Sejal Glass Ltd — Feb 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Inline (Revenue) / Slight Miss (Margins QoQ) **One-line:** Sejal Glass has successfully de-risked its balance sheet via a ₹94.35 Cr capital infusion, but the thesis now pivots to a high-execution "sweat-the-asset" phase as acquired domestic units remain significantly under-utilized.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Inline	9M Revenue of ₹284.51 Cr; on track for ₹400 Cr FY26 target despite Q3 softness.	□
Earnings Quality	Moderate	PAT reflects operational scaling but Q3 margins (16.0%) dipped vs Q2 (17.0%).	□
Guidance Confidence	Neutral	Re-affirmed 25% FY27 growth; however, specialty glass timelines are shifting outward.	□
Management Credibility	Improving	Executed the preferential issue (₹94.35 Cr) and repaid ₹28 Cr promoter debt as promised.	□
Business Quality Signal	Improving	Exclusive Saint-Gobain deal and specialty tech licenses (Spain) creating entry barriers.	□
Key Q&A Exchange	Q#10 - UAE Capacity	90% utilization in UAE triggers a new tempering line; shows strong cash-cow performance.	□
The Street's Primary Anxiety	Glasstech Turnaround	Under-utilization (as low as 2-10%) at acquired units is dragging consolidated margins.	□
Capital Cycle Stage	Investment / Consolidation	Integrating Taloja/Erode while scouting a third acquisition in one year.	□
Margin / Return Ratio Trajectory	Deteriorating (QoQ)	EBITDA margins fell to 16.03% in Q3 from 17.03% in Q2.	□
Pricing Power	Stable	Sole supply agreement with Saint-Gobain provides cost predictability in a niche market.	□
FCF Conversion & Quality	Weak	Scaling domestic inventory/receivables likely keeping FCF negative.	□
Competitive Moat Signals	Widening	Largest tempering capacity in some regions; shift toward niche high-value products.	□
Balance Sheet Strength	Strong	Debt-Equity ratio now < 0.5x post-equity infusion.	□
Working Capital Efficiency	Stable	25% of UAE business shifted to LC (Letters of Credit) reduces PDC risk.	□
Mgmt Guidance Track Record	Mixed	Met funding/revenue targets but specialty product launches (Fire/Bulletproof) delayed.	□
Key Vulnerability / Red Flag	Asset Sweating	Massive idle capacity at Taloja/Erode units (Domestic IG utilization only 2-16%).	□
Management Tone	Confident / Aggressive	Bullish on "Viksit Bharat" and data center demand; scouting more acquisitions.	□

Sentiment: □Neutral

Key Takeaways (Positives & Negatives): * **Positives:** The primary structural overhang—liquidity—has been resolved with a ₹94.35 Cr preferential issue, bringing the D/E ratio below 0.5x. The UAE business remains a robust cash cow (90% utilization), and the exclusive Saint-Gobain tie-up provides a strategic advantage in raw material procurement. The Vande Bharat approvals and Vistara infrastructure tailwinds provide a credible long-term demand runway. * **Negatives:** Domestic turnaround is taking longer than anticipated; acquired Glasstech units are operating at "distress" utilization levels (Taloja 10-34%, Erode 2-12%), which compressed consolidated EBITDA margins to 16.0% this quarter. High-margin specialty products (Fire-rated/Bulletproof) remain "one to two quarters away," failing to contribute to FY26 profitability as originally hoped. * **Street Anxiety:** Analysts are focused on why domestic growth hasn't translated to margins yet. Management's response: The "re-engineering" of Glasstech units (manpower/process) takes 6-9 months; they expect meaningful contribution only by Q3 FY27. * **Watchpoint:** Success of the new UAE tempering line (Q1 FY27) and the ability to breakeven the domestic Glasstech units in Q4 FY26.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT not available — all numbers sourced from concall transcript.

Metric	Current Qtr (Q3 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Consolidated)	₹101.70 Cr*	↑ (Strong)	↓ 3.18%	↓	9M revenue ₹284.51 Cr; Q4 expected to be strongest.
EBITDA	₹16.31 Cr*	↑ (Strong)	↓ 8.83%	↓	Dragged by low utilization in domestic acquired units.
EBITDA Margin %	16.03%*	↑ (Strong)	↓ 100 bps	↓	Consol 9M margin at 16.38%; targeting 18% exit.
PAT (Operational)	₹5.10 Cr*	↑ (Strong)	↓ 37.19%	↓	9M PAT stands at ₹17.61 Cr.
Net Debt / Equity (x)	< 0.5x	↑ (Improve)	↑ (Improve)	↑	Drastic reduction post-preferential issue.
Utilization (UAE IG)	90.00%	↑	→	→	Adding new tempering line in Q1 FY27 to expand.
Utilization (Taloja IG)	16.00%	New	New	→	Domestic capacity significantly under-sweated.
Utilization (Silvassa Lami)	90.00%	↑	→	→	Core facility running near peak capacity.
Utilization (Erode IG)	2.00%	New	New	→	"Distress" level utilization in new acquisition.
Export Revenue %	~10.00%	→	→	→	Most UAE production consumed within Emirates.
Order Book (UAE)	AED 60 Mn	Not in doc	Not in doc	→	Strong visibility for GCC expansion.

**Derived from 9M (284.51 Cr) and H1 (182.81 Cr) results. YoY comparisons not possible due to Glasstech acquisition timing.*

2B. SEGMENT BREAKDOWN

Segment	Revenue (9M ₹Cr)	YoY Growth	Margin (EBITDA)	Trend	vs Co. Avg	Key Development
UAE Segment	~₹200 Cr	Strong	High (17-18%)	↑	Above	90% IG utilization; adding tempering capacity.
India (Silvassa)	~₹60 Cr	Stable	Moderate	→	Average	Lamination line at 90% utilization.
Glasstech (Taloja/Erode)	~₹25 Cr	New	Low (2-3%)	↓	Below	Operating at <20% utilization; drag on Consol.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	₹400 Cr+ for FY26.	**Highly Feasible.** Needs ₹115.5 Cr in Q4. Historically Q4 is strongest.	Met 9M run-rate.	Low.
Guidance	Growth	25% Growth for FY27.	**Achievable.** Implies ~₹500 Cr Revenue in FY27.	Improving scale.	Moderate.
Guidance	Margins	18% EBITDA range.	**Aggressive.** Needs 200 bps expansion from current Q3 level (16%).	Improved YoY.	High.
Strategy	Products	Fire-rated glass start in Q1 FY27.	**Delayed.** Prior guidance was Q4 FY26 launch.	Mixed.	Timeline risk.
Strategy	Products	Bulletproof glass contribution.	**Medium Term.** Certification/Testing remains a bottleneck.	Repeated delays.	Certification risk.
Strategy	Inorganic	One more acquisition in discussion.	**High Risk.** DD stage; results expected in 1 month.	Glasstech done.	Integration risk.
Strategy	Railways	Vande Bharat supplies started.	**Low volume.** Contribution currently negligible; tender-based.	Approved.	Scalability.
Balance	Deleveraging	Equity Infusion of ₹94.35 Cr.	**Delivered.** Listing permissions received; debt repaid.	Reliable.	None.

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
1	4.0	Dhanraj Tolani / Kuber	Specialty Segments	Business Overview	Could you explain the revenue potential, margin profile, and entry barriers in fire-rated/ bulletproof segments?	Management stated fire-rated production starts in Q1 FY27 post-Spanish tie-up, while digital printing is already contributing. Meaningful impact on EBITDA is now pushed to Q3 of next financial year (FY27).	None	4.0	Timeline walk-back
2	4.5	Dhanraj Tolani	Competition	Business Overview	Are we facing any competition from China or global majors like Saint-Gobain?	Management noted Saint-Gobain is a competitor but also their primary raw material supplier, creating a unique "co-opetition" dynamic. In niche quality-sensitive projects, they face less pressure from unorganized Chinese players.	None	4.0	Moat confirmed
3	4.0	Dhanraj Tolani	Depreciation	Financials	Why has your depreciation cost increased significantly YoY?	CFO explained this is due to the full-quarter impact of the UAE facade facility capitalization and the Glasstech acquisitions	None	5.0	Specific and clear

Q#	Relevance	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						(Taloja/ Erode). This confirms the fixed cost overhang until utilization ramps up.			
4	4.0	Raj Shah / Shah Ventures	Demand Drivers	Management Commentary	Which segments are likely to drive incremental growth over the next 2-3 years?	Management cited luxury residential (high-rises), data centers, and government infrastructure (Viksit Bharat 2047) as the primary pillars. This justifies the capacity expansion despite current low utilization.	None	3.5	Qualitative bullishness
5	4.5	Raj Shah	Revenue Mix	Management Commentary	How do you see the India vs. overseas revenue mix evolving?	UAE currently dominates but management targets a 50/50 split within two years as domestic acquisitions stabilize. This implies a significant shift in geographic risk profile.	None	4.0	Strategic roadmap
6	4.0	Rohit Bahirwani / Vijit	Acquisitions	Capex and Allocation	Any update on the new acquisition mentioned in the previous call?	Management confirmed due diligence is over and legal discussions on valuation are ongoing,	None	3.5	Imminent deal

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						with a result expected within a month. This signals an aggressive inorganic growth stance.			
7	5.0	Rohit Bahirwani	Deleveraging	Financials	What are the timelines for repayment of promoter borrowings?	CFO confirmed 28 Cr has already been repaid in Dec quarter using preferential issue funds. The D/E ratio is now <0.5, removing a massive solvency overhang from the thesis.	None	5.0	Quantified deleveraging
8	4.0	Umakant Sharma / Viansh	Domestic Drags	Financials	Domestic margins have been further eroded; what are the margins excluding Glasstech?	CFO admitted Glasstech EBITDA margins are currently only 2-3% due to <20% utilization. They expect this to hit 15% EBITDA once revenue reaches 150 Cr potential.	Standalone ex-Glasstech margins	3.0	Hedged on segments
9	4.5	Umakant Sharma	Railways	Business Overview	Any update on pitching to Vande Bharat and the railway grade business?	Management stated products are approved and supply has started, but contribution is currently very low. They are	None	3.0	Early stages

Q#	Relevance	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						competing primarily against unorganized players in this tender-based niche.			
10	4.5	Umakant Sharma	UAE Scaling	Business Overview	Since UAE IG is at 90% utilization, what is the next plan of action?	Management is adding a new tempering line in Q1 FY27, which is expected to add 20-30 Mn AED (45-68 Cr) in incremental revenue. This shows the UAE is hitting capacity limits, requiring further Capex.	None	5.0	Specific growth guide

PATTERN FLAGS & SENTIMENT * **The "Waiting Room" for Margins:** A clear pattern emerged where analysts expressed frustration over the margin drag from recent domestic acquisitions. Management's stance is that they are in an "overhauling" phase—re-aligning machines, manpower, and processes—which takes at least three quarters to bear fruit. The Q4 FY26 target for EBITDA breakeven at Glasstech is the current line in the sand. * **Inorganic Aggression vs. Organic Sweat:** Management is already hunting for a third acquisition before the first two (Taloja/Erode) have reached even 30% utilization. This suggests they are prioritizing geographic reach and market share over immediate return ratios, which may keep ROCE depressed in the near term. * **Analyst Sentiment Verdict:** Analysts were **skeptically optimistic**. They appreciated the transparency on utilization and the successful debt reduction, which was the primary "survival" risk. However, there is growing skepticism regarding the timelines for high-margin products (Fire-rated/Bulletproof), which have been repeatedly pushed back. The credibility of the FY27 guidance (25% growth) hinges entirely on domestic utilization jumping from distress levels to 50%+.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening/Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Fire-rated Glass | Q4 FY26 Launch (Prior Q) | Production in Q1 FY27 | 1-quarter delay | Margin expansion delay. | | Specialty EBITDA | High value = High Margins | Contribution in Q3 FY27 | 3-quarter delay in impact | FY26 margins capped at 16-17%. | | Glasstech Util | Growth contributor | Currently at 2% to 34% util | Operating at "Distress" levels | Near-term ROCE drag. |

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q2 FY26)	This Quarter (Q3 FY26)	Direction
Capital Structure	Funding pending; high interest burden.	94.35 Cr raised; Listing approved.	↑ (De-risked)
Leverage	D/E ratio significantly higher.	D/E ratio now < 0.5x.	↑ (Strong BS)
Debt Repayment	Intent to repay promoter loans.	28 Cr already repaid.	↑ (Credibility)
Fire-rated Timeline	Expected to launch in Q4 FY26.	Start pushed to Q1 FY27.	↓ (Delay)
UAE Capacity	High utilization.	90% hit; adding tempering line.	↑ (Scale)
EBITDA Margins	17.03% (Q2).	16.03% (Q3 calculation).	↓ (Mix/Util drag)
Railway Entry	Approvals in process.	Vande Bharat supply started.	↑ (New Niche)
Inorganic Pipe	Potential deal in DD.	Valuation/Legal stage; results in 1 month.	→ (On track)

Investor Note: The thesis has transitioned from "Funding & Survival" to "Integration & Asset Sweating." The balance sheet is now bulletproof, but the stock will likely be range-bound until the Glasstech units (Taloja/Erode) show a utilization jump toward 40%+. The delay in Fire-rated glass to Q1 FY27 means FY26 will likely end on a "standard glass" margin profile rather than the specialized pivot originally touted. Monitoring the "next month's" acquisition announcement is critical to ensure management isn't over-leveraging their operational bandwidth.