



GAYATRI RUBBERS AND CHEMICALS LIMITED

CIN: L25209HR2022PLC102495

Dated: 08/05/2026

To

The Manager,

Listing Department,

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400051

NSE Symbol – GRCL

Subject: Transcript of the Earnings Call on the Audited Financial Results for the Half Year (H2) and Financial Year ended March 31, 2026

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') r/w Clause 15 of Part A of Schedule III to the SEBI Listing Regulations.

Dear Sir/ Madam,

In furtherance to our letter dated April 29, 2026 informing the Exchange regarding the Conference Call held on Tuesday, May 05, 2026 at 4.00 P.M. IST and pursuant to the provisions of Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, the transcript of the Earnings Call hosted by the company to discuss the Audited Standalone Financial Results of the Company for the Half Year and Financial Year ended March 31, 2026.

Further, the same has also been uploaded on the Company's website and can be accessed at the following link: <https://gayatrirubberchemicals.com/investors/announcements.html>

You are requested to take note of the above.

Kindly take the above information on record

Thank You

Yours Sincerely.

For Gayatri Rubbers and Chemicals Limited

Roli Jain


Company Secretary and Compliance Officer

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Gayatri Rubbers and Chemicals Limited

H2 & FY '26 Earnings Conference Call

May 05, 2026

Moderator: Ladies and gentlemen, good evening and welcome to Gayatri Rubbers and Chemicals Limited H2 & FY26 Earnings Conference Call hosted by ConfideLeap Partners. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference may contain forward-looking statements about the company, which are based upon the beliefs, opinions, and expectations of the company as of the date of the call. These statements do not guarantee the future performance of the company and it may involve risks and uncertainties that are difficult to predict. We represent the Investor Relations for Gayatri Rubbers and Chemicals Limited. On behalf of ConfideLeap Partners. I once again warmly welcome you all to H2 and FY26 Earnings Call of Gayatri Rubbers and Chemicals Limited. The company is represented by Mr. Shilp Chotai, who is the promoter and Managing Director at Gayatri Rubbers and Chemicals Limited. I would now like to handover the call to Shilp sir for his opening remarks. Thank you and over to you, Shilp sir.

Shilp Chotai: Thank you. Good evening everyone and a warm welcome to Gayatri Rubbers and Chemicals Limited's H2 and full year FY26 earnings conference call. Thank you all for joining us today as we review what has been a landmark year for our organization. The financial year 2026 marks a definitive milestone in our journey, with our total income reaching ₹41.82 crores, reflecting a robust 30.85% year-on-year growth compared to the ₹31.96 crore reported in FY25. Our strategic pivot toward high-barrier rubber solutions and specialized products has yielded exceptional results, allowing us to nearly double our profit after tax to ₹5.59 crores. This performance is underscored by a significant expansion in our EBITDA margins, which rose by 629 bps to 21.11%, demonstrating the strong operational leverage we have achieved across our two manufacturing facilities in Faridabad, Haryana.

From a strategic standpoint, we have further solidified our position as a critical partner to India's infrastructure sectors, particularly within the Indian Railways, where we hold Class 1 supplier status. We manufacture 65 out of 75 rubber products required for a single railway coach, and we have recently launched specialized fire retardant silicone mobile holders for the Vande Bharat and Amrit Bharat coaches. Our recent ₹1.2 crore order from BEML for rubber gaskets is a vital development, as it establishes the vendor code necessary for large-scale future engagements. Beyond railways, we continue to dominate our defensible niche in the smart meter industry as a single-source vendor to listed leaders like Genus Power and HPL Power, positioning us to capitalize on the national mandate to install 250 million smart meters by year 2030.

Looking ahead, we are focused on three clear growth pillars to drive our next phase of expansion. We intend to maximize the utilization of our existing plants toward the 90 to 95% level, while simultaneously entering high-barrier markets like bridge pads and solar industry components starting in year 2027. Furthermore, we are preparing for our entry into the export market in 2027 year, supported by the India-Europe Free Trade Agreement, which eliminates the 6.5% tariff on our products. To demonstrate our conviction in this growth trajectory and our goal of reaching ₹70-75 crore in revenue by FY28, the management has increased its promoter stake to 74.06%. We remain committed to precision manufacturing and building the GRCL brand into a global leader in specialized rubber solutions. With this, I would now like to open the floor for question-and-answer session. Thank you.

