



**sealmatic**

**Sealmatic India Limited**

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**Date: - 12<sup>th</sup> June, 2026**

To,  
The Manager,  
Listing Department,  
BSE Limited,  
SME Division,  
P. J, Towers, Dalal Street  
Mumbai- 400 001.

**Subject.: Transcript of Earnings Call**  
**Ref: - Scrip Code: - 543782 - SEALMATIC INDIA LIMITED**

Dear Sir/ Madam,

Pursuant to Regulation 30 and Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached the transcript of the aforesaid Conference Call held on Wednesday, June 10, 2026 at 4:00 p.m.

Kindly take the above information on your records and oblige.

Yours faithfully,  
**For, Sealmatic India Limited**

**Naresh Vasudev bhai Kanzariya**  
**Company Secretary**

Encl: - As above



“Sealmatic India Limited”  
Yearly FY25-'26 Earnings Conference Call  
June 10, 2026



**MANAGEMENT: MR. UMAR BALWA – MANAGING DIRECTOR –  
SEALMATIC INDIA LIMITED  
MR. FIROZ CHAUDHARY – MANAGEMENT EXECUTIVE –  
SEALMATIC INDIA LIMITED  
MR. RATAN KANDARE – CHIEF FINANCIAL OFFICER –  
SEALMATIC INDIA LIMITED**



*Sealmatic India Limited  
June 10, 2026*

**Moderator:** Ladies and gentlemen, good day, and welcome to Sealmatic India Limited Earnings Conference Call for the Financial Year Ended 31st March 2026. 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 touch-stone phone. Please note that this conference is being recorded.

Statutory notice, all content on this earnings call is for informational purpose of a general nature only and does not address any circumstances of any particular individual or entity. Do not construe any such information or material as legal, tax, investment, financial, professional, or any other advice.

Content on this earnings call does not represent or constitute any solicitation, inducement, recommendation, endorsement or offer by Sealmatic. Any information, materials, statements and data set out herein is subject to change any time without notice. And as such, no reliance must be placed on fairness, accuracy, completeness or correctness of any information and materials contained on this earnings call.

I now hand the conference over to Mr. Umar Balwa, Managing Director of Sealmatic India Limited. Thank you, and over to you, Mr. Balwa.

**Umar Balwa:** Thank you, Renju, for the introduction. Good evening, everyone, and welcome to our seventh earnings conference call. We truly appreciate you taking the time out of your busy schedules to join us today. I would also like to thank our shareholders, investors and the analyst community for your continued interest in Sealmatic. Since this is the seventh call, extensive data about our journey in the mechanical seals business is already available on the BSE website and on our social media channels. Therefore, I will keep my opening remarks brief so we can maximize our time for your questions.

Sealmatic succeeded in increasing its turnover by around 2% on a yearly basis, though the margins have come under pressure and has resulted in EBITDA of around 17% for this year as compared to the previous year of 24%. This shall be enumerated later on during this earnings call. The market is volatile because of the current geopolitical situation, but that volatility is where Sealmatic has always excelled because we don't just sell products, we sell reliable engineered sealing solutions, which in turn give positive outcomes to our customers.

Despite the strong headwinds due to the changing geo and ecopolitical climate globally, the demand for mechanical seals, especially Sealmatic products, is stable and it is being driven by markets in India, Europe, Middle East, North America and other regions globally.

FY 2026 has been a year of resilience and innovation. We are focused on our goal to become one of the 10 global sealing technology company. A special thank you to our seal magicians for their incredible dedication, guiding us through this period of turbulence.

FY 2026 brought significant challenges from geopolitical instability and economic headwinds. Despite that, we have achieved new heights in customer satisfaction and technical innovation. Our focus remains steadfast on delivering intelligent, high-quality sealing solutions. Despite intense competition, we continue to stand tall by adhering to global standards.

We have created a very strong identity, the seal magicians. This is unique in the industry and has fostered a sense of pride and collective identity at our company. Global standing. We are consistently reinforcing our mission to become one of the top 10 global sealing technology company, breaking the box, reiterating our significant signature policy, do not think outside the box, break the box.

Recent milestone, achieving ISO 3834-2 certification for welding processes in addition to the 15 prestigious quality certifications that we already have, securing major orders for Kalvari-class submarine, critical power projects for 660 and 800 megawatts in the thermal power industry, oil and gas applications in India and Middle East and host of other remarkable orders.

Our focus both today and for the midterm is to align Sealmatic legacy with our aggressive vision of 2030. We have created a robust strategy to capture a substantial market share of the oil and gas sector demand for API seals in India and the Middle East. We're actively expanding our global footprint with established seals and service centers now operating across India, Middle East and through partners in Europe, USA and South America.

