ROLEX RINGS LIMITED

(Formerly known as Rolex Rings Private Limited)
[CIN: L28910GJ2003PLC041991]
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Ref. RolexRings/Reg30/AnalystMeeting/Feb2025/1

February 19, 2025

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: 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
February 17, 2025	Investor/Analyst Call scheduled by Equirus Securities with the management of the company to discuss the company's results for 3QFY25	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No Unpublished Price Sensitive Information (UPSI) was shared/discussed in the meeting with the investors/analysts.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

Digitally signed by Hardik Dhimantbhai Gandhi
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pseudonym=6897d79ff14f4c508dfe7a2e6c24c7d3,
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Hardik Dhimantbhai Gandhi
Company Secretary and Compliance Officer
{Membership No. A39931]

File name: GMT20250217-070243_Recording

Duration: 00:49:49

Moderator (00:00:18) Good morning everyone. On behalf of Equirus Securities, I welcome you all to the Q3, FY 25 post earnings conference call of Rolex. 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 to for opening remarks post which we will have a Q&A session. Over to you sir Hiren sir.

Mr. Hiren Doshi Chief Financial Officer (00:00:47): Thank you Mihir. Thank you very much for arranging Q3 earnings call with the investors. A warm good afternoon to all the, participants. attendees or investors. Here, here in douchey CFO from Rolex rings. I'm there with, our MD, Mr. Manesh Madeka, and whole time director, Mr. Mihir Madeka. As you people are very much aware that, the economy or rather the. And then the phase where, the overall engineering and, these things are being passed and particularly the industries or a company who are a bit of, having much of, overseas share in terms of, their revenue, particularly from Europe and us. They are also having some kind of, more, difficulties or rather more, obstacles. What they are facing every quarter, they are expecting some better, but, something new, something new, has came up, without, taking much of this thing. I'll let you through the, financials and the presentation from the company. And thereafter, we can have a Q&A session. I'd like to update that revenue from operations for the Q3. Of the current fiscal, company has recorded net revenue of 259 crores, or rather, 260 crores. That is mainly, component sales and, incentives, which was, Q2 of this current fiscal. It was somewhere about 300 crore. And if we compare the same number for the corresponding fiscal for the quarter, it was 273 crore. In terms of EBITDA for the particular Q3 quarter, we have recorded almost 21%, which was 24.4% in quarter two of five two five. And in the corresponding previous fiscal for the quarter, it was somewhere about 20.5 percentage. In terms of PBT and Pat, would like to tell that in quarter three of FY 25, my PBT was 45 crores, which was 65 crore in Q2 of the current fiscal.And 50 crores in the same quarter, for the corresponding previous year. Here, I would like to tell you, and as we have already, submitted a note on our, results also that this particular quarter, my Pat has gone down because of an additional extraordinary item provision of, 18.6 crores, which is amount what we are providing, towards the liability of right of recompense are to our lenders for the debt restructuring. What we did, in 2013, by forgetting to our revenues, surprisingly, our bearing rings, segment is decreasing compared to increase incremental of auto components. In this for the nine months, my overall, auto component share was 55% in terms of revenue and 45% in terms of bearings. Here I would like to mention, this ratio has just reversed because of the drastic reduction in overall bearing rings market, whether it is domestic, whether it is overseas, that is because of the ratio of auto components has gone up significantly. Or we can say bearing has gone down in terms of, overseas and domestic operations. My Exports were somewhere about 48% for this nine months, and 52% are in the domestic. Here also, we have a bit of the slight changing, or rather the numbers are swapping over there where the domestic revenue has increased. That is mainly because of certain, auto component business and reduction in exports market, significantly for the bearing ring segment. That is why the uh ratio of 52% is there in domestic and exports 48%. Here, I would like to update our investors. That, company is very much confident and positive for the coming fiscal because of the new awards, new business, what we have already received, the nomination program has already been received with the company. And, we have given the indicative or rather, almost a forecast. What has been given by our customers for the various geography that is particularly from Europe, Latin America, North America, and even from the domestic market. If I tell you, in terms of segment, there are there is a one big customer having multiple plant location in Europe and Latin America. They are into auto and even the auto components for the EV wherein we expect and this expectation, what we have mentioned over here, that is purely on the basis of the nomination, what they have told, it is, this particular one customer, it is somewhere about, 80 crore