Moderator: Thank you. Participants are requested to raise their hands for their questions. Also, one can request their questions in the question box. We have the first question from Mr. Ajay Pandit. Sir, you may unmute and introduce yourself.

Ajay Pandit: Am I audible?

Shilp Chotai: Yes, Ajay ji, you are audible.

Ajay Pandit: Yes, so good evening sir. I would like to congratulate you for the achieving these milestone results. And I have a couple of questions in the architectural segment. So since the architecture segment is rapidly growing, how closely is your order book tied to the completion cycles of residential and commercial projects in India? And how is revenue recognized in this segment? Like is there any order book number you can share?

Shilp Chotai: Thank you. Thank you, Mr. Ajay. Yes, we do contribute total of 25% in architectural and automobile sector, roughly about 10 to 15% in architectural sector. And yes, architectural sector is our regular product and we are doing it since 2008. But as it is little bit low marginal product, so we have shifted to railway sector and smart meter sector. But currently we have a very good hold in architecture sector. We are currently catering to all over India for this, regarding this architectural sector. And regarding revenue share, yes, I've already told you, 10 to 15% we are currently doing. And regarding order book, you have asked for, so currently approx we are having ₹50 to ₹70 lakh order on monthly basis. Monthly to bimonthly basis, yes.

Ajay Pandit: Yes, thank you sir. And the second question was regarding the existing Plant 1, which handles architectural profiles at 30% gross margin and is currently at 80% utilization. In a scenario of real estate construction upcycle, would you prioritize this sector's volume or would the capacity be diverted to high margin railway segment to maximize overall profitability?

Shilp Chotai: Okay. Till we receive high marginal product orders, we are definitely focusing on volume business and we are open to cater any kind of architectural sector orders, till we receive high marginal product. Once we receive high marginal product, we can shift this business towards high marginal product.

Ajay Pandit: Okay. Okay, thank you. Thank you so much.

Shilp Chotai: Yeah, thank you.

Moderator: Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. Next, we have Mr. Raghav Shrivastav. Sir, you may unmute and introduce yourself.

Raghav Shrivastav: Yeah, hi. Am I audible?

Shilp Chotai: Yes, Mr. Raghav, you are audible.

Raghav Shrivastav: Oh, yeah, thank you. So I had some two-three questions on financials. So your EBITDA margins has improved significantly. So it was 14.8% in FY25, which has gone to 21% in FY26. So just wanted to know, are these margins sustainable or will they be normalized going forward?

Shilp Chotai: Okay. Yeah, Mr. Raghav, yes, this level is very well sustainable, because we have shifted to high marginal products. So this margin is easily sustainable. We can assure you about this thing.

Raghav Shrivastav: Okay, got it. So my next question was, your PAT has doubled from, doubled to about ₹5.6 crores. So apart from operating leverage, are there any other key cost optimization which you would like to highlight or any other efficiency improvement which has contributed to this strong profitability growth?

Shilp Chotai: Yes, see main thing which is contributing is high marginal products of specially railways. Other in other thing, we can, transportation cost can be like contribute to margin. Because see, currently we are supplying in small quantity and we have received a huge order. So together, if we are sending consignments together, we can save margins in transportation. So yes, we can transportation is one of the thing which can contribute to PAT other than high marginal product.

Raghav Shrivastav: Okay, okay. So one last question. Your PBT is rising approximately to ₹7.5 crores. So what are your future views on effective tax rate and interest cost for FY27? Any estimate? Should we expect any major changes on this fronts?

Shilp Chotai: See, we are not expecting any kind of changes in interest cost trends, because we are already calculating 25% of corporate taxes and 5.25% as interest cost trends. So we are not expecting any changes in this thing. And this thing is not much affecting our business.

Raghav Shrivastav: Okay, okay. Thank you. Yeah, that's all from my side. Thank you.

