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To,
The National Stock Exchange of India Ltd.
“Exchange Plaza” C-1, Block-G
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Symbol: RAPPID
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Sub: Intimation of Transcript for Earnings Conference Call held on Monday, June 01, 2026.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript for Earnings Conference Call held on June 01, 2026 for discussions on Company’s business and outlook post declaration of the Financial Results for the half year and year end March 31, 2026.

Thanking you,
For Rappid Valves (India) Limited

Gaurav Vijay Dalal
Chairman & Managing Director
DIN:00494466





— TRANSCRIPT —

EARNINGS CALL H2FY26



Monday
1st June 2026



03 : 00 PM
(IST)

COMPANY MANAGEMENT

MR. GAURAV VIJAY DALAL

CHAIRMAN & MANAGING DIRECTOR

LET'S CONNECT ▶



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FINPORTAL
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Finportal IR: So, I think, sir, we can start.

Good day, and welcome to the inaugural H2 and FY26 earnings call for Rappid Valve (India) Limited. We appreciate your participation as we review the company's operational and financial performance for the half year ended to FY26, as well as the strategic outlook moving forward. As this marks the company's first earnings call, today's interaction is an important milestone in its journey towards building long-term value and strengthening engagement with the investor community. The objective of this call is to provide shareholder, analysts, and stakeholders with the insight into company's business performance, key developments, and future direction.

Please note that this call is being recorded, and some statements may be forward-looking based on the current assumptions. These statements are subject to risk and uncertainties, and actual results may differ. The company does not commit to update forward-looking statements unless as required by law. We advise participants to consider these factors and refrain from relying solely on forward-looking information.

Representing Rappid Valve (India) Limited today, we have Mr. Gaurav Vijay Dalal, Chairman and Managing Director. I will now hand over the floor to the management team for their opening remarks. Following their address, we will open the floor for Q&A session. Thank you, and over to you, sir.

Gaurav Dalal: Yes, thank you so much, Bhumika. So, good afternoon, everyone. On behalf of the entire team at Rappid Valves (India) Limited, I would like to welcome all our shareholders, investors, analysts, and stakeholders to our earnings call. As this is our first interaction with many of you, I would like to begin by sharing a brief overview of our company. Our business model, the industries we operate in, our performance during the financial year 2026, and our vision for the years ahead.

Rappid Valves (India) Limited was incorporated in 2002 with a simple objective to manufacture high-quality industrial valves to meet the demanding requirements of critical industries. Over the last two decades, we have steadily transformed ourselves from a regional valve manufacturer into a listed engineering company serving customers across a wide spectrum.

Today, we operate a manufacturing facility which is spreading across more than 45,000 square feet in Palghar, Maharashtra. We serve over 90 customers out of which 65 are most active customers in industries such as defence, shipbuilding, oil and gas, chemicals, ethanol, water treatment plants, fire, safety, and other industrial sectors.

Our competitive strength is further reinforced by the certifications and approvals we have built over the years. Certifications such as API, DNV, IBR, Class NK, UL, and many more are not obtained overnight. They represent years of investment, technical expertise, quality systems, and customer trust. These approvals create meaningful barriers to entry and support our positioning in the high-value markets.

For those who are new in this sector, valves are among the most critical and often overlooked components in industrial infrastructure. Whether it is a naval vessel, refinery, chemical plant, ethanol, water treatment plant, oil and gas, Valves are responsible for controlling and regulating the flow of liquid, gases, and steam. In many applications, these are mission-critical safety components where failure simply is no option.

What makes Rappid Valves a differentiator from other manufacturers in the market? One of the key differentiators of Rappid Valves is our growing focus on marine and defence applications. Unlike conventional industrial valves, marine valves operate in highly corrosive, saline environment, and must meet stringent requirement of the Indian Navy and the Marine Standards.

Backed by performance and a lot of certifications, these products require metallurgical nickel-aluminium bronze, gunmetal materials, and non-ferrous materials which can withstand the harsh conditions of the sea.

Over the years, we have consciously invested in building capabilities in the niche market. Today, we are approved vendors with all major shipyards, such as Mazagon Dock, Garden Reach Shipbuilders, Udupi Shipyard, Cochin Shipyard, L&T Shipbuilding, and so on. We have established a strong track record in supplying valves for marine and shipbuilding applications. We believe this positions us favourably to benefit from India's rapidly growing defence and shipbuilding ecosystem.

Apart from that, Rappid Valves have invested heavily into design and development, where we have lately developed triple offset butterfly valves, high-pressure valves, up to 400 bar.

Further to that, lately we have been having integrated systems, such as automation, where we are mounting the valves with pneumatic actuators, electrical actuators, hydraulic actuators, and electrohydraulic actuators.

In line with our commitment with world-class manufacturing and faster delivery timelines, Rappid Valves has made significant capital investment recently by acquiring two VMC machines, which are likely to be delivered within the next 25 days. We have invested in 5 new test benches to ensure fast-track production and faster deliveries to the customers.

In addition to that, we are constantly investing into software's for developing new products and ensuring that they perform to the best of its ability during the harsh conditions.

The outlook remains highly encouraging. India is witnessing a strong investment across sectors such as defence and shipbuilding. Particularly in the marine and defence segment, India has embarked on a significant naval modernization program with numerous vessels under construction and many more planned over the coming years. We believe this represents a multi-year opportunity for qualified domestic suppliers like Rappid Valves.

I am pleased to inform our investors and stakeholders, during the year financial year 2026 and 27, we have added quite a few customers, new customers, to our kitties, to name a few, would be Heinen & Hopman, who are majorly into HVAC systems on the warships, Shree Refrigerations, again, into HVAC and air conditioning. MBBM Muller Acoustic Private Limited, which are into Naval noise reduction systems, Flakt Samsung Group, again, HVAC systems. We've also bagged orders from Gail India Limited for oil and gas.

Coming to the revenue part of the year, we have significantly achieved a 53-crore turnover, which is not something that our stakeholders and shareholders would have expected, but there's a reasonable reason that I would like to put in front of all my investors, shareholders, and stakeholders.

During the financial year 26, the company reported a revenue from operations of approximately 53 crores, and a profit after tax of approximately 6.5 crores. While the revenue growth during the year was modest, we successfully maintained healthy profitability and continued to generate strong returns on capital.

Importantly, financial year 2026 needs to be viewed in two distinct halves. First half, the year witnessed healthy business momentum and continued execution across our key sectors. However, during the second half of financial year 26, the industry encountered a combination of challenges.

First, sharp volatility in copper and other non-ferrous metal prices. Given the marine and the defence contracts typically have execution cycles ranging from 1 year to 2 years, aggressive bidding during such periods can expose Rappid Valves to a significant cost escalation, risk, and potential margin erosion.

Second, geopolitical developments and disruptions in the LPG supply chain affected foundries and casting manufacturers, impacting the availability of raw material and procurement during these stringent timelines.

Faced with these uncertainties, we took a conscious and a management decision to prioritize profitability, execution, quality, and long-term value creation over short-term revenue growth. We adopted a more selective bidding strategy, rather than aggressively pursuing orders where future input costs visibility was inadequate. We firmly believe that protecting Shareholders' capital and maintaining execution discipline during volatile periods is more important than pursuing growth at any cost.

As on date 1st June 2026, we are very happy to inform you that our order book stands at roughly about 42 crores, out of which for 33 crores, we have physical purchase orders in hand, and for 8.5 crores, we are yet to receive an official purchase order, but we have received an LOI from the customer. So, our total order book is 42 crores, approximately, standing as on date.

So, before I conclude, I would like to express my sincere gratitude to all my employees, my shareholders, my stakeholders. For taking the time out and joining this meet and understanding the current and the future prospect of this organization.

The last few years have been transformative for our company, and we remain committed of creating sustainable, long-term growth for all our stakeholders. Thank you once again for joining us. We shall be open to take any questions if you have. Thank you so much.

Finportal IR: Thank you, Gaurav sir, for the insightful introduction about the company. We will now move on to the Q&A session. Participants who wish to ask a question may raise their hand. Prasenjit, sir, you can go ahead with your question.

Gaurav Dalal: Yes, Mr. Paul, very good afternoon to you.

Prasenjit Paul: Good afternoon to you. First of all, congratulations for posting decent set of numbers.

But sir, my question is, like, last year, while I was checking out the corporate announcement back in 1st February, so there was an announcement where you have mentioned that you are expecting around, 50% volume growth CAGR in FY26 and 27.

So I can understand the H2 disruption, whatever you have, shared. So, can you help me to understand what was the assumption behind that 50% volume growth that ultimately failed, and whether we can expect, because we are still on the same baseline, so whether we can expect or whether we have enough capacity for similar kind of 50% volume growth for the next 1 or 2 years?

Gaurav Dalal: Absolutely. Mr. Prasenjit, thank you for the question. So, importantly, like what I stated in my last meeting, 50% growth, we were on track. We are holding orders worth rupees 10-12 rupees due to extreme price escalation.

You are aware of all the PSU shipbuilding yards, there is no price escalation. But wherever it's possible in private shipyards, we are, we are convincing our customer to give their price escalation, so the material is ready with us, but we are holding with us, since we're expecting a price revision in those particular purchase orders.

As far as the capacity is concerned, yes, we are well equipped up to 120 crores, so I don't see that we need to further expand our capacity, except for the fact that we are continuously investing in expanding our

automated machinery. Like I mentioned, we have already procured in process, or procured expanding the machine in the next 25 days, which are 2 VMC machines and 5 testing benches.

Prasenjit Paul: Okay, got it. Second question is, like, as we have received several certification and approval for US market, in Japan market, so, does the revenue contribution started from it, or not? If not, then from when we can expect, and what kind of, EBITDA margin, like, we can expect from those, export market where we require certification and approval?

Gaurav Dalal: Right, so, so there are two aspects. In marine, when you deal with all these shippers, there is a body called ISCS member. So, there are 7 to 8 surveyors in ISCS member, where you need to take the type approvals from these surveyors, okay?

Once you have these type approvals on board, you are qualified for the pre-qualification criteria in all the tenders to participate and to win the tender. So, all these certifications are mandatory for marine and all shipyards. We need to have it in place.

As far as you're talking about the revenue growth, I have disclosed our order booking, that we are almost 80% of the order booking has been concluded in the first quarter, which is approximately 42 crores, so we are looking at a bright future for the year 26-27.

Prasenjit Paul: So my question was, like, is there any, like, what kind of margin we can expect from those export order compared to the domestic order? Is there, like, those are higher margin order on a similar.

Gaurav Dalal: So, again, depends what industry you're dealing with. When you say margins, yes, export markets do have a little more extra edge over the domestic market. However, in international markets, you are directly challenged with China. So, that itself is a very big challenge for the Indian manufacturers as well, because you're competing with global players, and especially when China comes into play.

So, I would not say there is a huge difference. There can be a marginal difference in the domestic and the international markets.

Prasenjit Paul: Okay, so finally, the last, question from my side, like, what kind of price, as you mentioned about the raw material price escalation, yes, we all know about the inflationary pressure, but as you have certification, approval, don't you have any kind of price escalation clause on your existing order book?

Gaurav Dalal: Unfortunately, no PSU units are mentioning on tender, any price variation or price escalation changes.

So, as far as if you've bagged too many orders in past, then you have to honour those orders and execute to all the shipyards. Hence, I said that we have already 10 crores material lying in our factory as I speak, which we didn't dispatch in March, because we are looking at a revision in the purchase order copy, which is from a private shipyard.

Prasenjit Paul: Okay, got it. So, as I understood, like, no such price escalation clause is there. So, normally, generally, the order book normally gets fulfilled about how many months? Like, is it a short-term, like, or a long-term kind of order book that whatever you mentioned, 33 crore, approx.

Gaurav Dalal: So, Mr. Paul, just to brief you, lately, in this particular month, in this quarter, the carry-forward order book would be approximately, I say around 20, 22 crores, and the fresh 18 crores - 20 crores are coming from this current quarter. So these are all the freshly, newly booked orders, it with the new prices, not with the old prizes.

Prasenjit Paul: Okay, and those will be executed in how many months?

Gaurav Dalal: So, you have to understand, all the shipyards, they don't make one similar kind of a ship, they make 3 or 5 similar kind of ships. So, usually, 3 ship sets are supposed to be delivered in this financial year, and the 2 shipsets are pushed to the next financial year, which is 27-28.

Prasenjit Paul: Okay, so we can assume majority of the order book, what you have said right now, most of them, majority will be, I mean, executed in this financial year itself.

Gaurav Dalal: Certainly, sir. We have to somehow manage to cope up with this financial year, so we are looking forward to a very bright financial year 2026-27, certainly.

Prasenjit Paul: Okay, thanks a lot. Thank you for answering.

Gaurav Dalal: Pleasure, Mr. Paul.

Finportal IR: Chintan, sir, you can go ahead with your question.

Chintan Parikh: Thank you. Gauravji, thank you for the session, and the good numbers. So, want to understand the future direction, especially on, let's say, is there any plan to move towards electromechanical or electrical actuators or valves, because... especially in looking at our defence and marine applications, as well as the emergence of USV coming up.

Gaurav Dalal: So, like I mentioned, Mr. Parikh, first of all, very good afternoon. The current orders, what we have from Shree Refrigerations, Heinen & Hopman, Flakt Group, these all valves are integrated with electrical actuators.

Chintan Parikh: All right.

Gaurav Dalal: So, we are manufacturing manual as well as all kind of actuation. So, there are four types of major actuation which are used on the shipyards or by defence. Number one being most common is the electrical actuator. Second is hydraulic actuator, and the third one is electro-hydraulic actuator.

Chintan Parikh: Alright, and the growth, are we also pursuing electrical actuators heavily now, or what's.

Gaurav Dalal: So, sir, we do not manufacture electrical actuators. We are the integrators for the actuators, so we are taking from marine-approved OEMs, and we do the entire integration part with the control panel with everything.

Chintan Parikh: Okay, so on the valve side, looking at some of the, bigger government schemes, like JJM and others, are there any kind of IoT-enabled valves or automated systems that we are currently working on?

Gaurav Dalal: So, yes, we are working on a... it's actually... the system majority part is always in the scope of the shipyard, okay, because entire, the entire automation part is always in the shipyards, but what we supply them is the valve, with the actuator, and with the control panel.

Okay, so you are referring to IPMS system, which is Integrated Platform Management System, or Ballast Cargo Systems. Yes, we do give them the entire system together, but the integration part on board is, again, with another OEM who's doing the entire automation on board.

Chintan Parikh: Okay, understood. Sir, with the new facility coming up, I saw in presentation it was mentioned that we are currently operating at around 85% utilization.

Gaurav Dalal: Right.

Chintan Parikh: So I assume this is for the old factory and not with the new.

Gaurav Dalal: Absolutely, sir, with the existing, but we had enough space to expand, so eventually, when we started off, we were just, having around, I think, 20-21,000 square feet. Today, we are operating from 45,000 plus square feet. We have, expanded vertically, we have expanded horizontally, there are new machines coming in. So, yes, we are expanding, we are utilizing maximum space in the factory.

Chintan Parikh: So, the question, sir, is that our numbers in FY26, I mean, the growth was not that high. I'm assuming it's mainly because of the capacity utilization of 85%.

Gaurav Dalal: No, sir. No, absolutely not. It was not for the capacity utilization. It was mainly because of the prices were surging more than 30% in copper. So, we had to be conscious about securing orders also at that point of time. Just to give you a rough estimate, nickel aluminium bronze was roughly about 1250 rupees per kg, which shot up to 1650 rupees per kg now.

Chintan Parikh: So, now looking at this current financial year's and with the extra capacity, how do we see utilization of the capacity? Looking at the higher metal prices.

Gaurav Dalal: So, when we say utilization of capacity, is... there are only two hurdles. One is the machining part of all the valves, and second is the testing, you know? So, we have, again, bought 7 new machines to ensure that we have the timely delivery to it.

And in terms of growth, we have to make up for this year, so we'll be working 3 times harder to ensure. And the best part is that we already have 80% of the entire turnover of last year as an order book in hand as on date.

So that... that even boosts our morale, and it boosts entire team's morale also, at the same time.

Chintan Parikh: Thank you, Sir, I'll go back into the queue, yeah.

Gaurav Dalal: Thank you so much, sir.

Finportal IR: Thank you. Ashish, sir, you can go ahead with your question.

Ashish Soni: Sir, couple of questions, one is, because of these prices do you think the business you would have, forego, will there be an impact on future business with those customers?

Gaurav Dalal: Oh... In past or in future?

Ashish Soni: Future, future, because of high prices, you said you'd let go of some orders, but sometimes that impacts your customer relationship, so do you see any impact with some of those customers going forward?

Gaurav Dalal: Sir, the first impact with the price rise is always with the customer, because we are supplying a very small part of a very big project, you know? So, they are procuring steel in... in thousands of tons, so they also realize that there is a major price shift in the market with the ferrous and the non-ferrous.

But we were very conscious in bidding for orders. If you would have been too aggressive with bidding the orders and taking the order, probably they would have gone and lost with the price escalation. So, customer is aware. As far as relationship is concerned, these are all PSU tenders which are on GemPortal, NIC, and Defproc.

So, if you... if it's a reverse auction, we are not bidding very aggressively, but we are participating. If we get our price, well and good.

Ashish Soni: And there was supposed to be a US customer audit.

Gaurav Dalal: Yes, it is.

Ashish Soni: In March, what happened to that contract and visit?

Gaurav Dalal: So, yes, the visit is over. You are mentioning about the Pennsylvania client in the US. The last lot has been dispatched to them, and we are just waiting for the final results of the 10 valves what we supplied. So, that is something which is happening barely from last one year. They are a little slow. It's a very big organization, but we are hoping by next one month or so, we should have the results out of the laboratory test, which is happening at their end, not at our end.

Ashish Soni: When is a contract getting signed?

Gaurav Dalal: They are eager to sign the contract, but we again have to revisit the prices. It will happen very soon. The contract will happen once the lab reports are out from their internal laboratory test.

Ashish Soni: And last question, what sort of growth you're anticipating, in next two years, at least? Because I know last was challenging, and because you are still dependent on PSUs, and they are doing heavy lifting in terms of the marine or whatever work, right? So, what's your growth you're anticipating in next two years?

Gaurav Dalal: So, when we talk about growth, if you're sitting on an order book of already 42 crores, or 40 crores, I would certainly suggest that we should at least have a minimum growth with the order book and everything, closing to 50% or more.

Ashish Soni: But next two years, right? Is that understanding?

Gaurav Dalal: So this, I'm talking about the current year.

See, we have to understand, the orders are awarded, but the timelines of delivery are quite prolonged, because the progress of the ship is very slow. So, in many of the cases, even if the material is ready, it is not picked up by the customer, because the progress of the ship is very slow.

Ashish Soni: And Apart from that US customer, are you targeting any such bigger customers across the globe for an annual contract sort of thing, or is it going to give you some breakthrough to get more orders.

Gaurav Dalal: Sir, we are, we are currently, actually, to be very frank, there are huge, tenders and huge... we're expecting good orders this week, probably I'll be publishing them soon. There is enough business in domestic market. So, very frankly, I am not trying to focus on export market as of now. Only the old client, which I'm in one year, that is my only concentration part for the exports. Other than that, I'm very happy with the PSUs and the entire ecosystem of India, the way it's progressing right now.

Ashish Soni: Okay. And one last question on the margins. Except for PSU customers, you're not seeing any challenges with pricing, with the raw material I increase, any pricing challenges with escalation with customers?

Gaurav Dalal: Yeah, there is. So, since last month, the price escalation was only for the non-ferrous, which is the gunmetal, nickel aluminium bronze, and copper. Now, we are getting all the mails from all the founders for stainless steel and carbon steel also. So, overall, the metal prices are surging very high, almost by 25 to 30%, but what happens is, for the non-Ferrous market, I'm not working with any PSUs. We are working with all private companies. So, where we have to revise our pricing, and it is happening. They are accepting the price change. So that is not a very big challenge.

Ashish Soni: Oh, thanks, and all the best for the future.

Gaurav Dalal: Thank you so much, sir. Appreciate it.

Finportal IR: Nishita, you can go ahead with your question.

Nishita Shanklesha: Yes, so, I just had a few clarifications. So, you mentioned that, our capacity is well equipped to do 120 crores of top line, is that correct?

Gaurav Dalal: Yes, certainly it is.

Nishita Shanklesha: But, in the presentation, it's mentioned that we're already at 85% of capacity utilization. So, according to that, our top line should have been around 100 crores, so, like, it's... the numbers doesn't match?

Gaurav Dalal: No, so you... you don't have to say the capacity, it depends upon the size of the valve.

For example, in terms of shipyard, nickel, aluminium, bronze 2-inch valve would be costing you, say, around, say, hypothetically, 20,000 rupees.

And a same valve, which is of 18 inches, would be costing you 40 lakhs.

So, when you talk in the industry or valve industry, it depends upon not the quantum of the valve, how many produce, but the size and the pressure rating of the valve. Higher size of the valve, higher pressure rating...

Nishita Shanklesha: Okay, understood. So this 120 crore of top line, that are capacity, so that... what size of valve, or what will be the average valve size?

Gaurav Dalal: See, average valve ranges, it depends, madam, from project to project, from order to order, from customer to customer, but again, to give you an overview, for example, if I'm selling an 18-inch nickel aluminium bronze valve for 50 lakhs rupees, the same carbon steel valve will cost you around 4.5 lakhs rupees.

This is the difference in the material. So when you deal with exotic materials, the cost is 10 times higher than the regular material, like carbon steel.

Nishita Shanklesha: Okay, okay, understood.

Gaurav Dalal: Yes. Please, please.

Nishita Shanklesha: Yes, no, no, you can continue.

Gaurav Dalal: So, if you have to evaluate a capacity. Increasing the capacity, I try to not increase by space, but by the machining time, by adding more automated machines, okay? Increasing your revenue is not because I'm manufacturing 5,000, now I'll manufacture 10,000 valves. No. I will concentrate on more exotic material valves, I will concentrate on more high-pressure valves. Which will add to the revenue.

Nishita Shanklesha: Okay, okay, understood. And, my, next question would be on, so you mentioned that our current total order book is 42 crores, right?

Gaurav Dalal: Right.

Nishita Shanklesha: And we're done with 80% of the order booking for the year.

Gaurav Dalal: So, it is just a perspective that if we did 53 crores last year and we didn't have this kind of order booking in the last quarter. So, compared to that, I can focus more on manufacturing and execution than on sales.