rupees of the, components. What we are planning to dispatch in next fiscal, for the another customer, based at Latin America, for the auto component segment. Tentatively, 25 crore rupees of the business or dispatch is additional what we are going to make to this new customer again from the North America. Another customer 25 crore odd for the Europe. Good part that we have also developed bearing ring uh customers also wherein we are expecting 30 odd crores, something revenue for these new customers in the, next fiscal. Again in domestic also, we have, gotten nomination from foreign auto components, to the tune of, ten crore rupees something what we are planning to dispatch in the next fiscal same way in domestic bearing segment again, almost seven and a half odd crore something. What we are planning to, dispatch additionally in the next fiscal, would like to tell that, as I as I mentioned, that all these orders are either from the new customers or the new programs given by our existing customers. So that is all put together. Somewhere about 175 odd crore business. Definitely it will be added to the annual revenue of these, fiscal in the FY 26, particularly when we are, initiating the project, the generally the first year, the project volume or the ramp up is to the extent of 25 to 30%, something like that. Here I would like to indicate that when I am saying 25 to 30%, obviously, if these things will go up and then in FY 27 again, company would be having maybe 50 to 60% of the ramp up, to these new programs. In terms of, bifurcation or revenue mix. In in the application, again, my passenger vehicle segment has increased. That is 46%, industrial, 17.3%. Here again, the bearing ring industrial overseas business significantly affected. That is why the percentage has gone down. In terms of commercial vehicle achieves for the domestic or us, we are almost at par and we are at the same level, which is 29% EV and hybrid segment is somewhere about 7.7%. So if I talk about total revenue from the operations, for the nine months, it is 871 crores, which was in the previous fiscal 12 122 crores. Again, by forgetting to that, outside or overseas revenue is somewhere about 420 crores in the, nine month figure and 450 crore for the domestic for, till the date of this, December 24th, the same number, it was 636 crore in the previous fiscal for the overseas business and 586 crore for the, domestic business. Comparing the annual numbers of EBITDA, this for the nine months company has recorded, EBITDA of 207 crore, which is 23.3%. Last fiscal it was 277 crore, which was 22.4%. Here the we had, bit of additional EBITDA margin. Talking in terms of PBT or Pat. For the nine months, company has recorded 119 crore rupees of Pat. Vis a vis PBT of 177 crore. It was in previous fiscal 156 crore. Pat and PBT was 242 crores. The reduction of Pat. Again, as I mentioned you, that is an additional provision of 18.6 crore. And bit of reduction in overall uh revenue of the company, which has also been increased. My fixed fixed cost absorption. That is why the number has bit reduced operating cash flow. Company is having a sound cash flow even in the first half of this fiscal. Company had almost 124 odd crore rupees operating, net operating cash inflow, which is, if I say as on 24. It is some in between, somewhere about 150 to 160 crores of operating net operating cash inflow debt. Needless to say that for last almost one one and a half year company is into net negative debt and company has significantly reduced. Or rather what you can say it's a zero debt company, and company has already having some kind of cash surplus with them, obviously, because of my, pat reduction and, having such kind of extraordinary, provisions for the RR and those things, my ROE for the, this fiscal, we are expecting better downside. If we compare, quarterly revenue of, this particular two quarter, I was almost, down by in terms of total revenue reduced by 5%. And if we compare corresponding quarter of previous fiscal, it is somewhere about 15 per, sorry, 8% compared to the, December 23rd. And in terms of overall nine months number, my overall revenue has just reduced by, 2.9%. Profit before tax compared to the previous quarter. It has almost, down by, 10%. If we say for the, 10%, that is comparing to the December 24th, which is December, December 23rd, which is December 24th, in terms of overall, with comparison of quarter two, it was 65 crore and it has reduced to 45 crore in this quarter, mainly because of certain, fixed cost absorption and bit of Bit of additional depreciation and are certain to the certain level of change of my product mix site. Revenue. As I already mentioned, are comparatively, we are almost on the same verge what we had for the fiscal 24. I'm talking about annualized number. So we are planning to, have more or less the same kind of number. But as I said earlier, that company is very much positive for the next fiscal as we got this, nominations. What I have already mentioned, we got this, orders and confirmed dispatch planning from our customers, which would be, implementing which would be, come to the paper on next fiscal. These are the numbers of, balance sheet, what we have already given in detail. I will not take these numbers individually, or rather this number in detail. Thank you very much for patient hearing. Mihir I request, if you can, initiate, the Q and A?

