



ROLEX RINGS LIMITED

[CIN: L28910GJ2003PLC041991]

Regd. Office:-BEHIND GLOWTECH PRIVATE LIMITED, GONDAL ROAD, KOTHARIA, RAJKOT

Phone: (281)6699577/6699677

Email: compliance@rolexrings.com website. www.rolexrings.com

Ref. RolexRings/Reg30/Revision in Ratings/1

July 8, 2023

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: Rating Upgraded by CareEdge Ratings for Long Term and Short Term Bank Facilities of the Company

Ref.:Regulation 30(6) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to the above subject, and pursuant to Regulation 30(6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that based on CareEdge Ratings on the bank facilities, the Ratings of the Company has been further upgraded.

In accordance with the Regulation, please find below the details of the upward revision in rating for the debt instruments/facilities of the company:

Rating Action:

Facilities	Rating	Rating Action
Long Term Bank Facilities	CARE BBB+; Positive	Upgraded
Short Term Bank Facilities	CARE A2	Upgraded

We request you to kindly take the same on your records. This information is being uploaded on Company's website at www.rolexrings.com

Thanking You,

Yours faithfully
For Rolex Rings Limited

Hardik Dhimantbhai Gandhi
Company Secretary & Compliance Officer
[Membership No. A39931]

Rolex Rings Limited

July 07, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	32.85	CARE BBB+; Positive	Revised from CARE BBB; Positive
Short Term Bank Facilities	287.49	CARE A2	Revised from CARE A3+
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Rolex Rings Limited (RRL) is on the back of continued volume backed growth in scale of operations in FY23 (Audited; FY refers to the period April 1 to March 31) along with sustained profitability, comfortable capital structure and debt coverage indicators and adequate liquidity profile.

The ratings continue to derive strength from the experience of promoters in the auto-component industry, established track record of operations in manufacturing of bearing rings along with its status as an approved supplier for reputed clientele, and stable demand outlook from end user automobile industry.

The ratings of RRL, however, continue to remain constrained by customer concentration risk, susceptibility of profit margins to volatility in raw material prices & foreign exchange rates and presence in competitive auto-component industry with a cyclical end-user automobile industry.

Ratings also take cognizance of RRL's obligation towards payment of a Right of Recompense (ROR) liability related to the erstwhile restructuring of its debt obligations. While the amount of ROR is yet to be ascertained, the same is likely to be based on the lender's sacrifice and company's cash flows are expected to suffice its repayment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in scale of operations and PBILDT margin of more than 23% on sustained basis
- Maintenance of overall gearing below 0.20x on sustained basis alongwith continued low reliance on external borrowings
- Successful resolution of the ROR liability obligation without any major adverse impact on company's financial risk profile

Negative factors

- Decline in scale of operations below Rs.900 crore with operating margin below 18% on sustained basis
- Any major debt funded capex or increase in working capital requirement, leading to deterioration in overall gearing above 0.50x

Analytical approach: Standalone

Outlook: Positive

Positive reflects CARE Rating Limited's (CARE Ratings') expectations that the company shall sustain growth in its scale of operations over the medium term while maintaining its healthy profitability, comfortable capital structure, which shall aid improvement in its liquidity profile.

The outlook maybe revised to 'Stable' in case of lower than envisaged growth in scale of operations or substantial decline in profitability or any major increase in debt level thus impacting RRL's capital structure as well as debt coverage indicators.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications