



## ROLEX RINGS LIMITED

[CIN: L28910GJ2003PLC041991]

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Ref. RolexRings/Reg30/AnalystMeeting/June2025/1

June 06, 2025

To,  
Corporate Relationship Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400001

To  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051

**Script Code: 543325**

**Script Symbol: ROLEXRINGS**

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that the company participated in Investor/Analyst Call as given below:

Date	Type of Meeting/Event	Location
June 02, 2025	Investor/Analyst Call scheduled by Equirus Securities with the management of the company to discuss the company's results for 4QFY25	Zoom Meeting (Virtual)

No Unpublished Price Sensitive Information (UPSI) was shared/discussed in the meeting with the investors/analysts.

However, as a matter of better compliance & investors' services, the Transcripts of the said Analyst Call is attached herewith, for reference & record please.

Please take the same on your records

Thanking You,

Yours faithfully  
**For Rolex Rings Limited**

**Hardik Dhimantbhai Gandhi**  
Company Secretary and Compliance Officer  
{Membership No. A39931}

**File Name: GMT20250602-060158 Recording 1920x1020**  
**Duration: 54.34 Minutes**

**Mihir (00:29)**

Good morning, everyone.

On behalf of Equirus Securities, I welcome you all to the Q4 FY25 post-earnings conference call of Rolex Rings. From the management side, we have Mr. Manesh Madeka, Chairman and Managing Director, Mr. Mihir Madeka, Full-time Director, and Mr. Hiren Doshi, Chief Financial Officer. So without further ado, I would like to now hand over the floor for opening remarks post which we can open it for the Q&A session.

Over to you, Hiren Sir.

**Hiren (00:58)**

Thank you, Mihir. On behalf of Rolex Rings, very good morning to all participants on this slightly sunny and slight windy morning of the day. As guided earlier also that Q4 of FY25 would be better than the Q3 of FY25. We had some more pressure in Q3 of FY25, but that has partially released or rather that has partially taken care of in Q4 of FY25. Further also, we expect the first quarter of this new fiscal, that is FY26, more or less having, you know, 2 to 5% growth in this particular first quarter. But we are very much hopeful for the better numbers from Q2 onwards as we guided earlier also because of the new order and the dispatch plan, the forecast, what we had already received from our customers till now, that will be very much positive or hopeful for the Q2 of FY26 onwards.

Taking you to, through the numbers of Q4 as well as FY25, Mihir, my screen is visible?

**Mihir (02:30)**

Yes, it is visible.

**Hiren (2:40)**

Okay. First of all, I'll give you a quarterly indicator. For the Q4 of FY25, we have recorded net revenue, that is components and my scrap revenue is somewhere about 284 crores, which was 260 crores in Q3 of FY25. So here we had almost a 9% growth in this compared to Q3 to Q4. In terms of EBITDA, this quarter, last quarter Q4 of FY25, we recorded 62 crores, which was 55 crores in Q3 of FY25. Here again, the volume has, our operations have given me some kind of better cushion over here.

If we compare the same with the Q4 of FY24, where we had a revenue from this component and scrap was somewhere about 316 crores, which is somewhere about more than 10-11% of my Q4 of FY25. And that is the reason why EBITDA has also increased in fiscal 20, last quarter of fiscal 24. Coming to the PBT and PAT numbers, in Q4, we had recorded PAT of 55 crores, which has PBT of 49 crores. If we compare the same in Q3 of FY25, we had a PAT of 20 crores and PBT of 45 crores. Here as you are very much aware that in the Q3 of FY25, we had some extraordinary special items where we have provided almost 18.6 crores, which has reduced my margin and or which has reduced my PAT number. So, in this quarter, we had not provided any further item on that particular front.

We will let you explain the updates in the due course. As far as the segmental revenue is concerned, component bearing rings, what it was leading till last year, this year, it is having quite sluggish compared to the previous numbers or rather the fiscal of 23 onwards, bearing rings market is showing some kind of sluggish market and slowdown, particularly from the overseas market and where we got a hit. So, in bearing ring segment of my overall component sharing, I am talking about the bifurcation of components only without scrap and any other income, bearing ring contributes somewhere about 45% and auto components, which is 55%. Auto components is a fastly or rapidly growing as far as our business is concerned for last one year. And again, in this fiscal also, we will be expecting good growth in auto component business compared to bearing rings. In terms of territory or the zone wise revenue bifurcations, exports are 53% and domestic 47%. Here also exports market are bit decreasing compared to the previous numbers because of the mainly the sluggishness in the bearing ring segment from the overseas market again from the European segment. As I explained you that we are expecting not a significant or a subdued demand in the bearing rings, especially from the overseas market in this quarter that is current quarter of first, first quarter of FY26. But definitely we are expecting some kind of incremental additional from our existing customers as far as bearing ring is concerned and couple of customers, new customers who have been added in this fiscal.

