ROLEX RINGS LIMITED

[CIN: L28910GJ2003PLC041991]

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Ref. RolexRings/Reg30/AnalystMeeting/Nov26/2 06th November, 2026

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

Script Code: 543325

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

Script Symbol: ROLEXRINGS

Sub: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Transcripts of Earning Call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Transcript of the discussion on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2026, at the Earnings Call held on Thursday, 05th November, 2026 and also the same is available on the website of the company at www.rolexrings.com

Please take the same on your records

Thanking You,

Yours faithfully,
For Rolex Rings Limited

Hiren Dilipbhai Doshi

Digitally signed by Hiren Dilipbhai Doshi
DN: c=IN, o=Personal, title=3785, pseudonym=8a70329c8e7a4d839c7166d3f05cffe0, 2.5.4.20=ea5027fb00c180afe37a4deaa4770aa1332e99ac5ce88e1bc2fea9aee5446162, postalCode=360005, st=Gujarat, serialNumber=8ab6dd031197142ea87670f17f1380be95e1e72122ac7ceee3e1273c136a1de3, cn=Hiren Dilipbhai Doshi
Date: 2026.11.06 18:32:56 +05'30'

Hiren D. Doshi
CFO

"Rolex Rings Limited

Q2 & H1 FY27 Earnings Conference Call"

November 05, 2026

MANAGEMENT: **MR. MANESH MADEKA – CHAIRMAN AND MANAGING DIRECTOR – ROLEX RINGS LIMITED**
MR. HIREN DOSHI – CHIEF FINANCIAL OFFICER – ROLEX RINGS LIMITED
SGA, INVESTOR RELATIONS ADVISORS – ROLEX RINGS LIMITED

MODERATOR: **MR. DHIRAL SHAH – PHILLIPCAPITAL PRIVATE CLIENT GROUP**

Moderator: Ladies and gentlemen, good day and welcome to the Rolex Rings Limited Q2 and H1 FY 2027 earnings conference call hosted by PhillipCapital Private Client Group. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note, this conference is being recorded.

I now hand the conference over to Mr. Dhiral Shah from Phillip Capital Private Client Group. Thank you, and over to you, sir.

Dhiral Shah: Yes, thank you, Nazneen. A very good morning, everyone. On behalf of PhillipCapital Private Client Group, I welcome you to the Q2 and H1 FY 2027 earning conference call of Rolex Rings Limited. Joining us today from the management, we have Mr. Manesh Madeka, Chairman and Managing Director, and Mr. Hiren Doshi, Chief Financial Officer of the company. We thank management for allowing us to host the earning conference call.

I will now hand over the call to Mr. Hiren Doshi, sir, for his opening remarks. Following his address, we will open the floor for Q&A. Over to you, Hiren, sir.

Hiren Doshi: Very good morning to all of you, and warm welcome to everyone on the call. Along with me, I have Mr. Manesh Madeka, CMD of the company. Would also like to thank PhillipCapital for arranging this con call, and Team SGA is also there with us, our Investor Relations Advisors. I hope you all have received our investor deck by now.

When we spoke in August'26, we told you that the constraint in quarter one was execution, not the demand, and that in Q2 would reflect in the true strength of our order book. I am pleased to say that is how it has played out during the quarter two of fiscal 2027. Fiscal 2027 quarter two has been the strongest quarter in the history of the company, on revenue side, on margin side, on efficiency, and profitability.

Coming to the Q2 FY27, revenue from the operations came in at INR389 crores, which is up by 43% year-on-year and 28% quarter-on-quarter. These numbers include a one-time benefit of around INR18-odd crores of customs duty, what we paid and accounted as a revenue from the U.S. tariff, which as we had already indicated on our earlier call that we are going to recognize in revenue.

Excluding this revenue, our overall revenue grew about 32% year-on-year in Q2 FY27. The component sales, that is consisting of rings and auto component both, grew by 32% year-on-year to INR330 crores in this quarter two. Revenue from auto components grew by 68% year-on-year to INR177 crores, while revenue from the bearing rings grew 6% to INR153 crores.

Auto components now contribute 54% of our overall sales compared to 42% in Q2 of previous fiscal. This shift towards higher value precision machine components remains the single biggest driver of our margin profile, and it is only auto components. As we explained in our earlier call, even in August 2026, wherever our products carry more value-added processes, including bearing rings for EV and hybrid applications and other critical rings, we earn similar kind of margins on both the segments.

Looking to the regional mix, exports grew by 55% year-on-year to INR167 crores and now account for 51% of component sales. Within auto components, exports grew by 89% to INR129 crores, while domestic auto components grew by 29% to INR48 crores.

In bearing rings, our domestic business grew by almost 10%, reaching to INR115 crores, while bearing ring exports were broadly flat at INR38 crores, as industrial demand in Europe remains soft. Here, our strategy is to reduce dependency on single or couple of customer group by developing new bearing ring customers overseas, particularly in Europe and U.S., where we have already strong automotive relationships, and by approaching these plants of our existing customers that we do not yet supply till now.