Nishita Shanklesha: So, I'm just failing to understand how will we get the 50% growth in top line that you say that we'll get, because if we're... if we have 42 crore of order book only, and that's... the majority of it will be executed in FY27, we'll still be very flattish on the top line.

Gaurav Dalal: But, ma'am, this is... we have just entered the new financial year. This booking has come in, in the first two months of the new financial year. We have the entire year for the bookings. We are getting our ARC contracts revised with all the private companies. Those orders have still not started. For example, to quote you, we do an annual business of 13 to 14 customers from Praj (Industries).

So, we are still into a negotiation for the prices. Once that starts, that'll add another 10-12 crores of business. We have bid for tenders, which is still expected. So, order booking process happens throughout the year, not in the first two months, so it'll keep happening. But the best part is that if we are achieving our 80% order booking compared to the last year

Nishita Shanklesha: Okay, okay, okay, I understood, I understood.

Gaurav Dalal: Yes.

Nishita Shanklesha: So, what is the order pipeline that we see currently?

Gaurav Dalal: Order pipeline, I would say another, another 30, 40 crores.

Nishita Shanklesha: Okay, okay, understood. And my last question would be one, you mentioned that we bought some, like, new machineries. Yes. So I just wanted to understand what Capex we did in FY26, and how much do we expect in FY27, the total CAPEX amount?

Gaurav Dalal: So, in the last financial year, we have done... So, you're talking about the investment made in the last financial year, right?

Nishita Shanklesha: Yes.

Gaurav Dalal: So I think we've made an investment around 3.65 crores.

Nishita Shanklesha: Okay.

Gaurav Dalal: No, no, no, no, one second. So, if you want the figures, I can send, you can just send me an email ID, I can give you the precise figure of capital investment done.

Nishita Shanklesha: Sure, sure.

Gaurav Dalal: However, saying that, in this quarter, we have, again, procured machines worth rupees 1.25 crores which are expected within the next 25 days.

Nishita Shanklesha: Okay, and, like, do we expect to buy any new machines, or any... like, do we expect to do any more Capex in FY27, or is that...

Gaurav Dalal: No, I don't think so. We are good now. For what I had planned and what you were expecting, I think we are good. I don't need to make any capex investments, at least for this financial year, except for some small testing equipment or something, but nothing which is to a very higher cost, or adds a huge capital cost to the company.

Nishita Shanklesha: Right, right, okay. And on the margins front, do we expect to stay in the same range because of the price and pressure also that we're facing in the industry, or...

Gaurav Dalal: Ma'am, nobody likes to be at the 12% margin point, you know? We are trying to improvise our margins and the EBITDAS.

I think... I think when we connect again, say, somewhere around after 6 months, you'll have a better, clear picture about what margin looking at, what bookings we are looking at. Please keep a close eye on our publishing. We'll be publishing a lot of orders in the next couple of days, so you'll have a good overview of what we are doing.

Nishita Shanklesha: Sure, sure. Thank you so much.

Gaurav Dalal: Thank you so much, ma'am.

Finportal IR: Thank you. Deepanshu, you can go ahead with your question.

Deepanshu Bhatia: Hello, am I audible, sir?

Gaurav Dalal: Yes, yes, yes, Mr. Bhatia, how are you? Good to see you again.

Deepanshu Bhatia: I'm great, I'm great, sir. So, sir, I want to understand... so, you just said that 22 crore of orders were carried from last year because of this course thing that you are still negotiating, and this is in the current 42 crore orders.

Gaurav Dalal: So, we are not negotiating all the orders, it's only 10 to 12 crores orders what we are negotiating for a price revision.

Deepanshu Bhatia: But, the carry-on is 22 crores.

Gaurav Dalal: Yes, yes.

Deepanshu Bhatia: Which means if we have executed, the price acceleration was not there, so then the venue would have been 75. That's 53 right now. If we didn't carry on this order because of the metal price fluctuation, these were meant to be converted in the last financial year.

Gaurav Dalal: 10 to 12 crores, yes, so it would be approximately somewhere around 66, 68.

Deepanshu Bhatia: 66, yeah, so that would have been, like, 30-33% growth, and now... so it's 22 or 12 that we are carrying from the last year.

Gaurav Dalal: It will be approximately 20-22.

Deepanshu Bhatia: 20-22, okay? So now, in the 42, 22 was already from the last year, right? That would be heavy executed. So the new thresholds for this financial is 18.

Gaurav Dalal: Yes.

Deepanshu Bhatia: Okay, so, from the last year, it was, like, 65 for FY26, and, going 50% is, like, 85 to 90 for FY27, from the earlier projections, okay?

Gaurav Dalal: Right.

Deepanshu Bhatia: now we have this 22 from the last year, let's remove that. So, will this year have slightly higher than 50% revenue growth? Because first thing, the base is low. Second thing, we're getting some orders from the last year, if everything is online, just for FY27, as well as the case, so we should have, like, 70-80% growth, including this 22.

Gaurav Dalal: Yeah, but then I'd rather, you know, I...

Deepanshu Bhatia: I'm just calculating, I'm not asking you to comment, but I'm just thinking that if it was, like, 66 and 80, 146 crores, and we have just 50, so 90 should be approximately...

Gaurav Dalal: If I overcommit and underperform, that's a problem. Now, what happens in our work? There are so many unseen challenges. There are so many unseen things that surprises us at times, you know? There is a delay from the shipyard, there is some iron issue, there is some surveyor issue. So, I have to take so many things into accountability with the defence sector, that there might be a push.

Deepanshu Bhatia: Yep.

Gaurav Dalal: Things are very uncertain beyond our control.

Deepanshu Bhatia: Cool, cool, I get it. So, leave this 22 aside, for this year, if we have 18 crores of fresh orders for 2 months, okay? So, are we expecting similar order booking every quarter? Is it, like, the first quarter of the year is heavy, or last quarters are not, or something like that? In some industries, the quarter one, half-year one has more order booking and more the revenue, but, I feel to... what's the case for your industry?

Gaurav Dalal: You know, Mr. Bhatia, in terms of marine shipbuilding and defence, there is no seasonal orders. It's going to go on the entire year, because the way it is progressing and the new vessels are coming, NGMVs are coming, NGOPVs are coming, FSS is in the pipeline. If you have noticed that we are the preferred vendors for FSS across HSL and L&T, and we are supplying all the valves through both the shipyards for FSS. Okay. So, I am seeing a steady growth month-on-month, with good order booking and good execution, to be very frank.

Deepanshu Bhatia: Okay, okay, great. So, one more thing. In these 22 crores, we have half PSUs and half private orders, let's assume. So, you are saying private are, very receptive of the price increase, and it's going to be done, safely. Like, they will give the price increase that we have, expected, right?

Gaurav Dalal: So what happens... there are two scenarios in this. There are times that they understand that the company is taking a hit with a very big loss, so what they would do, where we were asking for 18% increment, they would just give us 5% increment and say, execute these orders, and the fresh orders would come with the new 17-18% rise.

Deepanshu Bhatia: Okay, okay. So, on this 22 crore... and PSU will not give high, right?

Gaurav Dalal: No, not at all.

Deepanshu Bhatia: And we have to deliver, because we have committed.

Gaurav Dalal: Yes, we have to.

Deepanshu Bhatia: Then these 22 crores will probably have some hit on profit margin overall year, because we have to give these on low margins anyway, 22 crore that we are carrying on for some time.

Gaurav Dalal: See, obviously, but then overall picture, if you increase your top line, your revenue, and with new fresh orders, with new margins, I'm sure we are able to offset that, that minimum margins, or loss, we can put it, you know?

Deepanshu Bhatia: But for the 22 crore, the scenario won't be that much EBITDA margin that we are getting.

Gaurav Dalal: No, no, I don't think so. Not at all.