We expect some kind of delay, deferment and reduction as far as the European customers are concerned for the existing supply as well as some new supply. But we expect the same to be regularized or rather the incremental and additionally additional numbers would be there in the second quarter onwards. If as I explained earlier that EBITDA margin particularly in the Q4 of FY25 has a bit suppressed or rather down that is because of certain inventory provision what we made that is of slow moving and some kind of obsolete items that has impacted particularly in the quarter.

But if we compare an annual basis, my numbers are more or less same that I'll let you know in the coming slides. We expect that US tariffs in the coming quarters it would be implementing but may not be impacting on our business because we had a partially, you know, kind of terms with the customers and we are in dialogue with the customers and they are still willing to resource the components from the Rolex only even after the incremental of tariff to some extent. Revenue mix for the fiscal 25 segment wise in the end application industries, 46% again goes to the passenger vehicle segment, 17% in industrial as it has down because of the overall industrial sluggishness in Europe and US for the industrial bearing ring segments.

The commercial applications and heavy commercial vehicles, the numbers are more or less same 29% EV hybrid again having a not significant growth in overall EV segment also. So that has led to 8% of our overall revenue bifurcation. If I'll tell you the annual numbers for the last 5 fiscals FY25, we ended with 1154 crores of component and scrap revenue. I'm not considering other income over here. The bifurcation of that 1155 crore is 553 crore from the exports market and 601 crore from the domestic market that includes my scrap revenue also. Same numbers for the fiscal 24, it was 635 crore in overseas market and domestic it was 586 crore.

Here we are just able to see that the exports market has bit decreased in this current fiscal compared to the domestic one. And again, it is mainly from the bearing ring segment and

from the Europe side. If I'll tell you the EBITDA annualized numbers FY25, we have recorded 269 crore rupees of EBITDA with a 23% of margin, which was 277 crore in fiscal 24 considering 22.4% margin or so. So for last 3-4 years, if you see we have an average of consistent of 23% of EBITDA and this number we expect to be better as the revenue or the operations are going to on increasing trend. This numbers will definitely give me a benefit of scale of economy. Annualized PBT versus PAT fiscal 25, I had a PBT of 226 crores vis-a-vis PAT of 174 crores in FY24.

The same numbers for fiscal 24, it was 242 crore PBT versus 156 crore of PAT. As you know that we company is having quite sound cash flow generating and for last 3 fiscal averaging out to almost 200 odd crores is operating cash inflow what company is generating. Company did CAPEX average 50 odd crores as indicated earlier also this year fiscal 25 we incurred somewhere about 52 crores for the CAPEX and 55 crore in FY24 for the CAPEX.

In this year 52 crore consisting mainly or rather the 60% of this portion is towards the new solar power plant which would be operationalized in next month. Net debt as you better know for last 3 years company is having a negative net debt. Company is carrying cash and bank balances somewhere about 54 crores as of now and I am not considering any kind of short term investments what the company has made over here.

Return on equity for the fiscal 25 it has gone down to 16%, it was 17% in last year. As you know that my overall revenue numbers are more or less on same side so the numerator it has increased but the denominator is on the same line. That is why the return on equity is bit down but as the operations are increasing revenues would be increasing definitely the same would be having a better margin and better PAT which will increase my return on equity in the coming years.

These are the quarterly comparison numbers for fiscal quarter of FY24 versus FY25 and Q3 FY25 which I have already discussed and I have already conveyed. The detailed numbers for last 5 years of my operating numbers as well as balance sheet numbers are given here with. Thank you very much for your patience hearing and now I will request Team Equirus to take up the Q&A session and we would be happy to answer the concerns, observations and query from the our investors and participants. Thank you very much.

**Mihir (13:23)**

Sure sir. So, thank you sir for opening remarks we will now open the flow for Q&A.

Anyone who wants to ask a question can please use your raise your hand function. Once you are done asking your question please lower your hand we will wait for a couple of minutes for the queue to assemble and then we may start. I will chip in for the first question.

Sir basically in the quarter what was our scrap and export incentives for the quarter?

**Hiren (13:57)**

For the quarter my scrap revenue was precisely 18.73 crore and my export incentives is about 4 crore rupees. Okay and full year? Full year my scrap revenue is touching to 78 crores rounding and my export incentive is 16 crore.