By geography, the U.S. was the standout in this particular quarter. Our U.S. component revenue more than doubled year-on-year to INR92 crores, as customers who had held back through FY 2026 returned with the meaningful volume. This includes a key customer whose volume fell by 35%-40% in fiscal 2026.

As we indicated in August, that business is now back on track with its fiscal 2025 level. By end-user industry, passenger vehicles contribute almost 47% of our component sales in Q2 FY27. Commercial and heavy vehicles about 30%, industrial about 17% to 19%, and EV hybrid also consistent over there.

Coming to the margin side, gross margin for the quarter has sharply increased, up by almost 700 basis points year-on-year, reflecting a richer product mix, disciplined raw material management, and the duty refund. EBITDA grew by 72% year-on-year to INR94 crores, with EBITDA margin at 24.2%, up by almost 400 basis points. Profit after tax grew by 68% to INR74 crores, with PAT margin of 19.1%, up 280 basis points. I want to be transparent about the moving parts.

Excluding the refund, our EBITDA margin for the quarter would be around 21%. That was delivered in quarter where ocean rates ran nearly 3x compared to their normal levels. Fuel gas prices have gone up by 40%, and the other consumable cost rose following the escalation of West Asia conflict, which is why other expense were higher in this particular quarter.

Our customer contracts pass through raw material and foreign exchange movements, but not freight, so a spike of these kind of sets with us in the first instance. We have absorbed most of this so far, and we are in active discussion with our customers, particularly in the U.S., on sharing of this freight burden. We have done this before when we had a Red Sea impact before three years back.

During the last major freight spike, customers reimbursed part of the cost, and one customer changed its delivery terms for that period. The early response this time has been positive. One more input, that ocean freight, we are already observing decline from the month of October 2026. This decline, auto components continue to grow as a share of our mix. We expect operating margins to move back into our guided range of 21%-22%.

Coming to the H1 FY27, comparing to the H1 FY26 of , for the H1 FY27, revenue from operations grew by 23% year-over-year to INR694 crores. Auto components grew by 28% to INR318 crores, while bearing rings were flat at INR271 crores, with the Q1 labor constraint, as

we indicated earlier, it has offset by a stronger Q2 FY27. Exports for the half grew by 26% to INR296 crores.

Gross margin for H1 FY27 stood at almost 58%, up by 680 basis points year-on-year. EBITDA grew by 40% to INR163 crores, with EBITDA margin of 23.5%, up by 280 basis points. Profit after tax grew by 44% to INR134 crores, with PAT margin of 19.4%. On the balance sheet and cash flow side, we remain completely debt-free. After completing the buyback of INR180 crores during the first half, we continue to hold about INR260 crores in cash bank balances and with the liquid investments.

Operating cash flow for the first half was at INR68 crores. This was lower than the last year because of working capital increase about by INR74 crores, as inventory and receivables rose up with the step-up sales in Q2 FY27, and with longer transit times on our export shipments.

We expect a part of this unwind in the second half as freight links are expecting to be normalized. Another factor what we discussed last time, that is the U.S. tariff, what has impacted. Let me address a question many of you have asked us over the last few quarters, that U.S. tariffs are no longer impacting our business. Our customers have accepted the current duty structure, and order flows from the U.S. have quite normalized.

Our U.S. automotive revenues more than doubled year-on-year in Q2 FY27, and we didn't have, rather lose any single customer because of this tariff disruption. As of now, on the duties what we paid earlier, we registered with the US Customs, and now accounted the majority of the refunds of the duties paid under the earlier tariff regime.

As committed, these refunds are being recognized as revenue in this Q2 FY27, which is giving benefit around of INR18 crores. It's a one-time item. On our order book, for the coming H2 FY27, our order book remains strong in the range of INR120 crores-INR125 crores per month.

Customers who held back through fiscal 2026 are placing orders with a confidence again, and the new programs we won last year are now scaling up. With the labor situation fully normalized from the start of the quarter, we were able to convert this order book into output at the pace we had planned. As we said in August, the output we could not deliver in Q1 was deferred, not lost, and Q2 bears that out.

As we mentioned earlier, July was the highest monthly revenue in our history, and we sustained that run rate through August and September. We expect H2 FY 2027 to be stronger than H1, because of these three reasons. First, new programs. One of the two new customer plants begin supply in Q3 and in early Q4 FY27.

The programs we onboarded over the last year, in the last quarter or third quarter of last fiscal, are moving from initial volumes towards their peak run rates. Programs that started in the lastquarter of FY 2026 are ramping up through this year, and one of our key customers has given us orders for its new plants, as well as incremental volumes on existing program.

Apart from a couple of U.S. programs that the OEM still has on hold, the programs in our earlier announced pipeline are coming back, and the new programs we won in FY 2026 have started

supplies. New customer validation in our industry takes 15-18 months minimum, and much of that work is now behind us. Secondly, the capacity.

We are running at 65% capacity utilization today, and we expect to move towards 70%-72% by end of this fiscal, within our planned capex of INR30 crores-INR40 crores a year. That gives us operating leverage as volumes grow. Our forging and machining facilities are fungible across bearing rings and auto components, so we can direct capacity to the programs that offer the right volume, tenure, and right margin. Thirdly, the customer association.