Deepanshu Bhatia: And one more thing that you said, just a second, I forgot. Huh, yeah. So now, new orders for the PSU, new orders for the private enterprises, that will come from June, July, or August, those won't have much problem with the... given the metal prices are stable for the next 6 months, so we won't have any problem procuring on the increased price, right? Or will it be like we have to compete more because the price has increased.

Gaurav Dalal: See, everybody knows, as a matter of fact, that if you're going to get very aggressive with the metal market at this point of time, a 10 crore order can flip to a 3-4 crore loss. So, unless you're willing to take that plunge. It's fine, but I think good manufacturers, calculated manufacturers, would not go so low just to increase their revenue or their top line. I would never do that.

Deepanshu Bhatia: Somebody's ready to commit just for the Revenue, and we will be taking it, because they are going to give it cheap for, let's say, 5% margin, and we don't want that bad margin, right?

Gaurav Dalal: No, sir, not at all. I will not do that kind of business.

Deepanshu Bhatia: Yeah, you won't do, but if somebody else is doing, we won't be getting orders because price increases, people are taking some margin compression, just for the sake of sales, that we won't be getting orders because we are strict on our margins, right?

Gaurav Dalal: Absolutely right, absolutely.

Deepanshu Bhatia: Do you think increasing metal prices might decrease the margins of all the vendors? And if some vendor is ready to take the hit, we might be getting less sales.

Gaurav Dalal: See, to offset our margins and losses also, we have given 50% advance to all of our suppliers to supply the material, so that they stick to the old rate, or they take minimum increment on that.

So, other manufacturers should have those cash flows, or they should have that kind of arrangement for funding during such difficult times, because when there is a metal escalation, the only thing what can salvage your margins or losses is by paying advance to your suppliers.

Deepanshu Bhatia: Okay, okay, got it. And so, if in the next 6 months, again, there's an increase in metal prices, nobody know how geopolitics is going, how metals will go, let's say 20% more increase in the next 6 months, will this thing again haunt us, like, holding on to some orders on lower margin and then waiting for the order to be executed, if the copper price increases, again, 25% in the next 6 to 12 months?

Gaurav Dalal: So, as far as private companies are concerned, we have... so what we do is, for the first three shipsets, we confirm the existing rates. The balance 2 shipsets, which are to be delivered after 8 months, 6 months, or 1 year, we have put a price escalation clause in that.

Deepanshu Bhatia: So, you already mentioned that we don't have a price escalation.

Gaurav Dalal: Sir, in PSU, we don't have, sir. We cannot put, we cannot put.

Deepanshu Bhatia: But in private we have.

Gaurav Dalal: Yes, private, because you have one-to-one conversation with all the private, like, for example, we have just bagged the order from Shree Refrigerations, we have got the LOI, we are waiting for the purchase order to come in, which is expected in the next 3-4 days, hence we have not published it yet, because the official purchase order has not come through. That single order value is 8.55 crores.

Deepanshu Bhatia: Okay.

Gaurav Dalal: Yeah.

Deepanshu Bhatia: So, we haven't confirmed that in the 42-crore order booked yet.

Gaurav Dalal: No, in 42? In my presentation, we have mentioned 33, but I have, I have...

Deepanshu Bhatia: This is including the LOI from Shree for 8.5cr.

Gaurav Dalal: Yes, sir. And awaiting purchase order, which we should get within 2-3 days.

Deepanshu Bhatia: You mentioned the annual business from Praj and other industries, right? So, how much is the... so this 18 crore that we have just got, is it entirely new business, or is it recurring also? 18 crore?

Gaurav Dalal: These are the 18 crore entirely is dedicated to marine, absolutely from marine, and related industries.

Deepanshu Bhatia: Is it new from all the customers that it incurred?

Gaurav Dalal: So these are all... our repeat rate of customers is almost 75%, and we are adding new customers. Like I said, we added Heinen & Hopman, we added Shree Refrigerations, we added Flakt, Samsung Group, we added Gail. These are the 4 or 5 top good customers we have added in our.....

Deepanshu Bhatia: Yeah, so this 18 crore is majorly from new customers, or for the last year, who were there with us in the last year?

Gaurav Dalal: new 18 crores is from.... MBBM Muller, it is from Shree Refrigerations, 8.5 plus 3, 12, 12, and so around, 14 crores is from new customers, and the balance are from the old customers.

Deepanshu Bhatia: Then, if 75% repeatedly rate, what's the yearly recurring clients we have, approximately 30, 40, 50 crore, how much we have, that from last year, we might get, like, 70% this year.

Gaurav Dalal: So, all PSUs are repeat clients, firstly. Unless you are on a holiday period or you're blacklisted, then you are not working with them for a certain period. So, all our PS units are repetitive clients. You can name, all these Mazagon Dock, Udupi, Cochin, HSL, L&T, all are repeat customers.

Coming on the non-marine side, we are working with IOCL, we are working with Praj, GNFC, J/GSEL, all these are regular recurring customers from the last 10 years.

Deepanshu Bhatia: So the recurring quantum is 40 crore a year, approximately.

Gaurav Dalal: Yes, because if you see, we sign an ARC contract with 2 to 3 customers, where Praj itself contributes 13 to 14 crores of revenue, because... and we are supplying to more than 75 distilleries across India.

Deepanshu Bhatia: Okay.

Gaurav Dalal: And we have an approved make with all these 70 distilleries.

Deepanshu Bhatia: So this year, we might get the 40 crore order recurring, and new orders, whatever you are able to secure in the next 10.

Gaurav Dalal: Absolutely right, absolutely right.

Deepanshu Bhatia: Okay, along with the 18CR, because 18CR, 14CR is new, that's a very good thing, that 14CR, out of 18CR is new, that means 40CR is the base that we might have, and then over the top of that, whatever we work hard on the system.

Gaurav Dalal: Absolutely right. So, if you see, I have a good combination of old customers, new customers, marine portfolio and non-marine portfolio.

Deepanshu Bhatia: Okay, okay. And just one more question. On the clients, you said that 70-75%. Is there a churn rate among PSUs, or mostly private clients churn, 20-25% every year?

Gaurav Dalal: It's a combination of both. So, PSU is... It's an open tender, so anybody can issue it, unless we are participating some limited tenders or, nominated tenders. But other than that, all private sector is all repetitive customers.

Deepanshu Bhatia: So, all the orders that we are securing right now, nothing is like we have a 2-3 year contract with anyone, it's just a tender.

Gaurav Dalal: Yes, sir, it is, it is not a... so, contract, yes, so what happens, when we build these, warships, these vessels, they are not built in singles. So, for example, what we're doing right now is for the fleet support ship, FSS, okay?

Total, 5 ships have been built in India, out of which the purchase order has been awarded to Hindustan Shipyard, but Hindustan Shipyard has offloaded 2 ships to L&T Shipbuilding.

Deepanshu Bhatia: Okay.

Gaurav Dalal: Okay, so we are supplying to HSL, and we are supplying to L&T Ship Building also, for these projects.

Deepanshu Bhatia: Okay.

Okay, cool. And one...

Finportal IR: Deepanshu sir, would request you to get back in the queue with the others.

Deepanshu Bhatia: Okay, just last question. So, one thing you said, the shipyards generally have a long period of gestation of making the ships, that sometimes the orders are... they don't pick the orders or something.

Gaurav Dalal: That's right.

Deepanshu Bhatia: Do you expect that if we get a 100 CR order book, so that might impact the actual realized revenue significantly? It's a small part? Like, 100 CR, 30 CR will be pending because they are not picking up, and we get a 70?

Gaurav Dalal: Yes, if you have a booking of 100 crore, I don't expect 100 crore execution, because I won't have the clearances for it.

