass lining business still 30%, next year maybe our revenue is going to too much growth, so glass lining is not our business, we are still focusing glass lining and already we became a slowly number one in the glass-lining area, but our other areas are very high, other products are very high, our basket is.

**Abhijith:** Okay. Best of luck. Thank you so much.

**Nageshwara Rao Kandula:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Wing Commander DVM Teja from IAF. Please go ahead.

**Wing Commander Teja:** Sir, thank you for giving the opportunity. Congratulations to Standard Engineering Technology Limited on their good set of numbers. My question is in the presentation it is mentioned the strategic priorities to enter into additional end-user industries, like, oil and gas and flavors and fragrance. Are there any future plans to enter into the nuclear reactors or any segment into aerospace and defense?

**Nageshwara Rao Kandula:** Nuclear sector we are going to enter.

**Moderator:** I'm sorry, sir, we couldn't hear you. Could you please repeat?

**Wing Commander Teja:** Sir, my question is -- sorry?

**Nageshwara Rao Kandula:** I understand your question, sir. We clearly mentioned in our presentation, we are entering nuclear. That's the reason greenfield project we started the constructions. Oil and gas and nuclear we are targeting.

**Wing Commander Teja:** Okay, great. That's great, sir. Can we be expecting by FY28?

**Nageshwara Rao Kandula:** Yes, '28, yes.

**Wing Commander Teja:** Thank you, thank you, sir.

**Moderator:** Thank you. The next question is a follow-up question. It's from the line of Prakhar Tebriwal from Choice Institutional Equities. Please go ahead.

**Prakhar Tibrewal:** Yeah, hi sir, again, I had a question on the order book. So just to get an idea on, which segment will we expect to grow the fastest, I would like to get what the order book looks like for now.

**Nageshwara Rao Kandula:** All segments are growing, sir.

**Prakhar Tibrewal:** Sir, there must be one like, for example, our solutions is moving faster, right? It's got a larger share of our revenue...?

**Nageshwara Rao Kandula:** Your voice is not audible, sir.

**Prakhar Tibrewal:** Hello?

**Nageshwara Rao Kandula:** Yeah, yes, tell me sir.

**Prakhar Tibrewal:** Yeah, so our complete solutions segment is now looking more lucrative. It's gaining a larger share on the revenue, so would that be the growth engine, so just to get an idea on what segment should we focus on?

**Nageshwara Rao Kandula:** All segments are growing equally, sir.

**Prakhar Tibrewal:** Okay. Thanks.

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

**KV Raman:** Yes, sir, I just had a follow-up question on the subsidy, which we floated, wherein, we will be doing pre-cast buildings. I just want to understand, why are we planning to get into this particular business, the pre-cast building business?

**Nageshwara Rao Kandula:** Same question, I answered three times, sir, again I will answer to you. Pharma companies required blocks, generally last three years we are saying we are not interested to do any civil work. Customer scope we are leaving, but customer sometimes they are saying everything you should do. So, we are not interested construction business and construct the blocks, walls, buildings, but pre-cast we have capability.

Pre-cast if we do, customer also going to get benefit because of not required any colouring walls, not required any plastering or anything. So, pre-cast buildings we are offering client, so what is the advantage, this project is going to complete within 12 months to 14 months. Our speed is going to increase.

Sometimes what happened, our equipment is ready, but building is not ready. Building is not in our scope. So, project is delayed, our dispatches are delayed. So, customer is saying wait, building is not ready, but customer is also losing money, because of overrun the project, suppose INR150 crores project, delayed six months means finance cost, production delays, something, something.

But that gap we understand in industry. Now we are started pre-cast buildings, so the project speed is going to increase and our deliveries also going to be faster. That's the reason we decided to enter pre-cast buildings. Buildings for pharma and chemical companies. We are not going to outside; we are not going to do any domestic buildings. Strictly we are going to do with pharma and chemicals, production blocks for pre-cast buildings, okay?

**KV Raman:** Okay, understood, sir. Understood.

**Moderator:** Thank you. The next question comes from Rohit Ohri with Progressive Shares. Please go ahead.

**Rohit Ohri:** Hi sir, Yasuyuki-san is there with us. Sir, if you can just share what are the key responsibilities, which are assigned to him, and going forward how will we probably improve the strategy or the performance of the company, or maybe the risk or financial integrity, if Yasuyuki can answer that? Thank you, sir.

**Nageshwara Rao Kandula:** Yasuyuki, can answer, please. Yasuyuki, please answer.

**Yasuyuki Ikeda:** Yeah, okay. Thank you. So, I was assigned to lead the global operations and marketing. And, of course, the strategy-wise, I have a -- last 20 years I'm leading AGI Group company. This is a 76-year-old company in Japan, more than 1,000 employees globally. And I had done many acquisitions in last 10, 20 years.

So having this experience and understanding the SETL, what we can do at SETL and what is missing, I will share my experience with the management team and we will build a global strategy how we can tackle other market outside of India together with existing management team. Did I answer your question?

**Rohit Ohri:** Yasuyuki-san, if you can just take us through that, are we looking at some acquisition or merger of that kind, because you seem to be specializing in M&A?

**Yasuyuki Ikeda:** Yes. Of course, I cannot say it now, but, yes, that is part of our growth strategy. But just acquiring a company is just adding number, and this is not what we should focus. So, the organic growth, the combination of organic growth and the inorganic growth is necessary for our sustainable growth. So, we're not just looking at one or two-year growth, but we are looking at the sustainable continuous growth. So, yes, the answer is yes, we will be acquiring some companies in the future.

**Rohit Ohri:** Okay. Yasuyuki-san, thank you for answering my question. Arigato gozaimasu.

**Yasuyuki Ikeda:** Arigato gozaimasu. Thank you.

**Moderator:** Thank you. There are no further questions from the participants. I would now like to hand the conference over to the management for closing comments.

**Nageshwara Rao Kandula:** Thank you. Thank you for attending all. And future is very bright compared to '26 and '27, we are going to do more growth and profitability going to increase, and the quality of business going to increase. And our product range we are adding [once second-hand 0:59:52], and we are adding new clients, new geographies. And '27 is one more exciting year we are expecting, and we are parallelly we are expanding our facilities.

**Anjaneyulu Pathuri:** Yes, sir. Thank you all.

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

**Nageshwara Rao Kandula:** Thank you.