In Europe, we continue to build on our expanding automotive presence, are in discussion with a couple of tier 1 suppliers for the commercial vehicle and industrial products. We are also in discussions with another new customer in the U.S. In India, existing bearing customers continue to increase their wallet share in automotive bearing rings. In addition, one of our domestic customers has diversified into industrial bearings, and we have already submitted sample for that business, for which we are very much positive.

Looking ahead, taken together, the trends what we spoke about in May and August are playing out as we expected. The U.S. has came back, Europe continues to grow on the back of our automotive presence, and our domestic business is steady. With H1 revenue growth of 23%, we remain confident of delivering at our guided revenue growth for FY 2027.

Looking further out, we continue to see FY28 growth moving towards high teens as new programs reach full volumes. On margins, we expect FY28 EBITDA margin to be around 50-75 basis points higher than the FY27. We are also building a new growth avenue for the medium term, and we have received some registrations, initial approvals in the sectors of defense and aerospace, and we expect revenue from this segment over the next 12-18 months.

We are working with one of the very senior consultants in this area, and our focus is on round and hot forge components that suit our existing facilities. We are seeing inquiries for larger bearing rings used in wind and industrial equipment, which carry better margins than our traditional rings.

And we continue to explore inorganically to add value-added processes in India, which is remain at an early stages of now, but we have appointed a global agency to help us to evaluate partners. The aim is to bring more value-added processes and the ready OEM access that comes with them to our facilities in India.

On capital allocations, the buyback was the first of many steps in returning to value to our shareholders. With a debt-free balance sheet and a strong cash generation, the board will continue to evaluate dividend for the round of buyback and other revenues, while preserving the cash what we need for our growth and expansion.

Fiscal 2026 tested our resilience. It taught us that no business is immune to external disruption, but a business built on strong fundamentals, deep customer relationship, and operational discipline can absorb the disruption and come out stronger.

First half of fiscal 2027 has shown what the business can do when those external pressures ease. Higher volumes, a richer product mix, stronger margin, and a cleaner balance sheet than any point in our history. As I look ahead, I see Rolex Rings as a company that is well-capitalized, well-positioned, and well-prepared for the next phase of growth.

What sets us apart in our facility, the range of product what we can make, our precision, our in-house tooling expertise, our yields, and the depth of our customer relationships. Our ambition remains unchanged to be the most trusted precision forging partner for the world's leading bearing and automotive OEMs, as well as Tier 1, Tier 2 players. We are well on our way.

With this, I would like to take a pause. Thank you very much for your patient hearing. I request PhillipCapital that we can now open the floor for the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Varun Jain from Dolat Capital. Please go ahead.

Varun Jain: Yes. Hi, sir. Good morning. Starting with a bookkeeping question. Can you disclose your scrap revenue and export incentive for Q2?

Hiren Doshi: Scrap revenue for Q2 is INR23 crores, and export incentive is INR4.2 crores.

Varun Jain: Okay. In your segmental reporting, the tariff refund will sit into other revenue, right? It will not be included in the bearing or auto component, if I look at the segmental reporting, right?

Hiren Doshi: Yes, it would be reported as under the other income. But on the quarterly numbers, what we have displayed, what we have disclosed, it is there on the revenue from the operations, on the very first line.

Varun Jain: Okay. Sir, your gross margin has expanded quite a bit in this quarter, but all the other players in the industry have been reporting gross margin decline due to pricing pressure in metals and everything. Why the divergence?

Hiren Doshi: See, first of all, the gross margins have increased or rather better yield is because of the product mix. The auto component business has gone up significantly. That is one of the reason. Another good part of our business is that we have 100% pass-through mechanism as far as the commodity or metal price is concerned. Whatever the commodity prices have been increased in the previous couple of quarters, those are being passed, and those are being recovered from the customers.

Varun Jain: Got it, sir. Now, sir, coming to the auto component export business. Sir, what is the extent of recovery we are seeing in Allison? Are we hitting a INR20 crores-INR25 crores per month run rate here, and do we expect to cross INR500 crores in auto component export revenue in FY 2027?

Hiren Doshi: FY 2027 auto components overall business, definitely we will be crossing this INR550 crores. That is minimum what I'm expecting.

Varun Jain: Okay. Sir, does this include the Allison Dana opportunity which we were expecting to get some business from Dana?

Hiren Doshi: No, it is not included. Let me tell you that in the last fiscal, we had this auto component business revenue was somewhere about INR505 odd crores. Let me tell you, in this first half, I have already achieved somewhere about INR318 crores, and we would be crossing more than INR550-INR575 by end of this fiscal.

Varun Jain: Then, sir, going forward in FY 2027, FY 2028, how fast do you expect this to grow?

Hiren Doshi: In auto component segment, at least minimum 20%-22% year on year.

Varun Jain: Isn't it too aggressive? What drives this confidence? Where will this additional demand come from?