As we move forward, our growth will be rooted in consolidation, integration and immense value creation. We are investing in our future, as shown by the expansion of our third manufacturing unit, I'm confident that we'll continue to lead with sincerity, integrity, setting new benchmarks.

At Sealmatic, we have provided to our seal magicians the needed tools, the support and the vision to succeed. Our motto is, if there is a barrier, we break it; and if there is an opportunity, we seize it. I would like to extend great appreciation and thanks to our shareholders for all of their support and to our employees, customers and partners without whom none of our achievements would be possible.

I will now hand it over to my colleague, Firoz Chaudhary, for a brief overview on sales and marketing, followed by Mr. Ratan Kandare, who is our CFO, to share vital details about the half year that went by. Thank you very much.

**Firoz Chaudhary:**

Good evening, ladies and gentlemen. Myself, Firoz Chaudhary. I'm pleased to inform that Sealmatic continues to strengthen its position as a global sealings technology company. Our growing global footprint is also reflected on our revenue composition. During financial year '25-'26, 54.36% of our revenue was generated through exports, while 45.64% were contributed by the domestic market, hence, reflecting our balanced growth strategy across global and local markets.

Within the export business, distributors remained our largest channel, contributing INR40.29 crores, followed by OEM sales of INR14.5 crores, of which INR8.3 crores was for API seals project, in which 45 were single seals and 76 were double seals and INR6.2 crores was from our regular OEM business. End user contributed around INR1 crore. In the domestic market, OEM sales contributed INR36.25 crores. Out of this, around INR11.2 crores was for API seals projects, in which about 322 were single seals and 142 were double seals and around INR25.05 crores was for non-API seals, while end user contributed INR11.26 crores.

Together, this figure reflects the continued trust that customers place in our products and services across both domestic and international markets. Over the past year, Sealmatic has significantly expanded its international presence through active participation in some of the world's most important industry exhibitions and technical forums.

Our team proudly represented Sealmatic at NEFTEGAZ in Moscow, MINEXCHANGE in Utah, Iran Oil & Gas Show in Tehran, Oman Petroleum Show in Muscat, Defense Technology Exhibition in Chennai, Turbomachinery & Pump Symposia in Houston, RoTIC in Dubai, WEFTEC in Chicago, PCV Expo in Moscow, Qatar LNG Show in Doha, Chemtech in Mumbai, India Energy Week in Goa and ADIPEC in Abu Dhabi. Total 14 exhibition in the last financial year and thus has costed the company INR5 crores.

One of the most encouraging developments during the year has been our success in securing and executing a significant number of critical API mechanical seal order across the Middle East. As of today, we have successfully secured and are executing approximately 916 critical API seals for projects in UAE, Saudi, Oman, Kuwait, Iraq.

Out of this, 686 mechanical seals have been supplied, while around 230 seals are currently under execution. These seals are strategically supplied during the project execution stage at highly subsidized price levels, even below the cost of raw materials, which enables us to establish a strong installed base and references with leading end users. This has costed the company INR8 crores.

These projects are particularly important because they represent far more than a one-time equipment supply opportunity. Once commissioned, the installed Sealmatic seals create recurring and profitable aftermarket business throughout the operational life of the equipment, which generally extends beyond 35 years. This creates a sustainable revenue stream and establishes Sealmatic as a long-term technology partner rather than simply a product supplier.

We continue to work closely with some of the world's most respected end users, including ADNOC, KNPC, PDO, OQ and ROO, while maintaining strong relationships with leading OEMs such as KSB, Sulzer, Sundyne, Ebara, Ruhrpumpen. In addition, we actively collaborate with major EPC contractors, including Saipem, Maire Tecnimont, Worley, Wood Group, PEG and several other prestigious organizations involved in large-scale energy and industrial projects.

Our vision for the future is in one simple philosophy, that is stop selling output and start selling outcomes. We are selling reliability to highly complex process plant, expertise that solves our customers' toughest sealing problems. Most importantly, we are building partnerships that last decades and not for quarters. As we move into the next phase of our journey, we remain committed to creating sustainable value for our shareholders, employees and customers.

On behalf of entire Sealmatic team, I thank all our shareholders for their continued trust, confidence and support. The future remains exciting, and we look forward to achieving even more greater milestones together. Thank you very much. I now hand it over to my colleague, Mr. Ratan Kandare, who is our CFO.