**Mihir (14:21)**

16 crores alright. So my second question was on FIC or quarter 4 performance the export seems to have ramped up quite well like it is roughly around 60-65% of your total turnover based on the number which I am calculating. So what drove this was it bearings or the auto component segment which drove the exports and was there any lumpy order here or we will see this kind of run rate going ahead?

**Hiren (14:47)**

See first of all you are comparing with the Q3 which were already suppressed numbers and quite down numbers. So in Q4 of FY25 we had a bit incremental numbers in bearing ring as well as in auto component both and particularly from the overseas market. Another factor is that couple of new customers whom we have started supplying they have you know already indicated that they would be starting in Q3 but they started in Q4 with the 10-15% of their overall volume.

So that has also given me some additional numbers in this Q4 of FY25. But again definitely it is mainly driven through my incremental auto component business.

**Mihir (15:41)**

And going ahead as well like last quarter you had you know published a order book kind of a number estimates for FY26. So those also included a lot of auto component orders. So like going ahead in a longer term do we see that previously which we used to do around 50-60% of bearing rings moving to say auto component now being a larger part of your business going ahead?

**Hiren (16:04)**

At least we expect that fiscal 26 would be auto component is on a higher side. But we expect the downward or rather the decreasing portion of bearing rings also to come up. And as you rightly said the new order book what we want there the major chunk is of auto component. So obviously we expect auto component would be on a leading side more than 50% at least for next couple of years.

**Mihir (16:35)**

And so in terms of margins like if you see this quarter so is it because auto components have now started picking up the margins would be something which would be impacted or the margins are in a similar range compared to the bearing rings?

**Hiren (16:48)**

No margins are there in auto components definitely the critical operations and value added processes are there. So margins are there. But if you see my quarter 4 numbers of this FY25 and quarter 4 of FY24 my margins even if you compare it is having some kind of 1.5% or 1.5% something like that reduction. In spite of revenue reduction of more than 10% here as I told you that in March 25 quarter we had some impact of this one inventory provision of this in spite of that we had these kind of margins. So margins would not be a question we will be having the same kind of margin and as and when it is a matter of utilizing the capacity once we will have some incremental revenue of 10% from the current level or so definitely we would be getting better margin.

**Mihir (17:48)**

Alright so yeah so we have our next question from Abir Katia. Abir you have been unmuted you can go ahead.

**Abir (18:00)**

Hello so my first question would be on the breakup of bearing and auto component within domestic and export. Could you give that number for Q4?

**Hiren (18:10)**

Okay, Q4 domestic bearing ring market it was 83 crores, domestic auto components it was 44 crores, export bearing ring market it was rounding to 39 crores and export auto components it was 95 crores.

**Abir (18:33)**

Okay so thank you this was helpful. My second question would be on the bearing demand that we are getting from Europe and basically the export bearing has been under pressure for it for quite a while. How do you see it going forward in the next one to two years?

Do you see a full recovery in it and how long will it take for us to get back to our previous numbers?

**Hiren (18:54)**

See to get back to the previous number or full recovery I think it is bit early as of now to say but the way we are getting feedback and responses from our customers we expect that bearing number would be increasing maybe at the end of Q2 or from Q3 onwards of this current fiscal. But to get the full recovery which is you know I think it will take as per our estimation at least four to six quarters from now minimum what we are expecting.

**Abir (19:31)**

Okay so and the last question would be on your ROR issue has there been more clarity about it? I mean you have been talking to the legal consultant and all has there been more clarity on it?

**Hiren (19:43)**

Yeah as we stated in our auditors have also you know mentioned this thing in our published results that you know banker we had some debate on the one particular issue of compounding of interest though we met higher authority of the our lead bank and he suggested to get a legal opinion on the from the penalized or rather the empanelled advocate of the lead bank. And we got the same from the empanelled advocate bankers have lead bank has you know allocated or assigned this task to particular legal counsel who is one of the renowned legal firm in the country. And we got that opinion from that legal firm just before two days back before our board meeting and it has held that compounding would not be applicable looking to the documents and looking to the agreements executed by the company with the borrowers.

And on that basis we have already requested our lead bank to revise or rather to withdraw their demand letter what they have already raised. And now lead bank is in process of you know expediting the same.

**Abir (21:05)**

Okay. Thank you.

**Mihir (21:09)**

Yeah. Thank you Abir. So, a reminder to all the participants to ask the question you have to use the raise hand function.

And we have our next question from Jason. Jason sir you are unmuted you can go ahead.