Hiren Doshi: See, it is the first of all additional demand, something what we have lost, rather it was not there in last year because of U.S. tariff and all these things. Apart from that, the new programs what has been started in the previous fiscal, the couple of new programs which are about to start, and the peak ramp up of these programs will be there in fiscal 2028 and 2029. So, we are very much confident on that part.

Varun Jain: Sure, sir. Before I fall back in the queue, any color on the defense and aerospace entry which we are expecting over the next 12 months?

Hiren Doshi: As I told you, that it, we are very much in a primary stage. It would be difficult to have a significant number or a considerable number at least in next 12 months. But beyond that, we expect some entry over there.

Varun Jain: What is the application we are supplying to? If you can tell us that.

Hiren Doshi: Those certain things I think will not be able to discuss over the call. Applications in all, wherever the hot forge components are required, a round job kind of thing that we are able to produce. And those are being used for various sectors in the defense, but in aerospace, certain engine parts, certain other technical transmission parts, what we are able to produce.

Varun Jain: Sure, sir. I will fall back in the queue. Thank you.

Moderator: Thank you. Next question is from the line of CA Garvit Goyal from Serene Alpha. Please go ahead.

Garvit Goyal: Good morning, and congrats for a good set of numbers. First question is on the order book run rate. The INR120 crores-INR125 crores run rate, I think historically also we used to be around this number. Looking at the current environment, specifically when you are speaking about the auto component business, and along with some inquiries coming for larger size of components, I think from the wind applications, right, that you mentioned in the opening remarks. Are you seeing the order book run rate on a quarterly basis to have a huge jump, maybe from the upcoming quarters? Can you put some color on that?

Hiren Doshi: Yes, the order book what I mentioned is, it's INR120 crores-INR125 crores. That is what there for next few months. As far as the windmill and other bigger size of components, as I mentioned that we need a good amount of time in the development, in the testing, and all these things.

So, in the coming quarters, not there in this fiscal, but in fiscal 2028, we are expecting some good numbers for these kind of components, which are mainly there into bearing ring segment and other industrial segments. The auto components, what we have already developed and the ramp up, as I was mentioning, it will be started. So these INR125 crores monthly order book, if you ask me, in fiscal 2028, what we envisage is maybe increased by at least 5% - 7% month on month.

Garvit Goyal: From which geography are you seeing these inquiries coming? Is it domestic or is it from international geographies, for larger bearings?

Hiren Doshi: From domestic market.

Garvit Goyal: Yes, sir.

Hiren Doshi: Domestic market only.

Garvit Goyal: Okay, from the domestic market itself. Okay. Secondly, how Europe is doing as a geography for us? How are you seeing the things happening there in terms of the demand, how we should expect the inquiries from Europe in the coming quarters and execution in the coming quarters?

Hiren Doshi: Europe was the concern prior to fiscal 2026, and we had a good return in Europe, and we came back to somewhere about 23%, 23%-24% of contribution from the Europe side on our overall business. Majority of the new orders what we won, what programs have been started, those are from Europe. Now those orders are being ramped up.

Even the good inquiries are there from the European sectors for auto components. We are exploring from our side to develop a bearing ring customers, as I was mentioning, for the industrial components and automotive applications. So in totality, Europe, a gradual, but the firm or substantial, with the substance, we are expecting a growth curve.

Garvit Goyal: Understood. Just one last question. Looking at the conversations I listened to and answers I got from you, what I am understanding is the demand environment is pretty good now as compared to past, and we are entering into the new products as well and trying to get new customers onboarded.

Looking at all these things, can we expect the growth rate that for this year, I think we will be going at the 15% number that you have given in the past. Can we expect that growth rate to change upwards from 2028 onwards, maybe on the 25%-30% kind of number? Can we expect growth rate things to grow at that pace going forward?

Hiren Doshi: We do have that potential. As I was mentioning, there are the couple of reasons for our growth, because of our sound order book, the forecast or rather the dispatch schedules given by the customers that would be there in the future. With the couple of new customers what we are talking for the business, which are supposed to be started in 2028 or maybe in 2029. We can definitely achieve or rather able to manage 25%-30% growth.

It is not something surprising that if this continuation of this trend, subject to not to have any disturbances of geopolitical and other economical factors from the overseas market, maybe we will be having quite better number, even higher teen or even more than that, more than 22%-23% growth definitely we can expect in fiscal 2029.

Garvit Goyal: Understood, sir. Understood. That is helpful. I will join back the queue, sir. Thank you very much.

Moderator: Thank you. Next question is from the line of Mihir Vora from Equirus Securities. Please go ahead.

Mihir Vora: Hi, thank you for taking my question, and congrats on a good set of numbers. Even when I see our numbers, even when I take out the tariffs number, we broadly have done around a INR370 odd crores kind of a revenue. Within that, our product revenues are around INR110 crores per month. Did you rightly point out that we may be looking at INR120 crores-INR125 crores per month in the second half? Are we seeing that kind of a traction in October as such?

Hiren Doshi: Yes, we had the same traction in the October 26, it is there. We are expecting this number INR120 odd crores something month on month in the second half of this fiscal.

Mihir Vora: This will be the product revenue, right? Excluding the scrap and exporting things.