Moderator: (00:14:55) Thank you, sir, for the opening remarks. So we will now open the floor for Q&A. Anyone who wants to ask a question can please use your raise your hand option. Once you are done asking your option, please lower your hand. We'll wait for a couple of minutes for the Q to assemble and then we may start. Yeah. So the first question is from the line of Jason Soane. And sir, you have been unmuted and you can go ahead.

Jason Soane (00:15:32): Yeah, Okay. Thanks for the opportunity. First. First, I just wanted to hear. didn't. Hiren sir, I just wanted to know the absolute numbers. You know, the usual breakup, which you give for bearing rings and auto components, domestic and export. So for nine months, for 25, what would that be? And scrap export windmill as well.

Mr. Hiren Doshi Chief Financial Officer (00:15:54) : Okay. In terms of domestic bearing ring, my nine month number is somewhere about 247 crores. In terms of domestic auto component, it is 134 crore. Export bearing ring 116, 116, auto components overseas 303 crore uh scrap is 59 crore for this nine months figures. And uh export incentives is somewhere about, 12 crores for this nine months.

Jason Soane (00:16:25): I assume windmill income wouldn't be there.

Mr. Hiren Doshi Chief Financial (00:16:28) : No. Windmill income is not there because, that is being, nullified against my power and fuel cost.

Jason Soane (00:16:36): Sure sir, thanks for that. And, so I just wanted to understand, you know, of course, our Bearing Reins performance has taken a hit. And similarly, industrial contribution also has gone down. So, I mean, when we look at look back at it, you know, we have looked at the big three doing significant CapEx for localization in India. So just wanted to know what has what is ailing the segment probably. Is there some delay in the CapEx plans? Why do you see some industrial weakness, you know, pulling the bearings? Just wanted to know the reasons and dig deeper for this.

Mr. Hiren Doshi Chief Financial (00:17:13): Yeah, to truly say that, the big players in are bearing ring, segments. They are, in the expansion mode. But let me tell you that this expansion has significantly, it they have reduced the pace of, this expansion and they got certain deferment also, because if you see their domestic or rather their overall numbers are also, got hit in this particular, third quarter and the things have been deferred and, it, it is going through a bit slow, compared to the early one. And they have also, you know, with one of our main customer when we were just, checking they have also, you know, cut down their CapEx in two phase, which something what they want to, do it on one phase. Now they have deferred by almost six, six months to one year again, depending and looking to the, you know, the overseas scenario, particularly from the Europe, market, so that there is a slight reduction and slight, deferment of this program. I would like to request Mr. Mihir Madeka to throw some more light on this.

Mr. Mihir Madeka (00:18:28): And one of the biggest bearing player in the world recently, they have acquired a very big Group. In. So now almost that group is having a turnover of, I can say, 60% or 50. Yeah. 50 to 60% of what that group was doing earlier. So they have acquired that group. And that is the reason there is a bit delay, because the very big team from them, they are they visited our facility recently and now what they are saying that from this year after, maybe 2 or 3 months means for our financial year when it will start from April, May, the things is going to move fast because now they have merged and they have already made the plans, to expand in India and to move some of the facilities from their, Europe and some other continent. They are going to move here in India. And also they are going to have some additions, more additions.

Jason Soane (00:19:40): Sure, sure. So thanks for that. So but just some color I mean the progress is slow domestically as well as more, but it's more to do with the international demand being slow, especially

Mr. Mihir Madeka (**00:19:52):** In Europe demand is weak.

Jason Soane (00:19:55): Yeah. Very very solid. Okay. Okay. Sure. Sure. Okay.

Mr. Mihir Madeka (00:19:59): And due to that, it is impacting India, right?

Jason Soane (00:20:02): Yes. Yes. And also just also with regards to this 186 million which we had booked for the raw expense, do we, you know, anticipate any other charge in this year itself? Last year we had this charge of around three, 20 million in the last quarter of the Q4. So do we expect any more charge for this ROR going into Q4?