Deepanshu Bhatia: Yeah, so it might take, like, 65-70% this year only.

Gaurav Dalal: Yes, yes, absolutely right.

Deepanshu Bhatia: Okay, I will be in the queue again if time is there. Okay, bye. Thank you.

Gaurav Dalal: Mr. Bhatia, please do visit the Factory, I'll be... I'll appreciate it. Will be able to explain to you more in-depth.

Deepanshu Bhatia: Yeah, I will... I am interested in depth. So definitely, I will be in the queue again, and definitely I will try to visit the factory.

Gaurav Dalal: Thank you so much for your time.

Finportal IR: Thank you, sir. Rishab, you can go ahead with the question.

Rishab Jain: Yeah, sure, am I audible?

Gaurav Dalal: Yes, yes, Mr. Jain, good afternoon. Please go ahead.

Rishab Jain: Yeah, yeah, so... so you mentioned Heinen & Hopman as our customer, which is into HVAC systems, so just want to understand whether our valves are used in this AI data center, or... or, like, what kind of.

Gaurav Dalal: Sir, Heinen & Hopman is... HVAC is entire heating, cooling, air conditioning system, what they make on warships. When you say data center, data center itself is industry in itself. So, since you have raised the point, the export, what we're working with, is all the valves manufactured for data centers, for the US market.

Rishab Jain: Okay, okay, got it. And, would you be able to, give us a figure of the, like, revenue from the new US client, year-on-year revenue, if there is...

Gaurav Dalal: Sir, we are yet to sign the bulk contract deal, we have signed all the NDA disclosures, everything has been signed, but yet the figures are not disclosed by them nor by us, so we still don't have the bulk ordering document in place, so I will not be able to disclose that unless I sign the document.

Rishab Jain: Okay, okay, thank you.

Gaurav Dalal: Thank you so much.

Finportal IR: Thank you. Amitab, sir, you can go ahead with your question.

Amitabh Vatsya: Yeah, hi, hi, Gaurav.

Gaurav Dalal: Hi, hi, Amitabhji, good afternoon, sir.

Amitabh Vatsya: So, I wanted to check one thing, especially since all the questions have been answered, because someone else have asked the question, which I wanted to ask. I left with one question with respect to the funding arrangement, like, what is your working capital utilization, and what are your plans for expanding on it, and what is your growth strategy in terms of financing side of the growth? How you are managing?

Gaurav Dalal: So, yes, we are not raising currently, but we are taking debt funding from the banks as of moment. We would need a substantial amount of working capital, maybe down the line 4 or 5 months, once the order booking is reasonable, and it is of a huge size, we would require the funding.

So, yes, I have something to fall back on, is our bankers, who are very supportive at the moment.

Amitabh Vatsya: Can you... I mean, can you give us a range of what kind of working capital limits you have with banks?

Gaurav Dalal: So currently, we have working capital of, with the BG and, with the mix of earnings, around 23 crores, out of which, there is non-fund base also, and fund-based also, both.

Amitabh Vatsya: Okay, so these 23 crore limits are sufficient for making how much, of revenue for, for, for you?

Gaurav Dalal: Currently, no working capital is enough. Main reason is being that, we are manufacturing and supplying to all PSU and privates on credit, and we are paying advances to all our suppliers.

So this creates a substantial gap, you know, in the working capital cycle. It's because... I pay advance is because to make sure that I get the best prices and the best delivery, looking at the uncertainty of the metal prices currently in the market. So I am, yes, flushing a lot of advances to all my suppliers, so that they give me the best rate, so I can compete better for all the tenders.

Amitabh Vatsya: Okay, understood. So, I mean, and how is your supplier base? Like, you have some preferred vendor with you, or, is it... is there any back... back-to-back arrangement? Because of your... you have a long history, so do you have any kind of a relationship on that side?

Gaurav Dalal: Most... in non-Ferrous, there are very limited suppliers, so the foundries whom we are associated with, the 90% capacities are dedicated to Rapid valves.

Amitabh Vatsya: Okay.

Gaurav Dalal: And this can... this kind of... this kind of synergy can only happen, if you support them well with their payment cycles, with their advances, and everything, so they also extend a lot of support to us during tough times.

Amitabh Vatsya: Okay, understood, understood. And just one last question with respect to your, your strategy in terms of having a business across PSU and across private. So, where do you see, after 2 years, what the mix would be?

Gaurav Dalal: Sir, we all have to understand, today, the biggest order book is with the PSUs. if you want to grow, you want a bigger order booking, and consistent order booking, PSU would be the ideal choice for me at the moment. You know, if you say 2 years, you have to understand India's building more than 20 warships at a time.

So, the marine defence warship industry is flooded with orders. It's only that they cannot sell the inquiries because the progress of the backlog of building and supplying the ships is very slow. But I don't see in next 20 years shipbuilding going down anywhere. The kind of project which, I mean, is allocated already to all the shipyards.

Amitabh Vatsya: Okay, so one final question. Apart from shipbuilding, marine side, which is your second favourite sector?

Gaurav Dalal: Ethanol. Alternate energy, alternate fuel.

Amitabh Vatsya: seeing some headwinds, like, they are kind of stuck at overcapacity level. So, do you want to create some alternative? Like, like, we already have E20 in place, and E25 is still some time away. So, don't think that that trash business, and last time we spoke about some wastewater and water treatment side of the business.

Gaurav Dalal: So, that... see, that quantum, again, is very small, but the way we are working very closely with Praj also, they have diverted their majority to the water treatment and waste management plant. So, we are also getting a lot of orders from... from water treatment and waste management plants.

Ethanol, I don't see it going out of fashion. It might be a little slow with the prices. The ethanol prices itself have gone up by, I think, 30-40%, if I'm not wrong.

So I am seeing a good surge in ethanol market also, because.... they are, in fact, visiting our factory on thursday to sign the annual rate contract.

Amitabh Vatsya: Thank you for your answers.

Gaurav Dalal: Thank you so much, it's a pleasure.

Finportal IR: Thank you, sir. Shruti, you can go ahead.

Shruti Malpani: Hi, Gaurav sir.

Gaurav Dalal: Yes, yes, yes, Shruti, ma'am, yes, hi, good afternoon.

Shruti Malpani: Good afternoon. I have a few questions. So, the current CAPEX, it was funded from internal assistance, or like, how is it funded?

Gaurav Dalal: the current CAPEX, how is it funded?

Shruti Malpani: Yeah.

Gaurav Dalal: So, it is... we have taken a working capital loan from the... from our bankers.

Shruti Malpani: But so then, like, from the IP proceeds, we got listed in October 24, and you had raised money for Capex, for plant and machinery and softwares, out of which 50, I think approximately 54% is still unutilized.

Gaurav Dalal: So, if you... if you go through that around 4 crores is unutilized, right? So we have just passed a board meeting where we have, transferring those funds towards working capital. We have passed that in our board meeting.

Shruti Malpani: Okay, okay, I missed that.

Gaurav Dalal: So that has been... that has already been circulated on the exchange, you can have a look.

Shruti Malpani: Okay. And so we still have 4 cr, pending from inorganic growth via acquisitions, is that also reallocated?

Gaurav Dalal: Yes, so we are looking for the inorganic growth or acquisition of some reverse integrity in terms of foundries and all, but we are unable to have any inorganic, you know, a synergy or a joint venture with a foundry which could help strengthen our manufacturing facility, raw material deliveries, and so on. So, that we have not yet utilized. We are yet to figure out what we have to do.

Shruti Malpani: But whenever we do, it would be a foundry only?

Gaurav Dalal: Not necessarily, ma'am, reverse integration would be anything.