Shilp Chotai: Thank you, Mr. Raghav.

Moderator: Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. Next, we have Mr. Jayesh Shah. Sir, you may unmute and introduce yourself.

Jayesh Shah: Yeah, am I audible now?

Shilp Chotai: Yes, Mr. Jayesh, you are audible.

Jayesh Shah: So I have two to three questions. Firstly, Plant 1 is currently operating at around 80% utilization and your target is to achieve 90 to 95%. So what is the additional capex or are there any process improvements that is required to avoid capacity constraints? Can you throw some light on this?

Shilp Chotai: Sure. See, current currently Plant 1 is at 80% utilization and to reach to 90 to 95% of capacity utilization, we do not require any kind of capex. We are just working for like labour team and to increase some shift hours for labours. So we do not require any kind of capex to reach 90 to 95% for Plant 1.

Jayesh Shah: Fair enough. That's helpful. So my second question is for Plant 2, which is focusing on the specialized railway product. Here the utilization is around 30%. So what is your expected timeline for ramping up the utilization in Plant 2? And which are the customers who are currently testing or approving these products, if you can throw some light on this?

Shilp Chotai: Okay. Yes, Plant 2 is currently at 30% utilization and for reaching this plant to 70 to 80% utilization, we will require approx 1.5 to 2 years, because we are specially working this plant for railway specialized product and one product is RDSO approved product. So in RDSO approval product, you have a lock-in. Lock-in like we have got approval from RDSO. So right now we are in developmental stage. In developmental stage, we can get up to 20 to 25% orders till nine months to 12 months. So after that 12 months, we will become a regular for RDSO supplier. So one year from now will be will take to make us reach at for regular RDSO supplier. So after that we are taking another six months for

increasing our utilization capacity. So approx 1.5 years to 2 years we will take to reach this plant at 70-80% utilization. And from this plant, we are making railway specialized product. So these railway specialized product can also be used by other vendors, just like BEML. BEML is working for Indian Railways. They are making coaches for Indian Railways. So they are also procuring same item like Indian Railways from us. So we can even cater BEML or such private clients also from Plant 2.

Jayesh Shah: Sure, that was helpful. And one last question from my end. So we are entering into new verticals like solar, to be specific T-rubber products which are planned for FY27, and bridge pads, which is expected in I guess next six to eight months. So how much of your current R&D budget is being allocated for the same? And how like productive these segments could become over time? So any insight on this, sir?

Shilp Chotai: Yes, sure. See, regarding solar panel T-rubber, we have already started R&D, and approx R&D budget will be around nominal cost, nearby 3 to 5% only for solar. And regarding bridge pads, bridge pad market is actually big. So we are main focusing on bridge pad rather than solar rubber. We are focusing on both actually, but we are expecting more revenue from bridge pads. So in six to eight months, yes, we are going to enter to bridge pad market. And R&D budget is approx 3 to 5% for solar and 5 to 7% for bridge pads.

Jayesh Shah: Got it, sir. Thank you so much and all the best to you, sir, in for the coming years.

Shilp Chotai: Thank you. Thank you, thank you, Jayesh, Mr. Jayesh.

Moderator: Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. Next we have Mr. MD Murtaza. Sir, you may unmute and introduce yourself.

MD Murtaza: Hi, am I audible?

Shilp Chotai: Yes, Mr. Murtaza, you are audible.

MD Murtaza: Okay, hi sir. Good evening. And this is Murtaza, an analyst from Pinpoint X Capital family office based out of Delhi. And sir, I just have a couple of questions I just wanted to understand a little better. So starting with regarding our revenue split, that is it's a little heavily skewed towards railway about 55% and 20% from smart meters. So regarding smart meters, as of now we are the only sole supplier to Genus and HPL. So I just wanted to understand like what kind of agreements, exclusive agreements do we have? And how long contracts like how long are these contracts? And what are there some provisions in case Genus and HPL's plans to diversify their sourcing? Just wanted to understand firstly about this.