Hiren Doshi: Yes.

Mihir Vora: Okay. Just one thing here, like in terms of tariff refund, we have approximately seen a INR24 crores tariff refund till now. Can you just throw some light on any additional amount which is pending going ahead?

Hiren Doshi: No, precisely I will tell you, it is not INR24 crores. It is somewhere about INR21 crores, what the U.S. tariff refund accounted. Marginal, very marginal amount is yet to receive.

Mihir Vora: Okay, but not major like an INR18 crores kind of figure, no?

Hiren Doshi: No, no.

Mihir Vora: Okay. We have broadly done past that. Secondly, sir, in terms of bearing industry, based on our discussions with the customers, do we expect some kind of recovery in the bearing industry overall in the next one year or a two-year timeframe? How are you seeing the market as such right now?

Hiren Doshi: Sir, you must have seen that in bearing ring, in domestic business, if you just see in Q1, I had a revenue of INR86 crores, which has gone up to INR115 crores in Q2. So overall, if you compare even the first half of this year, first half of previous year, I have a growth of 10%.

In spite of having some reduction in one customer group, still I will be having a growth of 10-odd percentage in the domestic bearing ring business, which means that with other customers I am growing, with other customers they are giving me more components, and I am trying to add new bearing ring customers in domestic. Also, we are trying the same thing for the overseas

market, where we expect that down the line six months, we would be having some better number in the export bearing ring too.

Mihir Vora: Right, right. All right. Lastly, when I am just adding up the numbers on your PPT, the bearing revenue, auto component, and the scrap incentive and tariff refund, I think there is some bit of difference which I am getting. I am getting a number of around INR375 odd crores versus INR389. Can you just again give the breakup in terms of domestic export bearings and domestic and export auto component numbers?

Hiren Doshi: See, domestic bearing ring for the Q2, it is INR115 crores.

Mihir Vora: Okay.

Hiren Doshi: Domestic auto component, it is INR48 crores.

Mihir Vora: Okay.

Hiren Doshi: Bearing ring exports, it is INR38 crores.

Mihir Vora: Right.

Hiren Doshi: Auto component exports, it is INR129 crores.

Mihir Vora: Okay.

Hiren Doshi: These are the component numbers.

Mihir Vora: Right. This is INR330 crores total.

Hiren Doshi: Yes.

Mihir Vora: Then you have scrap of?

Hiren Doshi: Scrap of INR23 crores.

Mihir Vora: Okay.

Hiren Doshi: Exporting incentives of INR4.4 crores.

Mihir Vora: Okay.

Hiren Doshi: Again, this U.S. duty refund accounted is somewhere about INR18 crores.

Mihir Vora: Okay.

Hiren Doshi: And INR15-odd crores, the duty reimbursement what we got from our customers.

Mihir Vora: Okay. This is the additional amount of duty reimbursement.

Hiren Doshi: Yes. This duty reimbursement would be there in the coming quarters also.

Mihir Vora: But will this reverse going ahead? Because now you are getting the duty refund as well on the other side, the tariff refund?

Hiren Doshi: No. See, as of now, from last November'25 onwards, there is a duty of 25%, which is not being refunded now onwards. What we are paying to the customs by the clearance of the goods, and we keep into warehousing, whenever my customer is lifting, they are going to pay back that 25% to me.

When I am receiving that 25% from my customer, it is being accounted as a revenue. When I expend it is to be charged in my P&L. Let me tell you one thing, that in this Q2, there is a custom duty of almost 10-odd crores rupees, which has been paid by me, but yet to recover from customer. I am talking only for the Q2.

Mihir Vora: Okay, got it.

Hiren Doshi: That would be coming subsequently.

Mihir Vora: Sure. Okay, sir. That is all from my side. Thank you, Hiren.

Moderator: Thank you. Next question is from the line of Vineet from Toro Wealth Managers. Please go ahead.

Vineet: Thank you so much, sir, for the opportunity. Just confirming with the question of previous participant, I guess I didn't hear it properly. The monthly revenue run rate that you are guiding is INR120 crores, right? For the second half?

Hiren Doshi: For the second half, it is INR120 crores, yes.

Vineet: Understood, sir. Sir, is it like in Q3, and when we go to Q4, can we see an improvement in that as well? Since the things are improving.

Hiren Doshi: Yes, Q4 would be better, even compared to Q3. As I told you that couple of customers or other programs will be started in end of Q3 and in beginning of Q4.

Vineet: Understood, sir. And about the sustainable margins excluding the tariff income, tariff refund, what is the margin that you are guiding for this year and the next year?

Hiren Doshi: See, in spite of having these kind of incremental cost, this ocean freight, it has increased by threefold or almost 3x. In spite of having those things adverse and even the other inflationary, this thing, I am able to manage my margin at the rate what we had in previous quarters, which is somewhere about approximately 21%.

If now the things are further, ocean freight, we observe that it is going to be decline or rather it is on the declining phase, I expect to have some kind of incremental margin in the second half, and definitely there in the next fiscal, maybe by 50-75 basis points conservatively.