**Jason (21:26)**

Yeah. Thank you so much for that. So just wanted some bookkeeping questions first or just you know in terms of whole year Just wanted to know your bearing rings export automotive and domestic bearing rings like export bearing rings for 25% the whole year I mean.

**Hiren (21:46)**

You need the numbers for the whole year, right? Yes, that's right. That's right.

Okay. See domestic bearing in a whole year it is somewhere about rounding to 330 crores. Domestic auto component rounding to 178 crores.

Export bearing ring 155 crores. And export auto components 398 crores.

**Jason (22:11)**

And so just I guess the domestic bearing rings number can you just repeat that?

**Hiren (22:18)**

It's 330 crore.

**Jason (22:20)**

And domestic auto components will be? 178. 178.

Okay. And export bearing rings is 155 and export automotive is 390. Okay.

**Hiren (22:31)**

398. Yes.

**Jason (22:32)**

Okay. And you've mentioned scrap and export a scrap for 78 crores and export incentive for 16 crores for FY25. Right?

**Hiren (22:38)**

Very true. Yeah.

**Jason (22:39)**

Right. Sure. So would it be possible to do the same comparable numbers for 24 as well?

**Hiren (22:46)**

Yeah. You just note down domestic bearing ring 315 crores. Domestic auto components 176 crores. Export bearing ring 254 crores. Export auto components 382 crores rounding. Okay.

**Jason (23:07)**

Just one second. (Okay). Sir, could you just repeat those figures?

I'm sorry. Domestic bearing rings will be?

**Hiren (23:28)**

315.

**Jason (23:31)**

315. Okay. Domestic auto components.

**Hiren (23:33)**

176..

**Jason (23:35)**

176. Okay

**Hiren (23:36)**

Export bearing ring 254. (Right) Export auto components 381.

**Jason (23:45)**

381. That's FY25. Oh, thanks.

And for a scrap and export incentives, sir, for 24?

**Hiren (23:52)**

Again, almost same scrap was 78 crore export incentives were 16 and a half crore.

**Jason (23:58)**

16 and a half. Okay. Sure.

Thank you so much, sir. Sir, you mentioned, if I got it correctly, probably a full record. So full recovery for bearing rings will take around six to eight months from now. That's what you mentioned.

**Hiren (24:11)**

I talked six-eight quarters.

**Jason (24:14)**

Six to eight quarters.

**Hiren (24:16)**

Yes.

**Jason (24:17)**

Oh, six to eight quarters. So that.

**Hiren (24:18)**

Because you are asking full recovery, you know, full recovery in the sense I got an hit of almost 35% 40% in my bearing ring business. That's why.

**Jason (24:30)**



Right. So full recovery will take around six to eight quarters.

**Hiren (24:33)**

Yeah.

**Jason (24:34)**

Okay.

**Hiren (24:35)**

Gradually, it would be difficult to get in, in a particular quarter, but it, we expect the same would be started from Q3 or Q4, Q3 of this particular fiscal.

**Jason (24:46)**

Okay. So gradual recovery and a full recovery will take six to eight quarters (Yes). And so how are you looking at the domestic bearings demand?

I mean, overseas is weak, definitely. How is the domestic bearing demand looking at with the likes of, you know, I mean, right now, Schaeffler also has announced some CapEx and they've commissioned some CapEx and other other players like Timken also is looking at some CapEx, you know, with localization, how is that demand trending up?

**Hiren (25:17)**

Yeah, I would like to request our director, Mr. Mihir Madeka to just take up this question.

**Mihir Madeka (25:23)**

Yes. So the domestic market for the bearing rings is growing now, so we are seeing some light and our customers has shown a positive sign. So maybe from the next quarter, it is going to increase.

**Jason (25:38)**

Okay. And sir, in terms of the automotive components business, I mean, predominantly it is a export driven business. So could you shed some light on how is that demand looking export side as well, but you are increasing traction on the domestic side as well, increasing the domestic.

So how can you give some light on both the overseas as well as the domestic?

**Mihir Madeka (26:06)**

Yeah. See, you know, that car manufacturers in Europe and America is much, much more, more than 10 times compared to the Indian car industry. So all the MNCs who are there in India, they also do the exports.

If they buy the product from us, they also do the exports and for the domestic market and, and primarily their requirement is always being for the European and American continent for the export. So that is an export for the auto component is always going to be on a higher side. We got a very good, some businesses we have acquired means like nomination has been done and all the samples activities is going on and is going to start immediately from this fiscal year.