Shilp Chotai: Sure. Yes, we do have like agreement with them for till 2030. See, they are consuming and they are using neoprene rubber. That is specialized rubber. See, every rubber factory cannot manufacture this type of neoprene rubber, which they want. They actually are procuring very small size 3mm neoprene rubber, which is fire retardant formulated. So this is again a specialized rubber product. So they have to be dependent on not only our company, but to very particular companies. Those companies are very less in India, and less companies are interested in making such small product because production of such such rubber is low. But we have already set up 14 lines for this small type of rubber production, because we get good margins from specialized product. So we were having at starting, we were having 10 lines and for specially for Genus and HPL we have put up four more lines to manufacture their products. So also, also in worst case if they want to diversify, then we already have clients in line. See Adani is also manufacturing lot of smart meters. In fact, 20 to 25% market share they are currently having for this thing. Another big client is Secure Meters. Secure Meters is a

huge client, who is 100 more than 90% exporting. Even they are in line. So if in case Genus or HPL company wants to diversify and they wanted to, so we already have backup for this thing.

MD Murtaza: So are we planning on adding Adani and Secure Meters to our client list?

Shilp Chotai: Yes, we are. Yes, we are planning, we have already reached Secure Meters.

MD Murtaza: So like what is the capacity utilization for our existing clients, our existing lines for smart meter rubber?

Shilp Chotai: We have 20% utilization free for we can cater any product. We can cater any product, because machine are same almost. So we have free 20% utilization capacity. In case if we receive some big order or anything from other companies or from Genus itself or HPL itself, we can cater.

MD Murtaza: Okay, okay, understood, sir. And sir, next question is regarding the guidance that you've given, reaching ₹55 crore in FY27 and ₹70 to ₹80 crore in FY28. Regarding that, I just wanted to understand what sort of an order book or order pipeline are we having it. And like what sort of risk is there, like are we facing any kind of risk from the in terms of the Middle East what that's going on, and I just wanted to understand the impact that we guys are facing.

Shilp Chotai: Okay. Okay. In pipeline, see we are having two big railway products after one year that will be encashed. Like this I've already we've already mentioned in investor presentation that intercar gangway, we are hoping for intercar gangway after one year it will encash, and it will lead us to reach this revenue and that particular PAT which we have commented. And few other products like EPDM bridge pads and railway pads, those are in our pipeline. Also we are looking for export also in 2027 year. So we are positive about this thing.

MD Murtaza: And sir, as you mentioned regarding the railway pad, I just wanted to understand what sort of competitive landscape is there when you are putting like bidding for the like what kind of competitive landscape is as of existing as of now for the railway pad orders.

Shilp Chotai: Okay. For railway pads, currently there are 70 registered vendors. But out of those 70, I guess 50 to 53 vendors are blacklisted because of non-supplying the material. So currently 15 to 17 vendors are active in this segment and order book is huge. They won't be able to like they're currently they're not been able to supply full quantity. So there is a space for us to enter in this market. Already we have built very good reputation in Indian Railways, so we get this bounty point for other products of railway also. Similar we did in this silicone mobile cover. They were already having three vendors for mobile silicone mobile holder cases, but they easily given us chance to cater that product because we already have good impression for supplying regularly and good quality and in reasonable rates. So that this impression and this can lead us to enter this market railway pad market.

MD Murtaza: Right, right, sir. And just sir, last few questions. Sir, regarding like if you could share some insight regarding how are we planning to like keep our inventories and how will the receivables shape up as you're planning to extend more credit to like get into railways a little more. So I just wanted to understand how the inventories would shape up, how the receivables and the borrowing would come up once we actually like add our inventory goes up and the receivables sort of stretch. So just also wanted to understand the borrowing. So if you could share some insights regarding all of these.

Shilp Chotai: Sure. Sure. First I will tell you about inventories. So as we are shifting to high marginal product and we are earning good amount of money, we are diverting this money to this thing inventories, so that we get ourselves prepared for next order, or if we receive any big order then we

can able to supply them immediately. And regarding to receive of payment, 90 days is generally payment cycle is there for 90 days. It hardly gets 10 to 20 days plus or minus. So we are trying currently trying to manage all our profit margin to inventory, we are keeping it as inventory and we are getting ourselves ready for next order in case if it comes.