Mr. Hiren Doshi Chief Financial (**00:20:28) :** See here. Yeah. Here in Russia. Here. See what we did, or rather, the on the basis of the approval letter from CDR cell and the sacrifice, what these lenders have made, what we are in impression and what we got some kind of, you know, feedback and some kind of guidance, in this matter that maximum what we are expecting, the liability for this kind of thing is to the extent of 50.60 crore. So considering that we have, provided when we got an letter from our lenders, though the lenders have demanded significantly high, but, because, on the basis of the agreements, on the basis of the, sanctions and the approval letter of CDR. What we are having, positive, confidence that it would be restricted to 50.60 crore. And that is why we have provided the entire amount. Now if there are certain ah ah while calculating these things in detail while negotiating with the lenders, this figure may, they may, you know, are going to ask bit on that some additional, component on the delay of, this from 2022 to 2024 or 2025 till the time of final payment. So those things, which is bit unexpected or rather, not able to tell you as of now.

Jason Soane (00:22:02) : Okay. So but just to clarify, 50, 60 crores, which you mentioned. So 50 has been taken off 32 crores last year. Yes. Now. So, so that 50 has been covered. But you you never know. With the negotiations, more expense could be incurred, right? That's what you're saying?

Mr. Hiren Doshi Chief Financial(00:22:18) : Yes.

Jason Soane (00:22:19): Okay. Okay. Sure, sure. And so last..

Mr. Hiren Doshi Chief Financial (00:22:21): But that again, I think by the end of next, quarter end, maybe by the march, though, we are pushing with our bankers to close it down even before the end of March, and we would like to pay it off. The claim of ROR so that it will, or rather it will open many doors which are closed as of now. So we are very much pushing or rather behind with the all lenders.

Jason Soane (00:22:46): Okay. Sure, sir. And just lastly, just wanted to understand in terms of sir, you have mentioned you have won quite a few orders in the last two quarters. So any revenue guidance you would want to, you know, give for 26, 27.

Mr. Hiren Doshi Chief Financial (00:23:05) : Sorry.

Jason Soane (00:23:06): Hello?

Mr. Hiren Doshi Chief Financial (00:23:07): Yeah.

Jason Soane (00:23:08):: Yeah. What I mentioned is, sir, you have mentioned some orders, you know, which you have won in the last two quarters. So just in light of that and on the back of that, would you, want to give any revenue guidance for 26 and 27 for FY 26 and 27?

Mr. Hiren Doshi Chief Financial (00:23:22): I already told that, you know, this 175 75 crore something. It's then starting size, or rather the, you know, in the volume of the business in the first year now in, more than 50% of the project, this the value what I have shown is somewhere about 30, 35% of their revenue. Generally in the second fiscal, that, 30% figure will go up to 50, 60% or something like that. So, we are expecting, if I will not, tell you the precise number, but we are expecting on this 175 crore additional of somewhere about, you know, 25 to 30%, additional supply for FY 27.

Jason Soane (00:24:16): Okay. Okay. Sure sir. Okay. No, but you just mentioned that 25 to 30% if the first year ramp up is 1750, then The subsequent ramp up will double it, right? I mean, if it goes to

Mr. Hiren Doshi Chief Financial (00:24:29) : May not to double it, sir. Exactly. But it will it will go up to say you can say somewhere about 250 crores.

Jason Soane (00:24:36): Okay. Okay. Sure. Okay. Thanks, sir. Those are all my questions. Thank you.

Moderator (00:24:45): Yeah. So, before taking the next question, a reminder to participants to use the raise hand function for Q&A. Our next question is from the line of Nikhil Kale. Nikhil, you have been unmuted. You can go ahead.

Nikhil Kale (00:25:00): Yeah. Hi. Am I audible?

Moderator (00:25:03): Yes.

Nikhil Kale (00:25:05): Yeah. Yeah. Thank you for taking my question. Just one clarification. You mentioned the 175 crore order book. That or order win that you've, given for FY 26. That is the annual value. And you expect 25, 30% of that coming in FY 26, or is it the 25, 30% for that?

Mr. Hiren Doshi Chief Financial (00:25:25) : No. This is the 175 crore. I see I told even that in certain, programs, the first year is 50-60% what they are asking. So obviously it would not be, double in the next year, but the overall number of 175 crore. What we have, mentioned, I am expecting additional 50 to 75 crores in that volume for, considering all these programs for the next fiscal.

Nikhil Kale (00:25:56) : Understood. Understood. And, sir, I mean, you mentioned that these are completely new terms, but in your, existing business, there will obviously, every year there will be some business that will kind of go off. Typically I mean, is there some sense on as a percentage? I mean, how much business does it kind of typically expire. And you have to kind of replace it.