Okay. So it is a very good sign and means like a very much positive sign is there in the, in case of the auto component for the exports.

**Hiren (27:06)**

And just to add that a couple of customers who are into domestic territory, who are sourcing auto components, who were a bit, you know, what do you say, lifted quite lower demands in last couple of quarters. Now from this quarter, I'm talking about the current quarter of FY26, first quarter, they came out and they already started sourcing back to the level or at least 80% of their peak level. So in that way, we expect some better turn around in domestic couple of players as far as auto component is concerned.

**Mihir Madeka (27:45)**

Even in the, even in export also, few of them, they stopped or they reduced drastically for a couple of months. Now, again, they started from this month, they started picking up the material.

**Jason (28:02)**

Okay. Okay.

**Mihir Madeka (28:04)**

So we are very much positive now for auto component.

**Jaosn (28:08)**

For auto component. Okay. Sure, sir.

And just wanted to know, sir, on this, you know, range or automotive components, this, your BEV and hybrid segment or the electric segment, you know, that has shrunk in this, in this year. So, sir, how are you looking at the traction going ahead, especially for developed economies? Do you see some slowdown in the EV uptake? We have heard about, you know, that the conversion from ICE to EV is a little bit slow. How is the progress on that front? And are you getting any traction on that front?

**Mihir Madeka (28:44)**

Yeah. See, if you see last three years, okay, before three years, everybody was talking EV, EV and everybody was having a threat that once EV will penetrate within four years, five years, or maybe 10 years, EV is going to capture the entire market. And what will happen to the engine component manufacturer or gearbox component manufacturer or something like that.

But now, people, the charm of EV has gone. And, and the main reason behind that is the infrastructure, not only in India, but I can tell you in the developed country like Germany and other European countries, I was discussing with my, one of my customer, okay, one of my customer, and he was from Germany. He told that we do not have the infrastructure. If I want to go from my house to his in-laws house, which he was telling me that it is a 11 to 12 hours drive. If I take an EV car, I will reach there within 25 hours. But if I'm, if I, if I will go with the ICE car, I will reach by 12 hours so same thing what I have been heard from the American colleagues they are also saying the same thing so the infrastructure is a very very big challenge in EV and second thing is that European American then they need a feel in the car okay so in EV car you will not get the feel it is a very silent car so due to this their people means they say that if I want to keep third or fourth car I will buy EV but not first or second car.

**Jason: (30:33)**

okay okay okay sure so sir you are seeing some slowdown in that clearly for that..

**Mihir Madeka: (00:30:43)**

So EV is not going to grab the market in another maybe 5-10 year it will take a long time and after that also they are going to have maybe 25-30 percent of the share of total and see you have IC engine like diesel petrol then CNG then EV now hydrogen is coming so over a period of time after five year I think you will have seven eight option okay so EV is not going to lead this market

**Hiren: (00:30:19)** Just to add what Mr. Mihir has told that it's not that we are you know very well equipped for the EV and hybrid components car components even if EV would be increasing as you said in India couple of car manufacturers are coming with quite attractive models of EVs and all these things here the concern is cost of ownership also but at the same time if this demand will increase we are very much equipped to cater that demand and we already got a couple of orders no doubt those orders got deferred because of the OEM deferment of launching of their product but we also got an order from domestic OEM also through our one of the main customer for the components for EV or hybrid vehicles.

**Mihir Madeka: (00:32:08) :**

Not only domestic not only domestic we also got the order from American and European customers for the American EV giant EV maker for the SUV as well as for the sedan car so EV doesn't mean that see in EV there is no engine there is no exhaust system but there is going to be a gearbox of course the gearbox will be smaller size but the component which are there in the gearbox will be more precise so our so there is a value addition for us and we are supplying to them already for the American market and for the European market already we have started and we are growing in that direction one of the very big customer is visiting our facility after two weeks and 100 percent component is for the EV and it is a huge business and they are visiting us from USA to my company after two weeks so we already got EV business for the domestic market India for America and for Europe that is already running and the and more business from America is where we are going to get we are very much hopeful.