MD Murtaza: Okay and sir, regarding borrowings, are we planning to keep it where it is around ₹6-₹7 crore or are we looking for like increasing it for working capital, how are we looking at?

Shilp Chotai: Yes. Yes, we may borrow ₹1.5 to ₹2 crore more in this year to match up this revenue and everything, revenue and inventories.

MD Murtaza: Okay and sir, just one finally question. Could you sort of give a like a brief breakdown regarding the EBITDA margins about the about the various verticals, like for example, a smart meters roughly has a ballpark figure would work, rough EBITDA margins that we have from each vertical.

Shilp Chotai: Okay. Rough EBITDA margin for smart meter would be around EBITDA margin would be around 30% I guess roughly I'm telling you this thing. Yes. So around 30% EBITDA margin we do have in smart meter. In railway again, we do have 35% around EBITDA margins, 35% around. And in others and in others around 15 to 20% we do have in architectural and automobile sector. That is basically volume-based business. Architectural and automobile is volume-based business, that's why.

MD Murtaza: Right, sir. Okay, these were all my questions. Thank you very much. All the best for the future.

Shilp Chotai: Thank you, Murtaza. Thank you.

Moderator: Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also, one can request their questions in the question box. Next we have Mr. Shubham Jain. Sir, you may unmute and introduce yourself.

Shubham Jain: Hello, am I audible?

Shilp Chotai: Yes, Mr. Shubham, you are audible.

Shubham Jain: So, first question would be on the railway side. The presentation mentions that we supply 65 out of the 75 categories in the railway segment. So what type of expenditure does the railway do on each bogie, if you could help us understand what's the I mean, market there and what's our wallet share in that.

Shilp Chotai: Okay. In single railway coach, they spend around if I calculate for single coach approx around they spend ₹1.5 to ₹2 lakh per coach just for rubber. And annually and yes and annually they are rolling out 1 lakh railway coaches in India. Yeah. And out of out of those ₹2 lakh we can cater, I'm not saying we are catering, but we can cater up to ₹1.25 to ₹1.3 lakh per passenger coach. We can cater up to.

Shubham Jain: Okay. And the presentation also mentions that we have expansion plan ahead via deeper rail penetration. If you could elaborate on that, how are we going to is it wallet share increase in the existing products or are we increasing our offerings to the railway? And what sort of margins do we expect from that?

Shilp Chotai: Okay. Both the ways we are doing. Like we are currently increasing our ongoing supply also for similar product also and for new product also. In similar product we've already mentioned earlier, we've already received approval from RDSO. So that is our existing product. We will gradually increase our supply for this particular product which is high marginal and high volume based and

another 10, 10-12 more items we are currently not supplying to railway, we are focusing on that also. One is rubber pad, another one few are molding products. Currently we are supplying almost 90%, means 60 products out of 65 products from extrusion line and the 10 products which we are not supplying is of from molding line. So in this year we are focusing on those 10 products also from molding line. We have setup already setup molding plant. That's why we'll utilize that molding machine for this these 10 products.

Shubham Jain: Okay. And what sort of margins would we expect going ahead after all the expansion and the offering expansion?

Shilp Chotai: Margin we can we are expecting 14 to 17% in coming two years.

Shubham Jain: This would be EBITDA, right?

Shilp Chotai: I'm talking about PAT. 13 to 17% PAT.

Shubham Jain: Okay. And sir, this is a simpler question. Are we a predominantly natural rubber player or a synthetic rubber player?

Shilp Chotai: No, we are doing both the things.

Shubham Jain: So what sort of troubles do we have currently given the sulfur shortage?

Shilp Chotai: No, there was no such sulfur shortage, there was a big carbon shortage. This is the this is one of the reason why we have piled up our inventory. So we were continuously buying carbon from verified sources wherever we are getting. And see expenses have been increased this year because of this thing only that raw material raw material prices have already been increased. After raw material prices increase then also material was not fully available. So we were trying to accumulate as much as we can from verified sources.

Shubham Jain: Okay, and are we able to pass through that entire overhead to our customers or is there a lag in that?

Shilp Chotai: See, there are two things in this thing. For Indian Railways, we cannot charge them because we have already received tender for two months to six months time period. So we cannot put cost on them. And in in smart meter and architectural automobile sector, we've already passed 100% of our cost to them.

Shubham Jain: Okay. And sir, two or three last questions. One would be on a blended basis what could be our share of businesses going ahead as in currently it's 55% railway and others take 45%. Going ahead what could be a rough estimate of share of businesses?

Shilp Chotai: Okay. In railway we will increase up to 5 to 10% not more than that because we don't want to be a single dependent business, single sector dependent business. That's why we can add more 5 to 10% more. And see what we do now. If we receive if we have opportunity to grab 20%, we do not let it go. What we do is we do not fill tenders where we are getting low margin. So we extract that product and we add more marginal product. Like that maximum we are planning to increase it for 10% not more than that, similar in smart meter, 5 to 10% more. That's it.

Shubham Jain: Okay. And sir, what sort of blended margins should we expect as investors on the bottom line?

Shilp Chotai: Bottom line given the change in the share of businesses and expansion plans and such. it will gradually definitely increase. At PAT level 14 to 17% we are expecting.

Shubham Jain: Okay, Sir, one last question would be I'm not really aware of the expansion plan. I'm just new to the company. So if you could explain that again what are ex our expansion plan and what sort of expenditure are we planning to go ahead with.

Shilp Chotai: Expansion plan regarding plant or overall?

Shubham Jain: Overall across the segments.

Shilp Chotai: Across the segment expansion see we are we have we are focusing on to these four or five products regarding expansion. One is solar rubber, another one is EPDM bridge pads then railway pads then export. So currently simultaneously R&D is going on all four products. So we will just verify will check and will see the margins and will see the terms and condition for payments and everything and we will decide in which vertical we will move towards. And we will do one by one. We won't like put everything on together. So we will work one by one.

Shubham Jain: Actually I was asking from a capex point of view.

Shilp Chotai: Okay, sorry I didn't get your question that's why. Currently see currently we are not looking for capex because 20% it's still free in Plant 1 and for Plant 2 still we have long runway for about 70%. So currently we are not looking for any capex. And if we receive suddenly any big order or anything, we can put up two or three machineries in Plant 2. Plant 2 is bigger than Plant 1 and they have like Plant 2 has empty space. So we can install two or three machineries. Machinery is not of that big cost we can manage it from our PAT also. So after installing two or three machines in Plant 2 again our capacity utilization will be very big. So currently we are not planning for any big sort of capex.

Shubham Jain: Okay, sir, that's it from my end. Thank you, sir.

Shilp Chotai: Sure, thank you. Thank you so much, Shubham.

Moderator: Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also one can request their questions in the question box. Next, we have Mr. Vasu Bhora. Sir, you may unmute and introduce yourself.

Vasu Bora: Hello, am I audible?

Shilp Chotai: Yeah, sir.

Vasu Bora: Myself Vasu Bora and I am an equity research analyst from Aarth Sanchay Growth Fund in Mumbai. My question was that with 12 crore annual order book currently for smart meter specifically, does the company have sufficient scalable capacity to handle a sudden surge in orders if deployment accelerates faster than expected?

Shilp Chotai: Yes, we do have. It's just about labours that's it. We are currently continuously working on labour teams and we are getting positive response also. In summer we do have some little bit of problem, but after within two to three months this problem will also get sorted. So if in case we get any surge in order or if we get new clients two or three new clients like Secure Meters and Adani, we will be able to supply them. No issue in that.

Vasu Bora: Okay, okay. And one more question is that, as we are seeing the smart meter industry is heavily tied to RDSS-driven government rollout targets, how sensitive is the company's smart meter revenue pipeline to delays in DISCOM ordering cycles or changes in subsidy disbursement timelines?

Shilp Chotai: Can you repeat the question please?

Vasu Bora: The smart meter industry is heavily tied to RDSS-driven government rollout targets. How sensitive is the company's smart meter revenue pipeline to delays in DISCOM ordering cycles or changes in subsidy disbursement timelines?

Shilp Chotai: Okay. So generally we keep ready stock for such companies where the matter is sensitive regarding this thing government related business. So there I don't think so we make any kind of delay to them as we are serving them since four to five years so cycle has been already set. So I don't think any issue can come except such war situation which is not in our hand and like that. Otherwise there won't be any kind of delay from our end. Regarding annual revenue contribution, it is gradually increasing from their side also 15 to 20% year on year. we are working on also so I guess that isn't any problem regarding this.

Vasu Bora: Okay, okay. That's it from my side and all the best for your business.

Shilp Chotai: Thank you. Thank you, Vashu. Thank you.

Moderator: Thank you. Just a quick reminder to everyone, if you have a question, please raise your hand using the reactions tab. Also one can request their questions in the question box. Next, we have Mr. Rahul Singhania. Sir, you may unmute and introduce yourself.

Rahul Singhania: Hi, sir, am I audible?

Shilp Chotai: Yes, you are audible.

Rahul Singhania: First of all, I see margins have improved throughout, so congratulations on that. Good to see. Recently we secured an order from BEML, large order 1.2 Cr. So can you talk a little bit about that? I want to understand how long does it take after we get the initial vendor approval to scaling up into more repeat orders or larger orders.

Shilp Chotai: Okay. Approximately it takes about six to eight months. See we have received the order. We will deliver it in we have started already started delivering material to BEML. They will inspect this material, they will install, they will get certified from Indian Railways and coach will eventually roll out. So after roll out, they will get confirmation within one month. So calculating this time, it will take approx around six months, approx six months. So after six months once we receive the good feedback from Indian Railways, they are ready to give us bulk orders, big orders, big amount of orders.

Rahul Singhania: Understood, sir. And going forward to FY27, FY28, what are your key growth drivers within the railway segment? Are you seeing strong order book visibility or any new opportunities in this space?

Shilp Chotai: Yes. In Indian Railways, continuously demand is increasing. Plus they have shifted from natural normal rubber to highly specialized rubber. So competition is already decreased, competition is already been decreased, because very few players are able to meet their quality criteria. So yes, we are expecting good orders and good margins from railway industry and smart meter industries both.

Rahul Singhania: That's all from my side. I'm very optimistic about the company. Thank you, sir. Thank you for answering questions and best of luck.

Shilp Chotai: Thank you so much, Rahul. Thank you.

Moderator: Thank you. Next we have a follow-up question from Mr. MD Murtaza.

MD Murtaza: Hi again, sir. I just wanted to like understand a little better regarding our railway segment. So like you stated that there are about some 50 vendors apart from us who are recognized. So like I

just wanted to understand first of all, how do we stand against them in terms of capacity? Secondly, what sort of pricing differential is there that we sort of put forth?

Shilp Chotai: Yeah. So these 50 vendors, 50 competitors I have mentioned is only for railway pads, not for other products. Usually in in category where we are dealing, there we do have 10 to 12 competitors only. And now regarding capacity, I guess like we are not I guess but we are in top two or top three supplier regarding capacity. Because we have huge capacity supplying for supplying them. What main our positive point for Indian Railways is the supply. They need timely supply and good quality. We are providing them both the things. That's why we are standing out and we have clear we have quickly developed such big business in Indian Railways.

MD Murtaza: Yes, glad to hear that and in regarding the cost difference what sort of what sort of pricing differential is there between us and the competitors? Regarding what sort of pricing differential is there between us and the competitors do we price them cheaper than them or because of quality we can place it a high a little more high like just wanted to understand that also.