**Ratan Kandare:**

Thank you, Firoz. Good evening, everyone. Thank you for joining us today. I am pleased to present the financial performance of Sealmatic India Limited for the financial year ended 31st March 2026. FY25-'26 has been another year of steady progress for the company. Despite a dynamic business environment and industry challenges, we have maintained our growth while preserving the reasonable profitability and operational efficiency.

Let me take you through the key financial highlights of the year. Our sales turnover for FY25-'26 stood at INR103 crores compared to the previous year of INR101 crores, reflecting a growth of 2% year-on-year. While the growth in revenue has been moderate, it demonstrates the resilience of our business model and the trust our customers continue to place in Sealmatic products and solutions.

Moving to profitability. We achieved a profit before tax of INR14 crores during FY25-'26. This represents approx 14% of our total revenue, which is in line with the profitability. Maintaining this margin in a competitive and challenging environment reflects our disciplined approach towards the cost management, operational efficiency and value creation.

Further, our EBITDA for the year stood at INR18.38 crores translating into the EBITDA margin of 17.36% of total revenue. This EBITDA performance highlights the effectiveness of our operational strategy and our continued focus on the productivity, process optimization and the efficient resources utilization.

As we move into FY26-'27, our focus remains on driving profitability growth, strategic and market presence, expanding our customer base and enhancing the operational excellence. We remain committed to deliver innovative solutions, maintaining financial discipline and creating long-term value for all our stakeholders. Thank you.

**Moderator:**

Thank you. We will now begin the question-and-answer session. The first question comes from the line of Pothireddy Srinivasa Reddy with Srinivasa Neo Markets. Please go ahead.

**P. Srinivasa Reddy:** Yes, sir. Very good evening, sir and congratulations to the team. Sir, my first question is, sir -- am I audible, sir?

**Umar Balwa:** Yes, not very audible, but we'll manage to decipher what you're trying to convey. Please continue.

**P. Srinivasa Reddy:** Yes, sir. Sir, in your June 2025 call, sir, you had mentioned you had supplied roughly 490 API seals across GCC, sir, like Dubai, Kuwait and all. And you have guided the replacement revenue of around INR15 crores would start from FY27, most probably from the beginning of April 2027. Sir, what is the progress, sir?

**Umar Balwa:** Sorry, please continue.

**P. Srinivasa Reddy:** Sir, out of all 490-plus seals we have supplied in 2025, how many are actually commissioned and physically running at the end-user site, today?

**Umar Balwa:** I'll let Firoz answer this question. Probably you missed it in Firoz's deliberation, probably he'll again reiterate and let you know.

**Firoz Chaudhary:** So Mr. Reddy, we have executed around 916 critical API seals in projects in UAE, Saudi, Oman, Kuwait and Iraq. And out of this, 686 mechanical seals have been supplied while around 230 seals are under execution.

**P. Srinivasa Reddy:** Okay, sir. Sir, you had mentioned the replacement is roughly 75% of the new seal cost. Sir, can I know the -- like actual our gross margin on the replacement versus the subsidized project sales, sir?

**Umar Balwa:** As I think communicated many times in our earnings calls, our gross margins for this post-fit seal, which we call them as spare part business would be around 80%.

**P. Srinivasa Reddy:** Okay, sir. Sir, just one final question, sir. Like earlier calls, you had mentioned like sir, Chandragupta Maurya golden period had started from FY27 with nuclear and naval as key pillar. With the SHANTI Act has now passed and sir, the Bharat Small Modular Reactor bids are approaching and you being the only Indian company on BHEL's nuclear approval vendor list, sir, are you actively quoting any nuclear seal packages right now, sir?

**Umar Balwa:** Yes, we are actively quoting for nuclear applications for the new expansion for Kudankulam, which is in Tamil Nadu. And also, we are actively liaising with BHEL and other nuclear pump companies globally as well as in India. So these projects do take a lot of time.

So right from the time of submitting our offer, it would take about 2 to 3 years to finally receive the order and another 2 years to complete that order and maybe another 1 or 2 years for the final installation and commissioning. So that is the process of this business, of nuclear.

But I'll come to the larger portion of our business, which is oil and gas and refinery, which Firoz has already mentioned that we have secured order for 916 API mechanical seals, out of which 700 approximately have been supplied and 200 are under execution. So this Chandragupta Maurya period is still very much in the horizon.

Unfortunately, due to the geopolitical situation in the Middle East, the commissioning has got deferred by, say, about 6 or 9 months. And we're very confident that once this turbulence in Middle East will settle, all the commissioning will start appearing.