**Jason: (00:33:30)**

Sure sure sure thank you so much for that and so just one thing I want to ask you also about the provision you know this right of recompense I mean clearly what I can see on your release is basically there is a 228 odd charge you know for that what the banks are asking for you have you have put in provided for around 506 million per day so that is basically leaving probably more 150 160 crores till there is a contention over it so sir just wanted to understand what is the comfort level I know you did say that you know in a spoke to a very very good legal team you know and you are looking at negotiating that but how do we look at going ahead you know because that amount is quite a lot you know so you know any adverse development yeah so just wanted to know what what confidence does the management have that we can reduce it as much as possible

**Hiren: (00:34:25)**

See that is what I already replied in this session also as the bankers have came out with the demand of 227 crore and you know we already had in mind and it was rather compounding what they have applied according to our calculation

our reading of the documents execution and even the circulars of these CDR and RBI we were expecting that compounding would not be applicable and when we went to bank for you know represent the matter at the same time the very senior authority also you know told us okay forget about our debate let us have a come one legal opinion or neutral opinion which will guide for both of us so that you know the bankers have appointed one their empanelled advocate as I mentioned and he gave an opinion written opinion to the bank that in this case particularly in our case looking to the documents and circular and all this after reading this plaintiff our or rather compounding would not be applicable and it would be at the sacrifice amount what it has been stated in the CDR letter which was issued in 2013. So definitely as of now we feel that the sufficient or rather the full provision to the extent we have already provided in the books and now we are just you know in dialogues with the bank how to take up further and just withdraw the demand letter though we have a consortium banking so obviously banks are discussing internally and in with their legal team with their higher ups and we expect something to come up in this month.

**Jason: (00:36:18)** So and so just a tax rate I mean of course tax rate has been quite favorable this quarter and when you look at the whole year it is come out to I mean even if I consider the exception items it's coming around to 16% which is lower than the usual 25%. So just wanted to know going ahead how do we look at the tax rate should we consider it as the base 25.6% which comes I mean how do we look at it?

**Hiren: (00:36:46)** See the extra exceptional items definitely it will not carry any tax impact because it is a simple provision it's not a cash item so it will not have any change as far as my current tax is concerned particularly if in this quarter there isn't you know the excess provision which was there in the books for last eight years or so which we call back and that is why the for this particular quarter net number is showing negative but on an average current tax would be at 25% what it is there and even it is there if you just ignore this earlier tax period my tax provision is somewhere about 25% only and that will be there in future.

**Jason: (00:37:25)** Okay so we should expect that to be the similar going.

**Hiren: (00:37:28)** Yes.

**Jason: (00:37:29)** Okay and so just lastly I wanted to ask sir I mean we have customers like Alice and GM in the automotive components magna as well have we added any more customers because we are looking at expanding the auto components profile and the growth there so have we added any more customers in that segment?

**Hiren: (00:37:46)** Yes yes yes definitely we added one or two customers in domestic as well as three to four customers in Europe and US territory. A couple of new plants of my existing customer which is a new customer for me ultimately so those are there but we have already indicated the territory of that we don't want to disclose the name over here of our customer because of certain confidentiality but we have added in both the way in Bearing ring no doubt Bearing ring one or two customer but in auto component in domestic as well as overseas more than four to five customers in last eight months we got a new order or rather we have added it no doubt the supply and the lifting would be started

in this quarter or coming quarters.

**Jason: (00:38:40)**

Okay so thank you thank you so much for answering all my questions.

**Hiren: (00:38:43)**

Yeah so thank you Jason. So next question is from Rakesh Jain.

Rakesh you have been unmuted you can go ahead.

**Rakesh Jain: (00:38:57)** Hello.

**Hiren: (00:38:58)** Yeah Rakesh you are audible.

**Rakesh Jain: (00:39:01)** Yeah hi sir so herein sir just one question I had while you mentioned that the six to eight quarter is the recovery path for the industry of bearings more specifically for the markets of Europe and US. Now while we can understand what is the situation but within that also are there any spots or are there any areas where you still see some resiliency in demand what are the applications where bearing demand has still holding up well and you know what are you seeing from the customer point of view where you know despite all of this there's this resiliency is still there right now in terms of demand on those sectors.

**Hiren: (00:39:49)** See while we are in dialogues with our customers who are mainly into overseas and in the manufacturing of bearings they simply told us that till today we are working at 25 percent to 40 percent of our capacity of or our peak level what we had before one and two years back and still the you know the circumstances the scenario is not that favorable which will push up our things in a significant way or in a drastic upward trend. We expect gradual you know this thing there is a big issue of unemployment there is a big issue of power cost there is a big issue of overall demand on from their customer. So these are multiple issues there is an issue of still they are facing some kind of you know geopolitical threats also. So that is why the companies or rather the plants it has not operationally even more than 30 to 40 percent. So which indicates us that even if gradually something will come up in totality I clearly told in totality what we lost of our bearing ring business it may take six to eight quarters from now to get that particular level but with that it's not like that we are not working on the bearing ring as I told you that couple of new customers we have added for the bearing ring businesses also and in domestic market we expect some kind of growth as far as the prominent players of our bearing industry they are

in expansion mode they are in you know on a growing stage but particularly one customer who are mainly into non-automotive bearing ring there the expansion there the growth is bit less compared to the you know the other players who are into versatile bearing manufacturing for the passenger vehicles for the railways for the industrial applications for the you know windmills for the EVs like that obviously those players are having bit better growth and we are working on that and one of the main customer in India is gradually growing quarter on quarter in our books what it was there in FY24 today it is more than two and a half times of the monthly numbers what we have.