Shilp Chotai: Sure. Sure. Sure. No, we do not provide them cheaper with cheaper rates. In fact, our rates are 20 to 25% higher than them. If during tender process we are coming L3 or L4 also, then also we are getting the orders because of quality and timely supply. Railway wants two things, one is quality and one is timely supply. It's not about rates. They do check their they do have their own this what they call this, but missing the that term, they do give points they do give points on supply and timely supply and quality rating sort of. So other what we have tried to find out others have 50 to 70% of ratings and we are currently having 92% of positive rating. So first of all, while opening while when tender gets closed and financial tabulation gets finalized, first thing what they see is not price first thing what they see is vendor rating. So if we are we are currently having 92% of vendor rating this thing. So like naturally we are falling in first place. So rate is never an issue for them. We intentionally give them like quote them higher rates because we wanted to supply actual good quality and timely supply. That's why. So this is the huge difference between our competitors and us.

MD Murtaza: Right, right, sir. Great to know that. And just sir, from what I understood in the previous questions, the labour is something that seems to be like a bottleneck for us. So like is there some like how are we like what exactly is the issue here and how are we trying to cope up with it? Just wanted to understand that also.

Shilp Chotai: Yeah, sure. There is no issue regarding this thing, but due to higher demand we are daily in short of labours. First of all while we have when we have started the company like listed our company, at that time we used to have 15 to 20 labours. Right now we do have 80 labours. But due to continuous demands of rubber and we are falling in short of labours. Also we do face difficulty during summers. Rest nine months we do not face such difficulties. During summers extreme heat is there also boilers are there in rubber industry, so they do extract heat. So you know, at this time naturally labours are less than other nine months.

MD Murtaza: Right sir. And just sir, just wanted to understand a little bit what sort of a structure is there. Sir, is it just you who is looking after all the three verticals or do we have other people on leadership that also like are looking after like each vertical? How is it structured? Just wanted to understand that also.

Shilp Chotai: Sure. Sure. No, definitely we do have our team. One main is CFO is there in our company and other directors we have already distributed our work. One person cannot yeah one person cannot handle everything perfectly, so we do have team also. We do have qualified team, we do have specially

R&D team, we do have laboratory, we do have in-house laboratory. So we are having qualified lab technicians. We do have specially R&D team.

MD Murtaza: Sir, regarding R&D team, how big of a like how big is our team for R&D?

Shilp Chotai: Currently we do have team of three person, one is part timer so we do have team of four person only and we are sufficiently doing good work from this team. In case in future if we need, yeah, in case in future if we need, we can hire them.

MD Murtaza: Perfect, sir. And sir, regarding one of our facilities is in Faridabad, and where's our second facility?

Shilp Chotai: Both facilities are in Faridabad itself within 1km of area.

MD Murtaza: Okay, okay, understood, sir. If you guys would plan for a plant visit or something would really be interested.

Shilp Chotai: Definitely, yes. We would love to we would love to host you.

MD Murtaza: Thank you, sir. Thank you very much. All the best for future.

Shilp Chotai: Thank you. Thank you so much, Murtaza. Thank you.

Moderator: We believe there are no further questions from anyone. We will now take questions from Q&A box. So first question is from Mr. Rehman Sayyed. In Plant 2 current utilization is only 30% with a revenue potential of 60 Cr. What are the key bottlenecks in ramp up to hurdles demand visibility or execution constraints? Second question is on the railway segment. You indicated a ₹70 to ₹80 Cr tender opportunity with a targeted 30% share. What gives you confidence in achieving the share given the competitive landscape?

Shilp Chotai: Okay. Yeah, in Plant 2 current utilization is only 30%, okay. In Plant 1 we do have in Plant 2 we do have 30% of utilization. Currently we are waiting for approvals from Indian Railways. As I mentioned earlier during some question in this call that we are already received approval for developmental stage. So we can cater only up to 20% of those tender share. And after one year we will be able to enter full market, that is 100% we can able to cater 100% of market from Plant 2. Okay.

Moderator: As there are no further questions, we would now like the management to give the closing remarks.

Shilp Chotai: Yeah. Thank you so much, everyone. Thank you so much. We are very optimistic about next quarter. And thank you so much for joining and giving time. In case of any query, you can contact Mr. Abhinav anytime. Thank you so much.

Moderator: Thank you for joining Gayatri Rubbers and Chemicals Limited H2 and FY26 conference call hosted by ConfideLeap Partners. Participants may sign off.