Vineet: Understood, sir. And if you can give us a number about what's the total freight cost that we are incurring, let's say, every quarter, just to have a context.

Hiren Doshi: Say, for example, let me tell you, in fiscal or rather first half of 2026, we spend somewhere about INR10 crores for ocean freight in the first half of fiscal 2026. Now, for fiscal 2027, this first half, April 2026 to September 2026, we paid more than INR25 crores.

Vineet: Understood, sir. Fair enough. That gives a good view about the freight expenses. Thank you so much, sir. All the best for the coming quarters.

Hiren Doshi: Right.

Moderator: Thank you. Next question is from the line of Salil Desai from Marcellus Investment Managers. Please go ahead.

Salil Desai: Thank you. Good morning, Hiren bhai. One question I had was, I am still not very sure, and if you can explain again, it would be very helpful. What is the difference in the growth rate between bearing rings and auto comp in the export market? One is growing at 89%, whereas bearing rings is growing just about 6% or 7%. What exactly is this difference due to?

Hiren Doshi: See, this difference is because of we are exploring customers for the auto components, auto components which carries better value-added processes, better volumes, margins are better. The main program what we won, the certain plants of our existing customer, which were not at all there in before year back. Now they are on the board, and they have multi-locational plant across the U.S., Europe, Mexico, Canada.

We are getting those plant into our system. That is the main range. In bearing ring, particularly in our exports was there in Europe, wherein majority of those things are for the industrial application bearing rings. Now we are trying to get the new automotive bearing rings, bearing manufacturers in Europe and U.S. both. But the demand on the bearing ring side, it is slightly less compared to the auto components what we have.

And auto components, we have a wide range of the auto components. When a particular customer, if they allowed or they approved me, they always try to get more and more components because of my supply chain, my better quality, my high precision level.

Salil Desai: Right. But would it be fair to think that if, let's say, you're pursuing automotive bearing customers also, but given that both the automotive components and automotive bearings would have the same underlying industry, the growth incrementally should be better. Is that a fair assumption?

Hiren Doshi: Yes, definitely. In automotive bearing rings also, we expect better, and that is why in domestic bearing rings, I am grew by rather more than 10%. That is why.

Salil Desai: Right. And just to end this, you're saying that partly your growth differential is because you're deliberately targeting more auto comp? But at the same time, industrial demand in Europe is also weak.

Hiren Doshi: Not 100% that we are deliberately targeting only auto components. Even I am very much inclined to have a bearing ring customer who are there into EV, hybrid, and those things. And even in a normal ICE kind of automotive market, I am happy to supply that.

Salil Desai: Right.

Hiren Doshi: We are incrementally getting that things.

Salil Desai: Okay. So the focus is better margin products rather than just what category they belong to, right?

Salil Desai: If they are doing better quality for better margin.

Hiren Doshi: **Better** Margin and the products which are suitable to my forging lines, my capacity, what has been installed, and where we have some spare capacity.

Salil Desai: Understood. Okay. Thank you very much, sir.

Moderator: Thank you. Next question is from the line of Pranav from Rare Enterprises. Please go ahead.

Pranav: Right. Thank you, sir. I just have one question. Sir, in past, we have seen that bearing industry in India has grown at a certain level, and you have lagged. I think that now the time is coming because I see many companies opening plants here. The U.S. also has tariffs on China plus one product coming from China.

Then also they considered it Chinese. I see some news here and there where Chinese companies are shifting production share or plants from China to India, and that's why I feel that now you can have higher growth than Indian bearing industry. Am I right in this, or this is too speculative?

Hiren Doshi: Sir, I would like to endorse partially. Definitely, we are also facing some kind of positive as far as the range of the bearing rings, what my existing customers are into. They are also expanding into different range, bigger size of rings, and they are expanding their capacity for producing more bearings domestically, which earlier they might have imported from their principals or from China.

The only constraint is here for the higher size of bearing ring is the availability of raw material. Apart from that, we are getting same kind of this feeling that domestic bearing manufacturers who are into automotive and in versatile other industries, they are expanding and they are growing in their current range of the product.

Pranav: Right. So, we can assume that we can now match Indian bearing industry growth or surpass it for the next five years?

Hiren Doshi: Next five year, it would be bit long period to tell you, but definitely we will be trying our best to get the current run rate of the bearing industry, what we have, that kind of growth what we expect in our bearing ring business.

Pranav: Thanks a lot, sir. Thanks a lot, and congratulations on a great set of numbers. Thank you.

Hiren Doshi: Thank you.

Moderator: Thank you. Next question is from the line of Hiten from Sequent Investments. Please go ahead.

Hiten: My question is on the auto components business. Sir, you have guided around INR550 crores or INR575 crores odd revenue in FY27 from this business. But we have already did roughly around INR340 crores odd in the first half, so we are targeting something around INR220 crores-INR250 crores in H2. Are we being conservative, or this growth should be more in H2? That's the first question.

Hiren Doshi: You're talking for the overall auto component business or export only?

Hiten: Overall, sir. I think we did INR177 crores in Q2, right?