**Rakesh Jain: (00:42:24)** Got it got it are you are you seeing also any sort of shift in the preference of bearings for the applications of renewable or non-auto I mean I mean I'm not sure exactly if you can highlight that but you know any change in preference given that what is customer prioritizing today?

**Hiren: (00:42:49)** I'm sorry I'm not getting your question prioritization in terms of what?

**Rakesh Jain: (00:42:51)** Prioritization in the areas where where the demand is seeing more prominent between the other sectors or other segments of bearings.

**Hiren: (00:43:00)** definitely compared to industrial applications and you know the heavy commercial vehicles there the demand is bit low or a slower that is because of you know the expansion or rather the coming new projects got delayed got hold that is why that segment is having lesser growth or rather the very nominal growth compared to the automotive segments. Automotive segments day by day the new models are coming demand is increasing people are buying their second car so obviously these sectors are having even the railways having bit of reasonable growth.

**(Unclear voice 00:43:40- 00:43:47)**

**Rakesh Jain: (00:43:51)** Yeah, So these are the things. Sure sure thanks and that's it from my side.

**Hiren: (00:44:02)** Yeah so the next question is from Nishant Chauhan. Nishant you may go ahead.

**Nishant: (00:44:12)** Hi am I audible?

**Hiren: (00:44:13)** Yes you are.

**Nishant (00:44:15)** Yeah so firstly I was just referring to your quarter three presentation wherein we've spoken about some 175 crore worth of revenue that would be starting to flow in from FY26 and this broadly forms around like 15 percent of our FY25 revenue so is it fair to assume that we would at least expect a 15 percent kind of a growth from FY26 or how do we see this number? Some clarity.

**Hiren: (00:44:45)** Even we told last time also that we are expecting these numbers to come on the books would be there from the second quarter onwards of FY26 and till day today till today we are on the same page and we are very much positive and you know we expect this numbers would be there in this fiscal this 175 crores would be added subject to any kind of you know big change and you know again in this month or so we are expecting next month we are expecting some kind of tariff change in USA and how it would be but apart from that our customers till date they are on the same page and they are on the same level of their forecasting and the lifting plan accordingly what we have planned our production also so till date we are expecting this the numbers what we told.

**Nishant: (00:45:46)** Right so if the organic business stays flat we could at least expect like a

15 percent blended growth here on your FY26 is the assumption or understanding correct?

**Hiren: (00:45:55)** Yes sir.

**Nishant: (00:45:57)** Okay thank you so much. So secondly on the industrial piece I just wanted to broadly understand what is a split between the export and the domestic market for the industrial vertical?

**Hiren: (00:46:09)**

Industrial vertical you may say 65 percent of my this business of industrial segment it is it goes to overseas and mainly into Europe and remaining into domestic market.

**Nishant: (00:46:25)** Okay so in the export industrial market could you just highlight a few sectors where we have been you know seeing a very sharp fall in maybe the growth rates?

**Hiren: (00:46:41)** See when we say industrial applications it consists or it comprises of various equipments all kind of machineries all kind of infrastructural you know this thing wherever diffraction or Wherever the movements are there bearings are required. So one of our main customer our leading customer having the four plants in Europe they are into manufacturing of these kind of industrial or rather the non automotive bearings only. Only one plant is there in US which is manufacturing auto bearings. So in industrial it is a quite wide range equipments you may say infrastructural equipments then different kind of machineries, hydraulic components, hydraulic equipments all everywhere that they need these kind of bearings.

**Nishant: (00:47:30)** Okay so it will be difficult to particularly pinpoint is what I understand.

**Hiren: (00:47:36)** Yes it would be difficult because we do not have those numbers where what my customer is selling to what particular industry or individual you know drill down to particular case of industry.

**Nishant: (00:47:50)** Fair enough sir. So lastly I was just referring to your presentation I think industrial piece has seen some bit of you know reduction in overall share for us. So is it that we are I mean voluntarily trying to let go some business or it's just the general economic slowdown?

**Hiren: (00:48:09)** No not at all we are you know voluntarily moving all these things but if you see earlier we had in somewhere more than 25-27 percentage of our share into this segment and as I mentioned repeatedly that our one a couple of main customers who are into industrial applications they are facing quite you know or rather they got an quite reduced production plan they are working at 25-40 percent of their capacity that led me to down it's not that they are sourcing from somewhere else and I'm just moving it out. But definitely company would be preferring a segment where they are getting quite value-added processes or maybe with a better margin compared to industrial bearing if I'll have a choice of auto components giving me a better margin and utilizing best capacity of my resources definitely we would be preferring that but at the same time if my existing customer my customers who are with us for more than two decades we never say no to

them and we are obviously honoring their requirements.

**Nishant: (00:49:22)** Great sir so thank you for your answers. Thank you.

**Hiren: (00:49:25)** Yeah

**Mihir: (00:49:26)** we have a next follow-up question from Abir Katiyan. Abir you may go ahead.

**Abir Katiyan: (00:49:36)** So I just wanted to ask what is the CAPEX guidance going forward for FY 26 and 27?

**Hiren: (00:49:46)** Broadly for fiscal 26 we would be having 30 to 40 crores in the mainly into equipments and again 40 to 50 crores in FY 27.

**Abir Katiyan: (00:50:00)** Okay and this is all just maintenance or how much of it is?

**Hiren: (00:50:02)** No, no, hardly 20 percent of this is towards maintenance rest is for the all the new equipments, new additional facilities, new value-added process equipments and certain you know quality measuring instruments and all these things.

**Abir Katiyan: (00:50:19)** Okay and the second question will be from what I've gathered from the discussion mainly on export side of our bearings industrial is the segment that has been struggling in Europe so far so how long before we see it?

**Hiren: (00:50:32)** See as far as European market is concerned it's not only industrial even the auto is on this thing particularly auto bearings but now that has come out with some kind of positive sign and we expect that auto bearing would be increasing as auto component business is also growing so obviously it will lead to you know incremental in auto bearing business.

**Abir Katiyan: (00:50:58)** Okay and as our export of auto component is growing what will be your expectation of EBITDA margin going forward for FY 26 and 27 or overall basis?

**Hiren: (00:51:09)** Overall basis definitely my EBITDA what we are expecting for FY 26 conservatively I'll say 23 and a half to 24 percentage and maybe more than 24 percentage in FY 27.

**Abir Katiyan: (00:51:22)** Okay so understood thank you.

**Hiren: (00:51:27)** Subject to you know it will lead to my increasing or incremental operating leverage.

**Abir Katiyan: (00:51:33)** Okay understood sir thank you.

**Mihir: (00:51:36)** Yeah thank you Abir. So sir just one clarification on the EBITDA margin point so that is including the other income right?



**Hiren: (00:51:47)** Yes both the way you see when I say 24 percent definitely that includes other income.

**Mihir: (00:51:57)** Right and okay so we have one question from Jason. Jason sir I have unmuted you can go ahead.

**Jason: (00:52:04)** Yeah sure thank you so much for the follow-up. So I just wanted to know I mean previously you did used to you know give a guidance as such I understand that there are a lot of the tariffs and etc are there on the horizon but still you know an earlier participant also you are getting you have a visibility for orders which is around 15 percent of your annual revenue as well. So can we expect that Rolex can go at least 15 to 20 percent for the next two years margins you said around 23 percent. So would that be a fair assumption or I just wanted some color on that probably you know a figure of 15 to 20 percent for the next one to two years next two years I mean.

**Hiren: (00:52:49)** For FY26 I would be rather tell you that it would be in the range of 15 percent growth what we are expecting any additional that would be you know icing on the toppings of the cake but for 27 again on the numbers of FY26 we are expecting maybe 15 or high teen growth over there but I don't want to see a 20 percent CAGR or something like that but it would be in the range of you can say 10 growth for the next two years Definitely.

**Jason: (00:53:26)** Sure sir thank you so much thank you.

**Mihir: (00:53:33)** So we'll take that as the last question and over to you Hiren sir for closing remarks.

**Hiren: (00:53:40)** Yeah thank you very much Team Equirus for arranging this investor call and updates to the our investors stakeholders and the participants. Again very much thankful to all the participants for sparing their time and we hope we try to clarify justify their questions and their concerns. We will be there for any kind of queries or concerns I request any participants they can directly send a mail to me or to the management it would be our pleasure to reply. Thank you very much again for attending this call. Thank you very much.