Mr. Hiren Doshi Chief Financial (00:26:18) : See, we didn't have much of the business Expiring. It is basically the reduction of overall volume of a particular program or a particular product. Now, if I tell you in terms of bearing rings, none of the bearing rings components, what we are supplying to our customers who are into industrial applications and so on, it's not like that one particular ABC component, what they were asking. Now it is zero it, but the volume has significantly down, you can say 50% down

Mr. Mihir Madeka (00:26:52) : Because their their volume has been reduced, decreased.

Mr. Hiren Doshi Chief Financial (00:25:56) : And the earliest program which is expiring ah is somewhere about ah, maybe in 2028 from one customer. But by the time we will be having, new programs or new plants for the same customers.

Nikhil Kale (00:27:13): Okay. But just kind of understanding this bearing rings exports decline that you've seen, It is this kind of across customers or there was some one customer you mentioned that there has been some issues there where they've kind of done this merger. Are you seeing this kind of volume decline across customers?

Mr. Hiren Doshi Chief Financial (00:27:33) : If we say, majorities from the one particular group of the customers, but again, in other customers also, we are facing reduction of 25, 30% over there, but one particular customer might be reducing 45 to 50%, but the other customers also have some kind of reduction, 25 to 25%. So overall, all the customers are facing, this, downfall.

Nikhil Kale (00:28:03): And fair to say, this decline is also a function of, destocking. That would have happened, right? The end market demand wouldn't be this week.

Mr. Hiren Doshi Chief Financial (00:28:11): Now, the destocking would not be as much of the issue, but overall, their, production schedule, their, you know, dispatch is to their principal OEMs. And this thing, those were significantly reduced.

Nikhil Kale (00:28:24): Understood. Last question that I mean, then going forward, when do you expect this to kind of bottom out and probably stabilize and then kind of start increasing going forward? I mean, is this this decline kind of continue for like maybe a couple of more quarters? How are you looking at it?

Mr. Hiren Doshi Chief Financial (00:28:40) : Sir it is a bit difficult. You better know the how the situations and the the things are moving at overseas. And this particular downfall major chunk is from the overseas and again from the Europe and the US, continent and, because of disturbance over there. It is a bit difficult to tell you that it may last for another, one quarter or so, but, as I told you, that we have also added, one couple of bearing ring customers for the European market. So which may give some kind of recoup or some kind of recompense, but to getting back to the normal level of my overall banking business. I think we need a couple of quarters or something like that.

Nikhil Kale (00:29:30): No, I mean, I was thinking that you'll be getting like, purchase orders or something, right? So at least you can get some understanding or some trend that, okay, this this is now kind of stabilizing at a particular level.

Mr. Hiren Doshi Chief Financial (00:2947) : See as of now, also the indication or the forecast, what they have given for the March quarter or something like that. We, we had we, we have some kind of, positive move over there, but not in a significant way.

Nikhil Kale (00:29:57): Okay. Understood. Understood. Thank you.

Moderator (00:30:02): Yeah. We have our next question from Abir. Abir, you can go ahead.

Abir (00:30:13): So, am I audible? So this is I my first question was on a ROR provision which is less than the ROR sacrifice that the bank made of 83.6 crore. So on what basis are we assuming that the bank will forgo its principal amount? Or are we thinking of adding incremental provisions as we go forward?

Mr. Hiren Doshi Chief Financial (00:30:39): Sir as I mentioned earlier also that in my CDR approval or rather the CDR cell, the particular package or the it was approved, wherein the sacrifice value was stated bank wise lender sacrifice, which uh aggregating to 50.6 crore. And now the demand what the bank has raised even as you are specifically asking for 83 crores in even in that 83 crores. We have already, raised, our observation concerns with the couple of banks, which is to the tune of, somewhere about 10 to 11 crores, which they have charge in excess, which they have recovered, recovered in excess. And that definitely we are going to get back that, into our overall, debt. Now coming back to 73 to 50.6. Again, the method of calculation, what they did and the method of calculation, what company did with the help of certain, certain consultants. That is again, debatable. And it would, you know, on the discretion of the lenders. And we are going to once we sit on across the table with them, that that can be or rather, that will be finalized. And obviously, if any additional this thing that will come to the coming quarter, we expect, as I told you earlier, also, that we are pushing this thing to finish it by March 25th or so. As and company would like to settle this thing with the one shot payment, kind of oats, this thing. So we are expecting much of the, rebate or a waiver in that particular, amount of 73 crore. What we have requested to the lenders.

Abir(00:32:30): Understood. My second question would be, are we losing any kind of wallet shares with our client, given that there's a 50% kind of decline in export bearing? Is that something we should be concerned about?

Mr. Hiren Doshi Chief Financial (00:32:44): We are not losing our wallet share, you know, It's not, as I told earlier. Also, it's not that some products they were sourcing from me, now they have started, from somewhere else. There might be, what you say out of ten components. Maybe my customer might have, discard one product and they may got these product from somewhere else or something. But again, that is very few components. And in the In the particular bearing ring segment are from. But apart from that, we didn't have, you know, reducing the wallet share. But the quantum of the volume has gone down. That is the main reason.

Mr. Mihir Madeka (00:33:24) : So once it will be up, definitely again, we will have those orders.

Abir (00:33:30): Understood. And my last question would be on falling EBITDA margin. So is it just a function of scale that despite of power and fuel cost it's going down? Or is there something else there or?

Mr. Hiren Doshi Chief Financial(00:33:40) : Definitely the major portion is are decreasing the scale. And again, I would like to tell you that bit of change in product mix, particularly in this quarter, December 24th quarter that has impacted us again, apart from that, my, you know, the, renewable energy, revenue, that is from windmill and solar. This is a something slowdown period for this particular Segment. And whereas my certain fixed cost has already been there and those are being less absorbed. So these are the multiple reasons for reduction in my overall EBITDA. Q on Q basis, I

Abir (00:34:25): Understood. Thank you and all the best.

Mr. Hiren Doshi Chief Financial (00:34:;27): Thank you.

Moderator(00:34:29): Next question is a follow up from Jason. So, Jason, you have been allowed to talk and you have been unmuted.

Jason Soane (00:34:39): Yes. Thanks for the opportunity again. So I just wanted to, ask, since we have exposure to both bearings and automotive components, with the increasing adoption of EVs, you know, just wanted to know, does that open up more opportunities for us? And, you know, more precision auto components or bearings? I think more so, more to do with auto components. Just wanted to know your thoughts on that in terms of better and more higher engineered products, higher margin for you, especially.

Mr. Hiren Doshi Chief Financial (00:35:13) : Yes. See, Jason, if you have seen that, you know, the new program, what we have awarded, there are, two, 3 to 4 programs, which is, belongs to the EV, segment. But let me tell you the, the way what we were expecting and what we were envisaging, the, curve of moving EV, segment up, that has also been, what you say is bit stagnant as of now. But at the same side, what we are, getting opportunity for the passenger vehicle and or rather the non EV or IC segment, in the overseas and domestic both. So there, there is a demand in terms of those kind of vehicles also. Definitely we are open to have EV hybrid. Uh Both. And we do have that kind of versatile capacity. But as of now, the new order. What? We are winning, you know. That is, you can say, almost 65% for the, other than EV hybrid.

Jason Soane (00:36:17): Is you're seeing the new orders basically are for the non EV segment right.

Mr. Hiren Doshi Chief Financial (00:36:22) : Non EV is somewhere about 65% compared to the EV segment. Even in one of the major domestic player of you know, car manufacturer, the way they, they came up or rather the, the way they have, exposed to this thing that ev would be this, that, now what they were expecting again, it is not as per their expectation, but being slightly, having upward trend in the coming quarters. And I have mentioned in my list also that one of the domestic auto, customer for the EV, we got an order.

Mr. Mihir Madeka (00:36:58): So this is the ramp up year for that customer, and we already started. So from next month we have a good volume for them and it is going to going to ramp up in that. Also, the EV volume is say 66% and 33% is the IC, volume. Out of what they are, they are going giving us the schedule and they are showing that the, the the car is got a very good response and they got a good order book. And so it is good. So from next month, our bulk supply is going to start basically.

Jason Soane (00:37:43): I am sure this customer which you just spoke about that's more on the domestic side or on the more on

Mr. Mihir Madeka (00:37:50): Domestic they are domestic OEM, carmaker

Jason Soane (00:37:52): Domestic. Okay, sure. Thanks, sir. That was, all from my side.