**P. Srinivasa Reddy:** Sir, how much do we expect on the revenue growth and the EBITDA side, sir, like for FY27?

**Umar Balwa:** On the EBITDA, I just mentioned it that it would be 80% on the gross margin. So if this starts, say, I'm not very sure about this year, how many spare part business would kick in. But say, with effect from 1st April 2027, all the 700 seals, which we have supplied so far would get commissioned and the recurring business would start. For this year, I don't know. I'm not able to give you an accurate picture because of the situation that exists in the Middle East.

**P. Srinivasa Reddy:** Okay. sir. Thank you, sir. Thank you very much.

**Umar Balwa:** You are welcome.

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

**Parth:** Thank you, sir. Sir, just a quick follow-up question on that. Out of that 686 seals, do you have any sense of how many of them have been commissioned, like a ballpark number? Is it 30%, 40%? How much of that is commissioned in the Middle East out of that 686?

**Umar Balwa:** I would say out of the 686 seals, some would be lying with the OEM in India, and they would be under transit from India to the Middle East. And most of these seals, the larger chunk has gone to UAE, that is Abu Dhabi and a smaller portion has gone to Iraq for the Rumaila operating operations.

So when we talk about 686 seals, I would say 20% would be now in the stage of commissioning, though at a very slow pace, but the balance 70% out of the 686 seals would start get commissioning once this situation settles down and which we feel by talking to various people at the end user level that very soon, they would be starting to commission the seals that have been supplied.

**Parth:** Got it. Got it. And do you think this situation in the long run because I think there are more projects also coming in because of the situation. So in a way, in the long run, this may, in fact, act as a -- this unfortunate thing may, in fact, act as a tailwind for you?

**Umar Balwa:** Yes. I mean, I'm of the philosophy that every adversity has some kind of an opportunity. I mean, though it is very sad that this war has broken out and there's a lot of destruction, but that destruction

has to be reconstructed. And in that reconstruction, many pumps would be ordered besides the already expansion, which was going on. So I see opportunity for us over there.

**Parth:** Got it. Got it, sir. And sir, what happened to that Mongol project? Because that again, I think many API seals had been -- were in talks for the Mongol project. And what's the status for that?

**Umar Balwa:** Yes. I think for that, Firoz, I would like you to answer the question, please.

**Firoz Chaudhary:** So Parth, so in Mongol, we have supplied around 118 seals and 53 are under execution.

**Parth:** 118 you're saying, right?

**Umar Balwa:** Yes, 118 seals are for the Mongol project. And this would now get supplied. I'm very optimistic that by the year-end, the pumps fitted with Sealmatic mechanical seals would be on their way to Mongol. Though we don't like the month of December in Mongol because that would be minus 34 degrees Celsius. But then still, it's an opportunity for us.

**Parth:** Got it. And I guess the commissioning is, of course, you can't comment on that because it will take - - yes. And sir, last question, maybe just -- so this -- you mentioned the number around the Middle East, which is around 1,000. But beyond the Middle East, just on the API seal, then we left -- leave the nuclear business for now. What is the number in India, Mongol and other regions combined?

**Umar Balwa:** Mongol, I mentioned that it is 119. In India, we have quite a considerable number of API and non-API seals supplied via OEMs because we work via OEMs only. We don't directly go to the end user for the first phase. So once our seals get supplied as a first fit to end user, then we start interacting. So our seals are being installed as we speak at IOCL Panipat, IOCL Mathura, Barauni, Digboi and also the Talcher Fertilizers and a host of other applications where our seals are getting commissioned as we speak.

**Parth:** Got it. So outside maybe Middle East, it's fair to assume it might be another 20%, maybe 30%, 40% more beyond that 900 number?

**Umar Balwa:** I would say, I would be happy to say that there would be approximately 300 seals in India.

**Parth:** Got it, sir. And in general, sir, the value of seals in India projects and the Middle East projects, I mean, while they are all API critical seals, do you think that in Middle East, even for the replacement business, we'll be able to get more revenue or in general, the quality of the seal is different or better or can sort of generate more revenue?

**Umar Balwa:** Irrespective of the geography, the quality of the seal remains constant. The realization is higher in the Middle East because of the price level that exists in the Middle East. Typically, it has been

historically that the prices in the Middle East are the highest in the world for our products. So what we would supply at 1 in India, it would be 1.25 in the Middle East.

- Parth:** Got it sir. Thank you so much. That's it from my side.
- Umar Balwa:** You are welcome.
- Moderator:** Thank you. Next question comes from the line of Deepak Poddar with Sapphire Capital. Please go ahead.
- Deepak Poddar:** Sir, am I audible, sir?
- Umar Balwa:** Yes.
- Deepak Poddar:** Sir, just wanted to understand what sort of revenue growth outlook we have for FY27?
- Umar Balwa:** We expect to grow by 15% this year.
- Deepak Poddar:** 15%?
- Umar Balwa:** Yes.
- Deepak Poddar:** And in what margins?
- Umar Balwa:** Margins would be better this year. I think this is the benefit for all listeners. Probably...
- Deepak Poddar:** Better in the sense, I mean, last year, I think it was 17%, right, FY26 as a whole?
- Umar Balwa:** Why is it better? Because last year, we participated in -- maybe --are you on the speaker phone, sir?
- Deepak Poddar:** No, no. I'm not on speaker.
- Umar Balwa:** Because there's an echo coming from your side. Are you there, Mr. Poddar?
- Moderator:** Yes, speaker, please go ahead.
- Umar Balwa:** Mr. Poddar, are you there?
- Deepak Poddar:** Yes, I'm there. So you said EBITDA margin would be better, right? So I mean, would we want to go back to our previous margin? I mean, we used to do 22% to 24% kind of EBITDA margin, right?

**Umar Balwa:** I would like to give a reason for that. First, last year, we participated in 14 international exhibitions and that cost itself was approximately INR5 crores. So our purpose of participating in international exhibitions has now been achieved by way of getting ourselves approved by various EPCs, end users and OEMs. So we want to taper down on that participation.

So this year, in FY27, we would be only participating in 5 exhibitions. So 10 exhibitions, if you remove them, that itself will save us approximately INR3.5 crores or INR4 crores. And also last year, we invested approximately INR8 crores, which was below cost of raw material to supply API seals and which was the highest so far. So even that would taper down. And I'm very confident that we will be achieving 23% or 24% of EBITDA, FY27.

And also end user business, if you look at our data, end is a business has still not kicked in the way we expected it to kick in for this year because of the geopolitical situation, but that will all come in and will improve our EBITDA.

**Deepak Poddar:** Spend in what? I missed that. I mean it was spent in which area?

**Umar Balwa:** I'm sorry, I didn't get the...

**Deepak Poddar:** So, INR8 crores that you mentioned was spent. So it was spent where? I missed that.

**Umar Balwa:** On the API seal, because on the API seal, normally, you have to compete and most of the time, you're supplying below cost of raw material.

**Deepak Poddar:** Okay. I got it. And it would taper off in FY27, right? I mean it would reduce.

**Umar Balwa:** It will taper off, not that it will totally go away, but we can taper it off and we'll select that we will do an X number of API seals for every year. So last year, our API seals, both for OEMs in India and OEMs abroad were approximately 322 seals and 300 more seals for Middle East market.

So this year, we would be going for, say, approximately 300 or 350 seals for which we have already quoted and this would come up for finalization during the year. So that also would reduce our cost of goods.

**Deepak Poddar:** Yes. Got it, got it, sir. And I think that would be from my side. Would like to wish you all the best. Thank you so much.

**Umar Balwa:** Thank you.

**Moderator:** Thank you. Next question comes from the line of Sumit Anand, an Individual Investor. Please go ahead. Mr. Anand, please go ahead with the question. Mr. Anand, please unmute yourself and go

ahead with the question. Since there's no reply from the line of Mr. Anand, we'll move to the next participant. That is Pothireddy Srinivasa Reddy with Srinivasa Neo Markets Please go ahead.

**P. Srinivasa Reddy:** Sir, just a couple of questions on cash flow, sir. Sir, am I audible?

**Umar Balwa:** Yes, please.

**P. Srinivasa Reddy:** Sir, one point on cash conversion, sir. Inventory rose to about INR62 crores and the operating cash flow stayed negative again this year, sir. Is this deliberate stocking ahead of the FY27 replacement demand or delayed shipments involved, sir?

**Umar Balwa:** There are a couple of reasons attached to this. The number one is that there was a delay in execution because of this geopolitical situation, the items which had to be supplied got delayed. And secondly, because of this uncertain situation where rare earth material injunctions were applied by China, and we had to stop certain items so that we wouldn't face challenges in executing the orders that we already have in our hands. So the inventory has gone up for that reason.

**P. Srinivasa Reddy:** Okay. Sir, when do we see operating cash flow turning positive again, sir? Can we see in FY27?

**Umar Balwa:** FY27, it would start sprouting, but I would be happy to say FY28 would be a better period for us to judge the cash flow.

**P. Srinivasa Reddy:** Okay. Sir, just one last question, sir. Sir, I understand like specifics are sensitive, but our current order book is higher, similar or lower than the same period last year, sir?

**Umar Balwa:** It is better than the last year. If you talk about the period-to-period comparison, say, June 2026 and June 2025, we are better off this year.

**P. Srinivasa Reddy:** Okay Sir. That's all from my side thank you very much Sir.

**Umar Balwa:** Welcome.

**Moderator:** Thank you. Next question comes from the line of Tejas Shirodkar with Vyom Capital. Please go ahead.

**Tejas Shirodkar:** Hi. Thank you for the opportunity. Sir, most of my questions are answered. Just wanted to understand questions on the industry. I just wanted to understand, apart from Middle East because obviously, there's been disruptions over there, how much delay do you see the end customer is doing for your products? Like how, for example, like how much are they delaying because of all of these Iran war tension? Can you quantify that like?

**Umar Balwa:** If you ask me as of today, we are delayed by 7 months.

- Tejas Shirodkar:** Okay. Delayed by 7 months. So all the projects are pushed?
- Umar Balwa:** So, but that still is not surprising and interesting for us and also good for us that the activity, the intensity of the activity of new projects being envisaged in the Middle East are still continuing. So nothing is affected for the new projects, which they are envisaging for the coming 5 years of implementation. So they have plan to enhance and to improve their oil and gas capacities, especially we see a lot of action in Abu Dhabi, a lot of action in Saudi Arabia, in Qatar, especially, there's a lot of action. So that activity is still continuing. While there are delays for execution, but that still has not stopped the confidence of the companies who are investing money over there. So that's a good sign.
- Tejas Shirodkar:** Understood. Sir, just wanted to clarify, the 7 months is for overall or just particular to Middle East?
- Umar Balwa:** Our major focus at the moment is Middle East because the spot of activity happening over there is the highest. Because there is no new oil and gas or refinery or any kind of petrochemical plants being put up of that magnitude and size anywhere in the world. So that's our major focus. And the other focus, number 2 is India for us for our kind of business.
- Tejas Shirodkar:** Okay, thank you. That's it from my end.
- Umar Balwa:** You are welcome.
- Moderator:** Thank you. Next question comes from the line of Sumit Anand, an Individual Investor. Please go ahead. Mr. Anand please go ahead with your question. Mr. Anand please unmute yourself and go ahead with your question. Since there is no reply from the line of Mr. Anand, we'll move to the next participant. That is from the line of Trinada, an Individual Investor. Please go ahead.
- Trinadh:** Hi. Good evening everyone. Am I audible sir?
- Umar Balwa:** Yes please.
- Trinadh:** Yes. Sir thank you for the brief and it was really great to know the prospects. My question is, sir, now that India is also getting up for a nuclear reactor phase and also with Sealmatic doing very well, do you see any potential institutional interest in the company, sir, going ahead? Just wanted to know your insights on that? Thank you very much.
- Umar Balwa:** Mr. Trinadh, I probably have, I heard the questions, but I have not understood the essence of it. Can you please clarify what the question is?
- Trinadh:** Sir, my question was that now that the Government of India is also pushing for nuclear reactors by 2032 and everything and Sealmatic also gaining attention both in India and also abroad, especially with the kind of certifications and standards that you have got. So I just wanted to know if there is

any institutional interest coming or if there are any talks going on or if there is anything happening in the industry, people watching Sealmatic with interest. So I just wanted to know about your thoughts on that, sir. Thank you.

**Umar Balwa:** I don't know how to answer this. But we are under a spotlight, and there has been a lot of attention from the industry in Sealmatic. It's a unique company. I don't want to blow my own trumpet over here, but it's a unique company. What we have built over here is something which is unparalleled for the size of the company that we are.

Of course, there are bigger companies than us, the conglomerates, but leaving them on the side, as we call them as the 3 Big Boys. But in the Tier 2, we are the largest, and we are the most renowned player, not only in India, but globally. So yes, there is a lot of interest. There's a lot of attention coming from the industry, from institutional companies and the likes. Mr. Trinadh?

**Moderator:** Mr. Trinadh are you done with your question?

**Trinadh:** Yes. I got it. Thank you very much and I hope we go on to become one of the world's leading companies in the coming days, sir. Maybe take on the John Crane's or the EagleBurgmann's.

**Umar Balwa:** Thank you so much.

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

**Parth:** Sir, we increased in last 6 months, the API seal supplied from 492 to now 900 plus. So it's like almost double. So that's fantastic in a way. And going forward as well, like in just in terms of the orders, like not the supplied one, I understand some 250 is yet to be supplied. But this 900 number, what do you think? What is our target internally for the next fiscal?

**Umar Balwa:** See, on a thumb rule basis, if you talk purely as a seal company and which only comes from experience, so I can give a thumb rule that the 700 seals supplied so far is just a thumb rule, just as a lay thumb rule. I would say if you put a tag of USD10,000 per seal and this has 700 seals, so we are talking about USD7 million business from this supplied seals.

**Parth:** Yes. Sir, my question was not in terms of that. My question was like next year, this number, which is 900 right now, will go to 1,800, 1,600? What is the target for that?

**Umar Balwa:** For next year, say 900, we expect to add for FY27, say about 300 seals more on the API.

**Parth:** Okay. And sir, if I may ask, why is it less versus FY26? Because in FY26, you added a lot. So it's comparatively less in FY27?

**Umar Balwa:** Because the projects got delayed and there's a finalization stage on a slower end at the moment. But this will all come because if you look at the number of quotations that we have submitted to our OEMs in Europe mainly and in India, we are confident of getting 300 seals -- additional 300 seals. And we'll be happy to take more.

But at the same time, we also have to be mindful and careful if you take too many of these API seals, you are going to erode your margins. So it's a kind of a catch-22 situation, though as a pure sales and marketing person, I would like to take as much as possible. But if I take too much, that will also affect our cash flow over here.

**Parth:** Got it. So next year, maybe 300. And after that, I think next year, your cash flow also begins from the aftermarket business.

**Umar Balwa:** Yes. It will allow us to subsidize more seals for the OEMs.

**Parth:** Got it. So that number is 300 next year, but we can expect it to increase a lot going forward in the future years?

**Umar Balwa:** Yes.

**Parth:** Got it. Sir, last question, you mentioned \$10,000. Sir, in the last con call, I think you had mentioned \$7,000...

**Umar Balwa:** These are a configuration of single seal and double seal. So I just took an average. Single seal would be for, say, very conservative would be \$7,000 and a double seal would be, say, \$12,000 to \$14,000. So if you take an average, I would be -- I'm very confident that \$10,000 is a figure which will be surpassed.

**Parth:** Got it. Got it. And even the double seal also counts as one, right? So basically the...

**Umar Balwa:** Yes. Its design and quality are double sealed.

**Moderator:** Thank you. Next question comes from the line of Sanyam Shah with Solidarity Advisors. Please go ahead.

**Sanyam Shah:** Thank you for the detailed opening remarks. That was very helpful. On my question, sir, we started this API seals business 3 to 4 years back. So the delay in commissioning, the 7-month delay that we are seeing that should primarily be for the seals that we have supplied this year, right?

**Umar Balwa:** Yes, please continue.

**Sanyam Shah:** Is my understanding correct on this?

- Umar Balwa:** Let me hear the whole question, and I'll be able to.
- Sanyam Shah:** Okay. So does this mean that we should see the replacement revenue of the seals that we have supplied at least that should kick in from FY27 or should that get delayed as well?
- Umar Balwa:** No, when we say we started our journey in the API seals business 3 years back. So 3 years back, we started getting orders from the OEMs and the execution takes about 8 to 9 months. So once we supply the seals to the OEM, the OEM will take another 5 to 6 months to supply to the site of the end user.
- So if you really ask me, I think there's not much delay happening over there for the sees that we have supplied here in India, especially for IOCL Panipat and Mathura and Barauni and Digboi, they're all under various stages of commissioning. Because when we say we are commissioning our seals, it involves a lot of civil and mechanical work. It's the whole site and the gamut of work is among us.
- So sometimes the delays are not because of the OEM, the delay can be by an ancillary contractor who is doing the piping or who's doing the boiler or who's doing the erection of any other equipment over there. So imagining a large site of a refinery or oil gas where 10,000 people work at the same time simultaneously.
- So I feel as an industry person who has spent so many years, I think we are on track for the installation commissioning. So when you ask about FY27, it would start kicking in. If you ask the numbers, I will not be able to comment on those numbers till we don't really get the ground picture from the sites.
- Sanyam Shah:** Okay. Okay. Understood. So nothing on the numbers. I understand that. But the quantum of the sales that should come, that should primarily on a bigger part should come in FY28 and beyond that year?
- Umar Balwa:** Yes.
- Sanyam Shah:** Okay. Understood. And sir, one thing which we didn't discuss was any new update on the other verticals like defense, marine or power? I think you mentioned something on the power side in your opening remarks. If you could please repeat that, that would be helpful.
- Umar Balwa:** Defense and Marine still marine, when we talk about defense, it includes marine because our area of expertise is for naval seals. So, when I say defense, defense and marine is same for us. So that's happening. And any construction of a ship takes about 8, 9 years. So, we are interacting with the Ministry of Defense, Indian Navy on a regular basis, and we are participating in their various projects for submarines for other naval seals for development of critical seals, which are being imported, they want to indigenize.

So, there are a host of other activities, but it is bureaucratic. It takes its own time. But our focus is still there, and we are committed in delivering products to the Indian Navy. Now coming to power, which is primarily the 660 megawatts and the 800 megawatts on the thermal side. And on the nuclear side, the biggest agency involved is the Nuclear Power Corporation, then there are contractors like L&T and host of other companies, which are doing the execution.

So, we are very much there. We are approved. We are the only company in India as a mechanical seal company, which has got the ISO 19443. So, we are very well placed. And there's a lot of activity happening. But if you ask me about the results coming in, it would take time because this -- the nature of this industry is slow moving, but the potential is there.

**Moderator:** Thank you. Next question comes from the line of Sumit Anand, an individual investor. Since there is no reply from the line of Mr. Anand, we'll move to the next participant. That is from the line of Lokesh with ABC. Please go ahead.

**Lokesh:** I just want to ask about the business traction in Russia. Given the ongoing U.S. and European sanction on Russia, do you see any business opportunity for Sealmatic in the Russian market as 3 big players are not supplying to the Russia on the news?

**Umar Balwa:** Yes, Mr. Lokesh, I think you missed the previous earnings calls. I think Russia has been a good market for us with the sanctions coming in from U.S.A. on Russia, all the Western companies which were established in the Russian market have all left the Russian market, and it has created a space for companies like us. So, the market is good for us. Russia has been an incredible market.

**Moderator:** Thank you. Next question comes from the line of Parth, an individual investor. Please go ahead.

**Parth:** Sir, the dollar appreciation in general should help you, right? Or do you do any kind of hedging?

**Umar Balwa:** No, we don't do any kind of hedging. In fact, it works both ways because your realization also goes up, but at the same time, your imports also get hit. So...

**Parth:** But sir, for the replacement business, since it's an 80% gross margin business, I think over there, it should then end up helping, right?

**Umar Balwa:** Yes, absolutely. Any appreciation in dollar realization would give us more revenue.

**Moderator:** Thank you. Next question comes from the line of Rajesh Iyer, an individual investor. Please go ahead.

**Rajesh Iyer:** So, my question is now that we are seeing a good traction in the company in terms of growth and the opportunities are opening up in serious sectors and markets and it's becoming a proven supplier. Do you see any need of additional capital infusion? Or will the current capital structure support all the growth that you envisage?

- Umar Balwa:** I'm sorry, Mr. Iyer, I think the line was not very clear. I'm extremely sorry. Could you please repeat your question?
- Rajesh Iyer:** No problem. I will repeat. So, the question is that since we are seeing a lot of growth in this food sector and industry, as you mentioned, including refineries, defense and power and so many other sectors and you've given a road map of how things will pan out over the next couple of years or more. Do you see any need of additional capital infusion in the company for supporting all of this growth or it will still be through all the internal generation?
- Umar Balwa:** I don't know how to answer this, but I can say that, if we are going for more API infusion -- API seal infusion, and if we're going to subsidize and take many orders, at that time, we may need capital infusion either by creating debt or by some other means.
- Rajesh Iyer:** Okay. Thank you so much.
- Moderator:** Next question comes from the line of Sumit Anand, an Individual Investor. Please go ahead. Mr. Anand please go ahead with your question. Since there is no reply from the line of Mr. Anand, we'll move to the next participant. That is Sanyam Shah with Solidarity Advisors. Please go ahead.
- Sanyam Shah:** Thank you for the follow-up. Sir, with the recent Middle East wars happening, has it impacted any of our expansion plans in those regions? We planned to put some service centers in Oman, Kuwait, etcetera.
- Umar Balwa:** No, no. Our plants have not got impacted, and we are still very much committed to our journey in the Middle East.
- Sanyam Shah:** Okay. Thank you.
- Moderator:** Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to Mr. Umar A.K. Balwa, Managing Director of Sealmatic India Limited for closing comments.
- Umar Balwa:** Thank you so much, Renju. I see more than 50 participants. I thank everybody for taking out their valuable time and attending this earnings call, and also asking interesting questions. And while answering those questions, it also brings out a lot of conviction. We are confident that Sealmatic is on the right path and Sealmatic will have a glorious journey as we move forward, thus making Sealmatic as one of the leading companies, not only in India but globally as well. So, I thank you all for your attention, and I look forward to seeing you all on our next earnings call. Thank you so very much.



*Sealmatic India Limited*  
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**Moderator:** Thank you. On behalf of Sealmatic India Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.