So, we have also, if you see, we have higher working capital at this stage, so we are also trying to move those funds towards working capital. So that we don't have to borrow more from the bank, since we already have the IPO proceedings with us.

Shruti Malpani: Okay. So, like, how long would you wait until transferring this, you know, like, changing the object for this as well, or...

Gaurav Dalal: It is already in process, ma'am. We have already initiated the process.

Shruti Malpani: Okay, okay. And so, like, the... this time, our receivables were also pretty high for the company, so is this because of the stuck, the... where you're re-negotiating the terms with the private shipyard?

Gaurav Dalal: So, receivables are highest because the material has been dispatched. If you see the majority dispatches happened in the month of March, which are yet due payments. So, which have already started coming in. So, the reason you see high receivables is because there was a 14-15 crore of dispatch in the month of March, which is the reason.

Shruti Malpani: Okay.

Gaurav Dalal: Yes.

Shruti Malpani: So that, 20... I think it was 20... 18 to 20CR order, that is not yet, reflecting in the receivables, correct?

Gaurav Dalal: No, yes, that's right, ma'am.

Shruti Malpani: Okay, and the non-current investments have also increased.

Gaurav Dalal: Non-current investments?

Shruti Malpani: Huh. So, can you help with that?

They've almost increased by, from 4 point... sorry, just a minute.

Gaurav Dalal: You're talking about deposits, right. The IPO process is fixed deposits, which are unutilized, which are in FD.

Shruti Malpani: Okay.

Gaurav Dalal: Are you referring to that?

Shruti Malpani: So, earlier, that was 56 lakh, and now, since you've moved the object, is that why it's 4.7 Crore.

Gaurav Dalal: Yes, yes, yes, absolutely, ma'am.

If you want any detailed justification, or if you want the... on this thing, I can share it to you over the mail. You can just send me a mail, I will be happy to share all the details with you, ma'am.

Shruti Malpani: Sure, sir. Just one last question. Please. So, what's the average cost of capital for us?

Gaurav Dalal: Average cost of?

Shruti Malpani: Capital for the borrowings.

Gaurav Dalal: I think roughly about, 8.25% per annum.

Shruti Malpani: Okay, thank you.

Gaurav Dalal: Alright, you're welcome.

Finportal IR: Thank you. Siddhant, you can go ahead.

Siddhanth Jain: Hello, hi, Gaurav Sir.

Gaurav Dalal: Hi, Mr. Jain, hi.

Siddhanth Jain: Just a quick question regarding the working capital. Since we are paying the suppliers in advance, and the time lag with PSU payments can be quite long, so how are we trying to transform this working capital cycle once we attain a certain stage?

Gaurav Dalal: So there are only two ways to attack this issue. You know, if I do not... if both are not attended in time, we will definitely see, some sweating, you know, in terms of working capital.

If I do not pay my suppliers advances, they would not give me the preferable prices for the old orders, so I have to allocate those funds to my existing suppliers.

And I missed your question, and what is the second part of it, what you asked?

Siddhanth Jain: So basically, I get the justification behind paying the advances. I just want to see, like, how will this working capital cycle transform in the future?

Gaurav Dalal: So, in some cases, na, like private companies, we just bagged an order from Muller- BBM also, they are giving us advances. 30% advance, 20% advance. But yes, if I'm doing a volume business, say we are increasing our turnover by 75-80%, yes, we would have to raise a little bit more working capital to meet all the requirements.

Because this is an extremely capital-intensive manufacturing business. It's very intensive. So, yes, you are right, we would require additional funding, but not currently. Down the line, 4 or 5 months, yes, we would be sourcing for funding.

Siddhanth Jain: Alright, fair enough. And second part, is I just want to understand the competitive landscape of our industry. Like, what do you reckon, since we are focusing more on the domestic side of things, how much, like, as per your calculation, would be the market size?

Gaurav Dalal: My God! Market size of what, marine?

Siddhanth Jain: Of marine, yeah, since that's the majority of our portions.

Gaurav Dalal: Roughly, say, if the vessel is costing you, say, around Rs. 4,000 crores. You can consider 2-3% would be valves in that. But this, again keeps changing. We have tried to ask this question to L&T, HSL, Cochin Shipyard etc. Nobody is able to give me a straight-faced answer with this. That's really depends on the system, it depends upon the vessel, it depends on the size of the ship, so this would be changing with every project.

Siddhanth Jain: So, do you expect the market share to, like, the size of the market keep on growing year on year?

Gaurav Dalal: In terms of marine and defence.

Siddhanth Jain: Yes, just in terms of our, core portfolio.

Gaurav Dalal: Absolutely, yes.

Siddhanth Jain: Alright. And, last bit is, since majority of our orders, we got in a bit of a stuck because of the raw material prices, is there anything that we can head so that we're better protected in the future?

Gaurav Dalal: Sir, any hedging requires huge working capital. Like, buying scrap in advance and blocking 15-20 crores, that's not something I'm looking at. So, yes, it is possible, but there is subject to... do you have that buying power of raw material on your own, and not depending upon the foundry.

Siddhanth Jain: Sure, thank you for answering that question, that was quite clear.

Gaurav Dalal: Thank you so much.

Siddhanth Jain: Thank you.

Finportal IR: Thank you. Sir, we have another question in the chat box. Amount for which we have bidded for tenders and win ratio.

Gaurav Dalal: So, amount we have bidded for total around, for PSUs, would be say around 40-50 crores, out of which, like I said, PSU, we've been awarded around a... I think, 8-10 crores of orders. You will likely see another conversions happening, or we coming to know about, once the price will open, in next 7 to 8 days.

So, you have to understand the process that once we submit our tender, then there is, TQ, which is technical qualification. That has been done for majority of the tenders, but the price bid is yet to open. So, depending upon the urgency of the customer, they would open the price bid.

But in terms of marine and defence, usually the turnaround time is 15 to 20 days after the last TQ, and the commercial negotiation is over.

Finportal IR: Okay. Deepanshu, sir, you had question?

Deepanshu Bhatia: Yeah. So, basically, you are right now not very clearly telling us the next 2 or 3 years, we'll be getting 50% growth or not, because of some obvious reason, but let's assume, from this base, we might be getting 50% growth. Is there any scenario in next 2 years itself we need a further capex?

Gaurav Dalal: Sir, as the company grows, as... as we multiply, say, we have done 53, say this year we do, say, X amount, then do X plus 1, working capital would be a continuous process for any business, I believe, unless the company's cash rich and they have too much of funds on their own.

Deepanshu Bhatia: I mean, for us, assuming even 40....

Gaurav Dalal: Sir, I will require working capital at every 6 months, or maybe every 8 months, depending upon the order book. So, this will be only be decided within those timelines, when I have... I'm sitting on a, say, 80 crore order book, definitely, yes, I would need working capital, enhanced working capital, no doubt about it.

Deepanshu Bhatia: not working capital, I'm also talking about the capacity. Is this facility okay for us for at least 2 years?

Gaurav Dalal: This facility is very good for 2 years.

Deepanshu Bhatia: Okay, okay, and second thing, PSUs sometimes give delayed payments, right? What I heard?

Gaurav Dalal: So, actually, I would not use the word delay. You have to understand, this shipyard's run in kilometers, okay? The material gets unloaded, say, 5 kilometers, the GRN passing or the commercial office is 6 kilometers. So, that paper doesn't travel.

Deepanshu Bhatia: But, but, there is almost zero default rate, right? They never block your payments for, like, I didn't get a payment.

Gaurav Dalal: Never, never, never, never.

Deepanshu Bhatia: This might be a delayed here and there, but we 100% get it.