Moderator (00:38:00): So we have our next question from Kush Nahar. Kush, you have been unmuted, and you can go.

Kush (00:38:07): Sure sir, thank you for the opportunity. Inaudible. Yeah. Yeah. So my first question is on these tariffs, I think the US tariffs that might be in India and other countries. So what is our stance on that. And you know will it affect our export business. Since exports is a 55%, revenue mix for.

Mr. Hiren Doshi Chief Financial (00:38:33) : See as of now the tariffs and are the HSN particularly the product wise, list what they have published out or rather they came out. Fortunately, there is a hardly one component, wherein we may have some kind of, you know, this, duty hike would be there, but again, that will not be, you know, Are affected in overall value and even to my customer, because that's not a very big, significant, volume or significant value over there. So as of now, we didn't have, much of the, you know, any, negative as far as this tariff declaration is, like to say we shall.

Kush (00:39:30): All right. And the second question was, what kind of recovery like, timeline wise, if you could guide us considering the reduction in volume, when do we expect some uptick or some positive move in terms of volume delivery for us?

Mr. Hiren Doshi Chief Financial (00:39:44) : We expect in next fiscal, as I mentioned you, that with the help of the additional new program and the, you know, additional volume to be increased, the scale of economy will increase, which will give me the top line, bottom line, Bishop, in the next fiscal yeah.

Kush (00:40:04): Getting around 15-20% revenue growth. Is that right?

Mr. Hiren Doshi Chief Financial (00:40:09) : Yes yes yes yes yes. We are expecting the same.

Kush (00:40:13) : And margins coming back once the scale comes back to around 22, 23%.

Mr. Hiren Doshi Chief Financial (00:40:18) : Yes, 10%. It would be right.

Kush (00:40:21): All right sir. Thank you.

Mr. Hiren Doshi Chief Financial (00:40:23): Thank you.

Moderator (0040:26): Yeah. We have our next question from Dhruv Bhatia. Dhruv, you may go ahead.

Dhruv Bhatia (00:40:33) : Hi. Good afternoon sir. So I have two questions. You know, you've talked about an annual business expected from 26, indicative of about 175 crores. In your best understanding, because of the uncertainty that's there in the overall market, you know, entire demand across different regions. What is, you know, your probability of you, you know, converting this 175 into actual revenue. I mean, is there the visibility ability to confirm their for having this entire 175 converted into revenue, or is there a risk of this getting postponed to some extent?

Mr. Hiren Doshi Chief Financial (00:41:10): Sir as of now, the forecast and the dialogues, or rather the conversation with these customers and the way they are, you know, approving the TP app and all these things in a quick manner. Again, no doubt we, my customers have given me some additional or rather the higher number of, this forecast, but conservatively, what we try to mention or, this 175 crore, again, if you ask me, to the best of, this thing, I think we didn't expect, maybe deviation of 10% or more than that.

Dhruv Bhatia (00:41:47) : Okay. And because you've won these orders, you know, maybe in the last year or so, are these orders come at a profitability at where we stand today equal to or worse off or better off than what we've been doing in the past?

Mr. Hiren Doshi Chief Financial (00:42:04) : Yes. Yes, definitely. Because the, orders, what we are getting or the customers, what we try to tap, we we we will be having the same kind of margin and, we are not compromising on the margin front as far as, this thing because of our, high technology and the high precision level, we are able to get the, optimum margin.

Dhruv Bhatia (00:42:27): Okay. And so the last question, you know, because when you when all your customers, a large part of them are, global, you know, companies and, and they have plants across different regions, you know, generally the thought process of any, you know, global player would be to first absorb existing capacities in different regions to a certain level where fixed cost gets covered, and then you start ramping up. Right. And hence, because if Europe is, you know, soft and many other regions are soft, they would want to get catered to and, you know, ramp up those capacities more than what India could. So in that context, is there again a risk of of, you know, you being able to service their requirements because it could be coming from some other source?

Mr. Hiren Doshi Chief Financial (00:43:13): See, first of all, we didn't foresee much of the threat as far as their, you know, own capacity for forging and this thing because couple of big players have already announced and they have started closing down their forging facilities, and maybe a couple of have already started to close their entire plant, and they are moving towards India and low cost country. So we didn't expect much of these, disturbances as far as their, capacity of forging or this thing, because there are hardly 1 or 2, players are there having couple of plants in which they are able to produce this rings or auto components. So we didn't expect much of the thing.