Hiren Doshi: Yes. My first half number is almost INR318 crores, which I expect to close maybe somewhere about INR600 crores, INR625 crores.

Hiten: I am sorry, but sir, I think you guided roughly around INR570 odd crores, right? **Hiren Doshi:** See, in auto components overall business, domestic business, domestic auto components is bit fluctuating because here in domestic, I have very few players who are rather sourcing the components and where I will be able to serve. Their demand is bit fluctuating here and there. On that part, considering those things, I would like to be at somewhere about INR575 crores-INR600 crores odd crores.

Hiten: INR600 odd crores. Okay.

Hiren Doshi: Yes.

Hiten: What kind of growth we are expecting in the bearing segment?

Hiren Doshi: Same, almost ~8-10%.

Hiten: ~10%, which we did roughly INR540 crores last year, right?

Hiren Doshi: Yes

Hiten: Okay. Just to conclude, our growth will be largely coming from the export market in both the segments. As we also mentioned, the Europe market is recovering in the bearing.

Hiren Doshi: From export, I am expecting much of the portion, more than 75% portion from the auto components. In domestic, much of the portion is from bearing rings.

Hiten: Understood. Understood, sir. Yes. Okay, sir. I get back in with you. Thank you.

Moderator: Thank you. Next question is from the line of Kishore Kumar from Unifi Capital. Please go ahead.

Kishore Kumar: Yes. Good morning, sir. Congrats on the great set of numbers. Sir, I just have a couple of queries on the answers that you have given to the previous participants. You mentioned INR10 crores or INR15 crores of duty refund in Q2, apart from the tariff refund. This is coming from our

customers, and you expect that to continue in Q3 as well? What is the quantum that we expect in Q3?

Hiren Doshi: I told you, the same number, it would be continued into Q3, Q4.

Kishore Kumar: Okay.

Hiren Doshi: Because it is linked with the lifting of the component from my warehouse. Customers are going to lift the same kind of number on which 25% duty is being reimbursed by the customer.

Kishore Kumar: This is the value that we paid last year, and we are getting it this year refunded from our customers. Is that correct, or it's a different?

Hiren Doshi: No, it's not exactly the last year. It is the supplies what I'm continuously making, and say, the goods which are lying at the warehouse at the time of lifting of there, wherever those invoices are being due, and with that, they are paying me on a monthly basis, this duty reimbursement.

Kishore Kumar: This is actually a recurring one which can sustain in the coming quarter as well. It's a—

Hiren Doshi: Yes, yes.

Kishore Kumar: Regular part of the business. Okay.

Hiren Doshi: Yes, yes.

Kishore Kumar: Got it, sir. Got it. Second question is on the domestic bearing segment growth. I understand that Q1 you had an impact because of the labor constraints, but Q2, if I compare it with the domestic bearing companies, the large ones, and MNCs, all have done 20% more growth. You did mention about one group's revenue coming down, but what actually explains the relative stagnation in our performance vis-à-vis the bearing company's performance?

Hiren Doshi: See, in the first quarter of FY 2027, my bearing revenue for domestic was INR86 crores, and it has touched INR115 crores in Q2. I do have more than, what this thing, 25% growth over there in the domestic bearing for this particular Q2.

Kishore Kumar: Okay.

Hiren Doshi: First, if you compare on a six months number, I have a growth of 10 odd percentage, because the first quarter was low in this year, that's why.

Kishore Kumar: Understood, sir. But if I compare it on year-on-year basis, Q2 last year was actually INR100 crores+, and now we have done INR115 crores. I am trying to understand if there is any way that can explain actually the difference in the bearing company's growth versus our growth in the domestic bearing segment.

Hiren Doshi: See, not immediately. I told you even the earlier response also, not immediately, but down the line next fiscal, we will be having that thing. If you compare my annualized number, what we

had in previous fiscal and what we are going to have in this fiscal, it would be somewhere about 10 odd percentage growth.

Kishore Kumar: Got it, sir. Understood. That is it from my end, sir. Thank you. All the best, sir.

Moderator: Thank you. Next question is from the line of Het Shah from Quantum AMC. Please go ahead.

Het Shah: Yes, thank you for the opportunity. Just two questions from my side. Firstly, domestic auto components, where have we seen the growth from? Because if I just see in the last three years, FY 2024, 2025, and 2026, annual basis we've been in the range of INR170 crores and haven't grown there. This particular quarter you've mentioned, I think we've grown 29% odd. So, if you could just give some idea from where it's coming, any new customers onboarded, that would be great?

Hiren Doshi: See, I told just now that in domestic auto components, the market is bit fluctuative or rather on the strong way, the overall their customers' production plan. What we had in this Q2, that is INR48 crores domestic auto components compared to INR44 crores in the last quarter, that is first quarter. But on the annualized basis, if you see last fiscal, I had a revenue of somewhere about INR170 crores for the auto components, which in this first half only I have reached INR93 crores.

So, in domestic auto components, I'm expecting somewhere about between 10%-12% rather growth. So, there we are, the products what we are producing, the transmission parts and the semi-finished components what we are producing, we are supplying to a limited customer over here. Couple of OEM orders what our customer got, and in turn, we got that orders.