Gaurav Dalal: it's PSU, and it's not their fault, the shipyards are huge, the GRN passing takes time, the truck is waiting at the yard for 10-10 days, it's not unloaded. So there are a lot of practical issues that everybody, not me, but any manufacturer supplying to yards would face this issue.

Deepanshu Bhatia: And one last thing, are we supplying to anyone in the data center domain? So, that's a very emerging theme, there's a cooling system in data centers, so there might be valves, I'm not sure, so do you have any view on.

Gaurav Dalal: So, data, like I said, the export customer of mine, the US customer, is only procuring valves for data centers with us. Currently, they are procuring from Taiwan and China. In India, they have short listed as preferred one as Rappid Valves.

Deepanshu Bhatia: The ones you're negotiating with.

Gaurav Dalal: If we are not negotiating, everything is over. We are just waiting for the laboratory results. Its taking a little longer than what I expected, but they almost had four to five visits over here, and they made some minor changes in the design, in the lettering, so that keeps happening, you know, something or other.

Deepanshu Bhatia: So they're in the data center cooling domain or something.

Gaurav Dalal: Yeah, yeah, yeah, mainly data center cooling, yeah.

Deepanshu Bhatia: Cool, cool, thank you everyone, thank you.

Gaurav Dalal: Thank you, thank you, sir, thank you.

Deepanshu Bhatia: I mean, the patience to answer all my questions.

Gaurav Dalal: It's my pleasure, sir.

Deepanshu Bhatia: Thank you.

Finportal IR: Thank you, sir.

Ashish, sir, you had a question?

Ashish Soni: Sir, you spoke about nominated tenders, so with all these things, with how many PUC customers you're able to get into nominated tenders?

Gaurav Dalal: So, I'll tell you, the simple procedure of nominated tender is that they would... they would firstly decide a price with you, this is the price, they would take an offer from you, and then they would nominate you for the particular tender, which you are only nominated for. But have to publish the tender is because it's a protocol to publish a tender being a PSU.

Ashish Soni: But do you think it can work in your favour, based on the orders and whatever credibility you have built over the years?

Gaurav Dalal: Sir, it... it does work. It does work. What happens is, valve manufacturing for the defence is very limited in India, and there are not many people who have entered the market. People who have entered last year, whatever orders we have lost, they're not bidding for any more orders. It's because they realize the entire cumbersome nature of this business starts from working capital to approvals, to type approvals to a lot of documentation, inspections, 3.1, 3.2 inspections.

So they have realized that merely it's not the product cost. Other than the product cost, there are a lot of other expenditure, what goes towards delivering to the shipyards as an approved valve.

Ashish Soni: Last question on the data center. If your US customer is going to use it for data center, are you going to get some more customers domestically for the same? Because you will have the credentials then, right?

Gaurav Dalal: Sir, frankly, I'm not pitching for it yet, but a lot of people are talking about data centers now, so I will try to scout them, for the data center, but frankly, I have not scouted for any, in India for data centers. Till now.

Ashish Soni: So, thanks, and all the best.

Gaurav Dalal: Thank you, sir. Thank you, sir.

Finportal IR: Thank you. Chintan sir, you can go ahead.

Chintan Parikh: So, Gauravji, baaki sab ne data centers aur other sectors ki baath kariya toh mai dusre do hain, uski baat kar leta hu.

Gaurav Dalal: Yes, sir.

Chintan Parikh: So, pumped hydro, as well as district cooling. Do you see some growth happening over there?

Gaurav Dalal: Where, where, where, sir? Can you come again, sir? Which industry?

Chintan Parikh: Pumped hydro storage systems, battery storage using pumped hydro, yeah, where you shift the water from a higher level to the bottom,

Gaurav Dalal: You're talking about the barges? You're talking about the barges?

Chintan Parikh: No, not barges. So basically what happens is that, see, energy storage systems are gaining a lot of traction right now, because of, let's say, at certain places, we are generating, excess capacity, but we are not able to store it, right?

Pump Hydro Storage is one of such systems where you transfer the, let's say, water from the bottom of the reservoir to the, let's say, a higher level, okay? So that requires a little bit of water with the help of electricity, and then next time, when you need the electricity, you just, again, put it down from top to the bottom, generating, converting the static into the...

Gaurav Dalal: Understood. So that means you're just reserving and preserving the energy which is excessively generated, right? And then using for your convenience, from what I understand from you.

Chintan Parikh: Correct, correct. So, again, it requires, huge level of movement of water, basically. So, again, an area which requires a lot of valves.

Gaurav Dalal: Yeah, I'm sure they require valves, but I think when you say it is upstream, you know, so the hero of the upstream would be a good pump, then a valve.

Chintan Parikh: No, no, sir, it's both, right? I mean, you have to push it up, and then you have to, again, take it down.

Gaurav Dalal: But I have not really discovered, or I have not come across an industry that... or this kind of requirement yet, but I've made a note of it, and I'll try to find out on the market who's into this business. And if you can help me with that, I'll really appreciate it.

Chintan Parikh: Sure. One more sector is, sir, district cooling. So, there were certain tenders which were, you know, floated, especially one in Amravati by Andhra government, right?

Gaurav Dalal: What happens, Na sir, when you try to do work or business with other industry, first we need to understand, the type of valve which is required, certifications are required, because they'll have a pre-qualification criteria in all the tenders. If I'm not supplied to this industry, I will not qualify only.

So this is the challenge in the valve industry. I cannot suddenly get up and start working for hydrocarbon or for some other onshore purposes unless I don't have a performance track record with all these industries. Hence, I try to gain momentum where my expertise lies is marine and defence.

You know, so for onshore, you will require an API 60 and an API 600 license. If I don't have that, I do not even pass the pre-qualification criteria.

Chintan Parikh: Understood.

Gaurav Dalal: Yes, sir.

Finportal IR: Okay, thank you. Shruti, you are... you can go ahead.

Shruti Malpani: I don't have any further questions, thank you.

Finportal IR: Okay, then I think we have covered all the questions, sir.

Gaurav Dalal: Alright.

Finportal IR: Sir, we have one more question in the chat box. It's more of a feedback. Can we have a quarterly business update every quarter? Given we have results every 6 months, this helps investors a lot.

Gaurav Dalal: Yes, even my finance team has highlighted this, that we should keep updated to all of our, shareholders, stakeholders, investors, analysts. It does help and gives us a better vision and a better platform for everybody to view the company. So, yes, we made a note, order bookings, developments, factory expansions, and execution will be given on a quarterly basis.

Finportal IR: Done. Thank you so much, sir. So, I would like to conclude. On behalf of Finportal, I would like to express our gratitude to the management team of Rappid Valves (India) Limited for taking their time to join us and provide such detailed responses to the question. We also appreciate all the participants for their engagement. If any questions remain unanswered, please feel free to reach out at us at the email IDs given in the chat box. Thank you so much, you may...

Gaurav Dalal: Alright, thank you everyone for joining, and I value your time, and thank you so much, and we'll keep updating you on the Emerge platform, as and when required.

Finportal IR: Done.



Date:01/06/2026
Time: 3:00 PM (IST)

Gaurav Dalal: Thank you. Can I... let me know when I can exit, or I can wait if anybody.

Finportal IR: Just a sec. Yes, yes, you can exit. I've typed the, email IDs in the chat box.

Gaurav Dalal: Will you share it with me later, Bhumika, for me to go through and answer whomever has not been answered.

Finportal IR: Sure, sir.

Gaurav Dalal: So please do share with us, so I can give a reply to all the people who have certain queries about the company.

Finportal IR: Done, okay. Thank you so much.

Gaurav Dalal: Am I good to exit? Thank you. Thank you for hosting us. Thank you so much. Bye-bye. Bye.