Dhruv Bhatia(00:43:53) : Understood. Thank you. And all the best.

Mr. Hiren Doshi Chief Financial(00:43:55): Yeah. Yeah.

Moderator (00:43:58): So we have our next question from the line of Kush. Kush, you can go ahead. Kush you are not audible.

Kush (00:44:13): Yeah. Thank you for the follow up opportunity. So my question was you mentioned that I think out of ten one product was given to some other competitor. So was this due to some quality issue from us, our side or was the other more, you know, location they had a location advantage or anything like that. If you can elaborate on that.

Mr. Hiren Doshi Chief Financial (00:44:33): Yeah. I'll, I'll, I'll request Mihir to..

Mihir Madeka (00:44:36): See this this statement. It was because of maybe out of maybe ten, maybe one or maybe out of 50, maybe 2 or 3 times. Maybe customer has diverted due to maybe pricing or whatever. Never with due to quality. Okay. So, but 99% whatever varying ring business is down, it is not because of, the, diversity means like shifting from one supplier to the another. It is because really there are market scenario is not good means they have lose the business. It means their their customer like OEM what they predicted the volumes or what they were having the volumes month on month, it has been reduced. So the moment that will pick up momentum will come. Definitely that business will again will start with us only.

Kush (00:45:35): Right. Okay. So

Mihir Madeka (00:45:38): 99% they are not producing the bearing at the moment.

Kush (00:45:42): Okay sir. Thanks.

Mihir Madeka (00:45:46): Yeah. So. So you might have heard also in last you I can say last six months or so. My customer has even stopped their line. Many lines for 15 days, one month continuously means every month they were swapping their line for 15 days. Then they run for 15 days. Again they will stop for 15 days. Otherwise they cannot stop the line even for an hour. It is a huge cost to stop the bearing line for one hour.

Kush (00:46:17): Right. Thank you. Thank you.

Moderator (00:46:19): So reminder to the participants. You may use the raise hand function to ask question.

Unknown spearker (00:46:29): So there are two questions from my side. So so basically the orders which you highlighted. So do we require any additional CapEx on that or are we already equipped.

Mr. Hiren Doshi Chief Financial (00:46:45) No we are we are already equipped with these things. And for this volume, we didn't, require, Significant CapEx, maybe to the tune of, five seven crore rupees something. What? We are going to have it. But down the line one and a half, two years when this volume will, you know, multifold, then we may need a CapEx. Again, not a significant CapEx, but maybe to the tune of 20 to 30 crores or something like that.

Unknown spearker (00:47:17): Right. And so, based on this, do we, like any revenue guidance for the fourth quarter, are we on track to go towards the 300 crore odd figure in the fourth quarter? How is the traction right now?

Mr. Hiren Doshi Chief Financial (00:47:28): Yes. So broadly, even, initially I told that my annual number something what I am expecting with the last fiscal number. So we are trying our best to match, that annual number and, crossing this, 300 crore in, last quarter.

Unknown spearker (00:47:44): Alright. So okay, that's all from there, as there are no further questions, I'll hand it over to the management for the closing remarks.

Mr. Hiren Doshi Chief Financial (**00:47:54)** Thank you, thank you, thank you very much for their patient hearing for this investor. I would like to request, our MD, Mr. Manesh Madeka , to say a few words and to closing remarks on that.

Mr. Manesh Madeka (00:48:07): Looking to the current nomination, what we have got and simple submission is going on. We feel that our in future we may have good business with good profitability because most of the nomination, what we have got is from auto component and for export in Europe and USA. So many nomination projects are going on. At present we are submitting sample and as you know in automotive we take one year, one and a half year to start the bulk supply. So we are very hopeful that our future is bright.

Moderator (00:48:56): Thank you sir. So this marks the end of the call by

Mr. Manesh Madeka (00:48:58): FY2027 We expect very good growth in the financial year 2027. 15 to 18% growth we are expecting next year. Looking to the nomination what we have been we have received.

Mr. Hiren Doshi Chief Financial (00:49:30): Thank you Manesh sir. Thank you very much for your patient hearing. And is there any further queries or concerns, I request team Equirus or the particular attendees. They can send an email to us and company is going to reply on that. Thank you. Thank you very much.

Moderator (00:49:45): Thank you. Thank you.