But those are not materially came at the OEM level, the design fluctuation, the design change, and their output. Let me tell you, for the EV kind of vehicles in the domestic OEM, what we got the order, but the way it was expected, it has not came on the floor, and that is why the number is not that big.

Het Shah: Okay, thank you.

Moderator: Thank you. Next question is from the line of Dhiraj from InCred Equities. Please go ahead.

Dhiraj: Hello, Hiren sir, and my congratulations on a great set of numbers. I just had a couple questions regarding that. Can you break up what was the volume growth and revenue growth, like volume growth and value growth this quarter? Also, what was our manufacturing, like what was our sales volume? And what utilization we are working at. So, that kind of gives us a lot of clarity.

Hiren Doshi: The volume growth compared to the previous quarter, that is first quarter, and comparing to the second quarter, the volume growth is almost 18%, one to eight.

Dhiraj: Okay.

Hiren Doshi: In terms of my volume growth. And what was your later part of the question?

Dhiraj: Okay. What utilization we are working at right now?

Hiren Doshi: We are at somewhere about 65% utilization.

Dhiraj: Okay. We are very confident to kind of reach 70% of that number by year-end, right?

Hiren Doshi: Yes. 65%. If you ask me for a particular last couple of months, I have already reached the level of 67-68 percentage. Considering the first quarter, for the first half, it was somewhere about 65%.

Dhiraj: Okay, sure, sir. This quarter, as we saw that gross margins have been much better, even if we kind of remove the numbers that are the export incentives that we have gotten, the refund that we have gotten, we have still performed much better from our historical 50% kind of gross margin.

Can you give some kind of guidance, going forward, as we are expecting most of our growth coming from the export and auto component segment only, where the margins are again higher. The mix shift is going to be towards that side only. What can be normalized kind of gross margin going forward, as the raw material is not going to affect us anyway?

Hiren Doshi: See, raw material is not going to affect me anyway, but there is some kind of time lag between the actual pricing and when the customers are going to change the sale price or realization. That kind of small impact would be there. On a normalized way, or rather what we are expecting, the gross margin in the range of 49% to 53%.

In particular Q2, as I had a good amount of growth in the auto components business, and where the margins are much on a higher side, or yield is quite better, that's why it has shoot up. But broadly in the range of, say, if I'll be having a sales mix of, say, 50%-50% bearing ring and auto components, then I would be having 50% kind of margin, minimum, gross margin.

Dhiraj: Okay. Great, sir. What is the current scenario regarding exports? Last quarter, there were a lot of, not just the cost of the freight, ocean freight, but also there were higher costs regarding the containers and availability of all of that. Has the situation improved from the last quarter, or how is it right now?

Hiren Doshi: Yes. It has quite improved. Now there is no issue as far as the availability of containers are concerned. Even, as I was mentioning, that ocean freight has also started declining, and that is from the last month. We will be having that positive benefit.

Dhiraj: Okay, sure, sir. Thank you so much for answering the questions. I will get back in the queue for further minute. Okay. Thank you so much.

Moderator: Thank you. Next question is from the line of Sanjay from Elara Capital. Please go ahead.

Sanjay: Yes. Thank you for giving me this opportunity. I would like to request you the market share currently we are having in both the bearings and the auto components vertical which we have.

Hiren Doshi: See, global bearing ring is a very vast or rather quite big market, and I am there into a particular range of the product. Again, we are there into the bearing rings which are produced through a forging route. So, it would not be possible for me to tell you the overall global market share as

far as the bearing ring and even for the auto components, because we are also not there in the entire range of auto components. Right?

We are mainly there into transmission and chassis components and so on. But if you ask me, in a domestic business, in my forging rings activity, and in my addressable segment, where I will be able to have the range of, say, 50 mm - 1,000 mm diameter, there I will be having somewhere about in between 30% to 35% market share.

Sanjay: Okay. This is great, sir. Can I just ask you that, whatever business we are doing in, this is for steel business, are we planning to go ahead in some other verticals in aluminum alloy or anything else? I mean, if I may ask on this?

Hiren Doshi: We do not have any such plan for the recent future as of now, because there is a good amount of opportunity in our existing one, and we do have spare capacity over here. So, our main concentration is to utilization of our existing capacity, and we are getting good responses or new opportunities in our existing alloy steel forging business.

Sanjay: Okay. Thank you so much for this, sir. I will come in the queue. Thank you so much.

Moderator: Thank you. That was the last question for today. I now hand the conference over to Mr. Hiren Doshi, sir, for closing comments.

Hiren Doshi: Would like to thank you everyone for joining us, and I hope we have been able to answer all your queries. We look forward to such interactions in the future. In case you require any further details, you may contact us or SGA, our Investor Relations Partners. Once again, I thank you, PhillipCapital, for arranging the call, and also thankful to all the participants for sparing your time and listening quite patiently. Thank you very much.

Moderator: Thank you very much. On behalf of PhillipCapital Private Client Group, that concludes this conference. Thank you for joining us, and you may now disconnect your line.