ROLEX RINGS LIMITED

[CIN: U28910GJ2003PLC041991]

Regd. Office:- BEHIND GLOWTECH PRIVATE LIMITED, GONDAL ROAD, KOTHARIA, RAJKOT
Phone: (281)6699577/6699677
Email: compliance@rolexrings.com website. www.rolexrings.com

Ref: RolexRings/Reg.30/Investor/Analyst Call/1

15th August, 2021

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 under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR Regulations") – Investors/Analysts Conference Call

Dear Sir,

Pursuant to Regulation 30 of the SEBI LODR Regulations, we wish to inform you that the Company will be holding Investor/Analyst Conference Call on Monday, 16th August, 2021 at 12:00 pm (IST) to discuss the Unaudited Financial Results (Standalone) of the Company for the quarter ended June 30, 2021. Transcript of the said call will be subsequently hosted on the Company's website i.e. www.rolexrings.com. We will update the Exchanges on completion of the Conference Call.

Detailed invitation in this regard is attached herewith.

Please take the same on your records in compliance of SEBI (LODR) Regulations, 2015, as amended.

Thanking You,
Yours faithfully,
For **Rolex Rings Limited**

ROLEX RINGS LTD. RAJKOT

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

Enclosed:

- Detailed Invitation for call
- Investor Presentation

Equirus Securities

Invites you for a Zoom Webinar

With the management of

Rolex Rings Limited

To discuss the company's results for 1QFY22

On

16th August 2021 (Monday) at 12:00 pm (IST) with

Management Team:

Mr. Manesh Madeka – Chairman & Managing Director

Mr. Mihir Madeka – Whole Time Director (Marketing)

Mr. Hiren Doshi - Chief Financial Officer

Please Click here to join the webinar

Webinar ID: 920 9222 0813

Passcode: 171974

For further information, please contact:

Ashutosh Tiwari

079-61909517

ashutosh@equirus.com

Rolex Rings Limited

Corporate Presentation &
Update on earnings for Q1FY22

Safe Harbor

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About our Company

Company Overview | *Introduction*

Market Leadership Position

4.7 Mn MTPA
Installed forging capacity of India's forging industry

5th largest
Forging capacity in India

60 customers
across 17 countries

One of the key supplier
of Bearing Rings in India and supplier to most of the leading bearing companies

Tier-I supplier
to global auto companies and some auto OEMs across segments including 2W,PV, CV, OHV & EV

Manufacturing Capabilities

33+
Years of experience

22
Forging lines with a Combined installed capacity of
1,44,750
tonnes per annum

528
Spindles with a Combined installed capacity of
69 Million
Parts per annum

*Manufacturing infrastructure includes combination of high-speed hot formers from **Sakamura** & **Hatebur**.*

*Existing Machine lines consist of spindles from **DMG, FUJI, ACE, TSUGAMI, Hyundai, Mazak, Muratec***

Diverse Product Portfolio

Bearing Rings


Automotive Components


*Product Portfilio suitable for a **wide range of end-user industries** such as **automotive (PV, CV, 2W, 3W, tractor), railways, industrial infrastructure, renewable energy etc***

Well Qualified & Accredited Team

1,815
Full-time employees

654
Contractual employees

- *Founders with experience of over 40 years*
- *Supported by professional management team with capabilities across various domains*
- *Award received for **new product development***

gm X 3 TIMKEN X 4 Ford X 1 HYUNDAI X 1 ISO 9001 IATF 16949 ISO 45001 ISO 18001

Robust Financial Performance

₹ 6,163 mn
Revenue from operations (FY21)

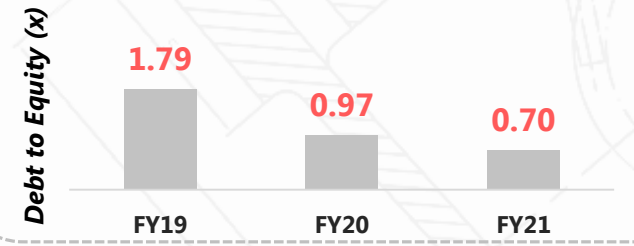
₹ 1,123 mn
EBITDA (FY21)

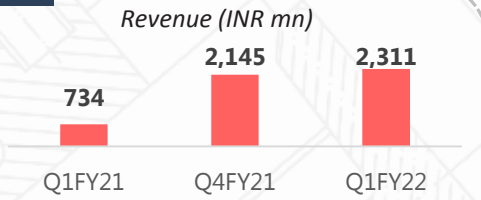
₹ 870 mn
PAT (FY21)

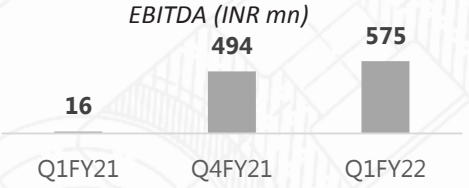
24.38%
RONW (FY21)

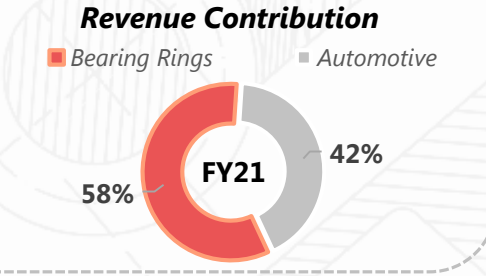
18.25%
ROCE (FY21)

0.7x
Debt to Equity (FY21)









Note : Return on Net Worth = Profit After Tax / Total Equity ;ROCE = EBIT/(Total Assets – Current Liabilities + Current Maturities of long-term debt)

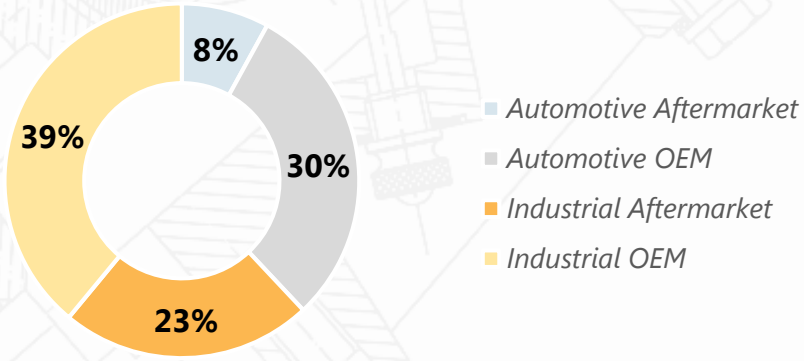
Bearings industry | *$50bn sector globally, with India expected to show robust growth*

Global bearing industry

$50bn

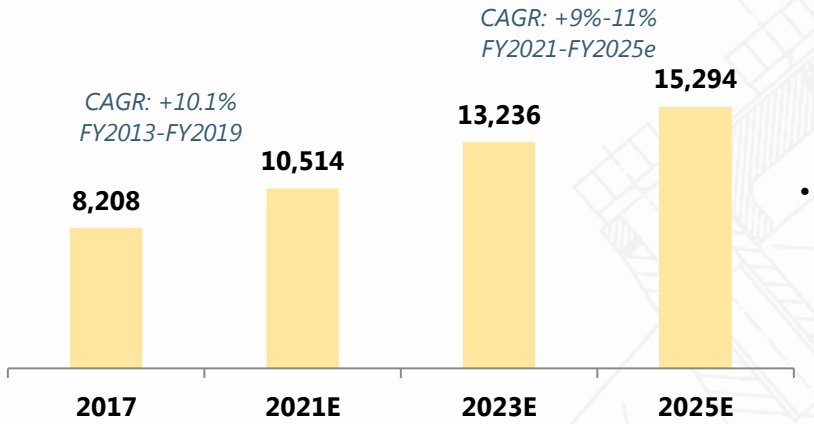
Size of the Global Bearings Market (CY2019)

Global Split by Segment (%)



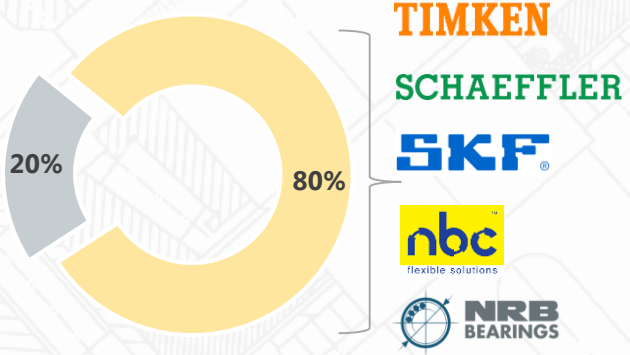
Indian bearings industry is expected to show healthy growth going forward

Domestic Bearings Market (₹ Cr)



- *Increasing localization in Indian bearings industry (currently 40% imports), will help domestic suppliers of components for bearings;*
- *Demand for domestic bearing components **(rollers, rings) is expected to grow at a faster rate (~CAGR of 10-12%)** than the underlying bearings industry*

~80% of domestic market share with #5 players

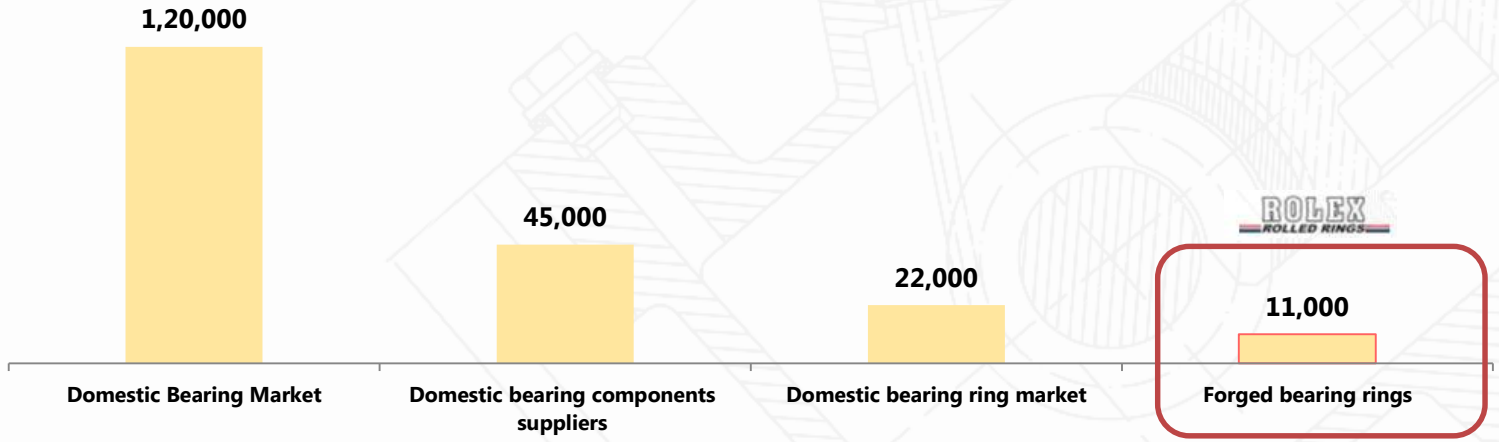


TIMKEN, SCHAEFFLER, SKF, nbc flexible solutions, NRB BEARINGS

ROLLED RINGS *supplies to most of the leading bearing manufacturers domestically*

Domestic market for forged bearing rings is ~ ₹ 11,000mn

₹ mn



Source : Indian Bearings Industry – Industry Revenue to witness a smart recovery in FY 2022

Comprehensive product portfolio | *across bearing rings and Automotive components*

Bearing Rings

One of the key manufacturers
of Bearing Rings in India focused on Hot Rolled and machined bearing rings

Customers
Caters to most leading bearing companies in India;

TIMKEN, SKF, SCHAEFFLER, NRB BEARINGS, nbc flexible solutions

Comprehensive product range

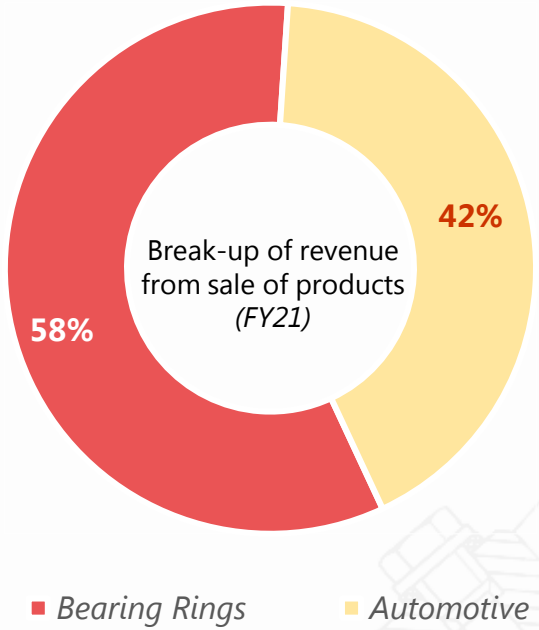
Till date, Rolex Rings has offered a diverse range of hot forged and machined alloy steel bearing rings

0.01 — **Weight Kg** — 163

25 — **Diameter** *(mm)* — 900

Suitable for wide range of end-user industries
Suitable for Automotive, railways, industrial infrastructure, renewable energy, among others

Capabilities to cater to large rings requirements
Higher value-added products with relatively lower competitive intensity



Automotive Components

Product portfolio includes
wheel hubs, shafts and spindles and gears amongst others

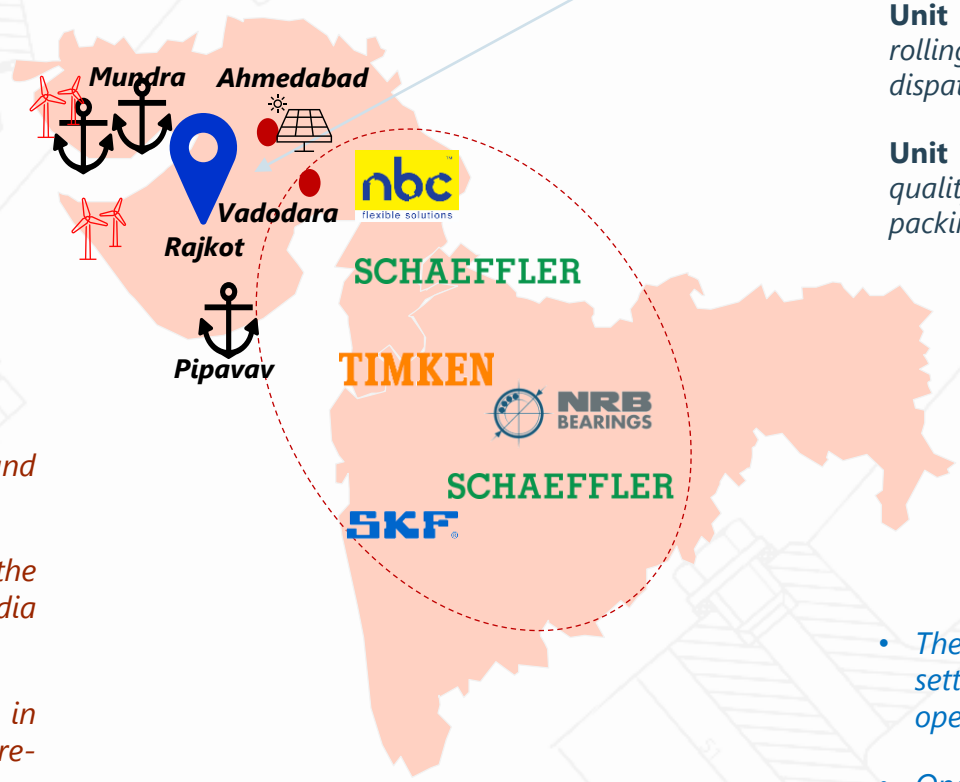
Customers
Tier-I suppliers to global auto OEMs across segments including 2W,PV, CV, OHV and EV

Product Portfolio includes a wide range of bearing rings, parts of gear box and automotive components

Strategically Located

Locational advantage to serve marquee clientele

- *Proximity to key customers*
- ***Key Ports***
- ***Key Cities***
- ***Upcoming solar project (Taluka Muli, Gujarat)***
- ***Windmills (present across 3 locations in Gujarat)***



Gujarat & Maharashtra

3 Manufacturing Units at Rajkot, Gujarat

Unit I : *Forging, Heat Treatment and Shot Blasting*

Unit 2 : *Forging, Heat Treatment, Shot blasting, cold rolling, Machining, Quality control & testing, Packing and dispatch*

Unit 3 : *Tool & die making, shot blasting, machining, quality control and testing, finished good warehouse , packing and dispatch*

- *Rajkot is **~250 km** from Mundra and Pipavav ports and 700 km from Mumbai port*
- *Location at Rajkot helps the Company cater to access the various automotive clusters in North India, West India and South India*
- *Leverage the presence of smaller machining units in Rajkot which the company opportunistically uses for pre-machining;*
- *Presence of trained manpower*

- *The company owns parcels of land for the purposes of setting up a solar plant at Taluka Muli (Gujarat) and for operation of windmills at Taluka Vanku (Gujarat)*
- *Operational windmills are situated at Bhogat and Lamba sites (Gujarat)*

State-of-the-art manufacturing facilities

3 manufacturing units located at Rajkot, with integrated forging, machining and heat treatment facilities

Investments in Renewable energy to help keep power cost in check

Windmills with an installed capacity of 8.75 MW; solar with an installed capacity of 1.58MW; in the process of expanding solar capacity by ~16 MW

Unutilized land area which will help future expansion

Unutilized land area of 32,071.44 square metres at Rajkot and 691,312 square metres of land in Taluka Gondal (Gujarat).

Forging Infrastructure

- ***22** forging lines. Combined installed capacity of **1,44,750 MTPA***
- *Includes high-speed hot formers from **Sakamura** and **Hatebur**; vertical forging lines from **Manyo, Mistubishi, SMS Meer, Enomoto** and **Eumoco** and conventional forging lines integrated with induction heating furnaces*

HM 75XL

HBP 120 SS

HM 35

Machining Infrastructure

- ***528 spindles** with a combined installed capacity of **69 million parts per annum***
- *Machines sourced from global manufacturers like **DMG, FUJI, ACE, TSUGAMI, Hyundai, Mazak, Muratec** and domestic CNC turning machines*

Machining Capabilities

In-house tool making

- ***In-house tool making done** through CNC machine programming with relevant 2D drawing, 3D model & other machines*

Tool Design Room

Robust forging infrastructure in place

Details of forging lines including capacity and utilization

Sr. No.	Category	Line	No. of Lines	Achievable Annual Capacity	% of total utilization		
				As at March 31, 2021	Fiscal 2019	Fiscal 2020	Fiscal 2021
1	*Conventional*	*Conventional*	6	11,250	64.77%	41.23%	42.01%
2	*Vertical Forging Lines*	*SMS-MEER*	1	9,000	26.03%	36.84%	31.87%
3		*Enomoto Press*	1	6,250		6.40%	24.99%
4		*Eumoco*	1	2,250			9.78%
5		*Manyo*	6	25,000	60.55%	43.76%	33.91%
6		*Mitshubishi*	2	8,750	52.77%	40.67%	37.86%
7	*High-Speed Hot Formers*	*Sakamura 160 Hot Former High Speed*	1	17,500	45.61%	22.40%	32.53%
8		*Sakamura 120 Hot Former High Speed*	1	12,500	65.73%	39.79%	48.90%
9		*Hatebur-HM75 Hot Former High Speed*	1	18,750	47.42%	29.85%	32.54%
10		*Hatebur-HM35 Hot Former High Speed*	1	12,500	52.24%	37.54%	35.68%
11		*Sakamura HFW-1000*	1	18,750	38.46%	15.46%	26.28%
Total			**22**	**144,750**	**50.01%**	**32.92%**	**33.48%**

Hatebur HM 75XL

Sakamura HBP 120 SS

Sakamura HBP 160

Sakamura HFW 1000

Hatebur HM 35

Mitsubishi MRX – 300 & 400

Manyo Forging Press

Manufacturing units equipped with end-to-end capabilities to ensure quality control

Engineering, design and procurement

Engineering, design, tooling and die-making	○ *Converts customer designs, drawings and inputs into actionable part drawings, cost estimates, process parameters, monitoring protocols, production simulation, trial runs, sample preparation;* ○ *Tool making is done through CNC machine programming with relevant 2D drawing, 3D model and other machines*
Raw material procurement	○ *Raw material – sourced from customer approved vendors* ○ *In most customer contracts, raw material costs are pass through to the client*

Manufacturing process

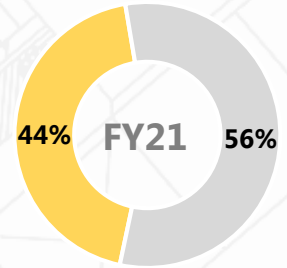
Forging	○ *Diversified forging infrastructure converts steel rods into rings/ gear blanks/ other shapes as required* ○ *High-speed hot formers are best suited for high volume precision components while vertical forging lines are ideally suited for medium as well as lower volume production*
Heat treatment	○ *Heat treatment provide the proper hardness & wear* ○ *Normalizing, Spherodize-annealing, Iso-annealing, Hardening and tempering, Case carburizing and Induction hardening*
Cold Rolling	○ *Components are passed through one or more pairs of rolls to reduce the thickness, increase diameter, to make the thickness uniform, to impart desired mechanical properties and improve yield in manufacturing process*
Machining	○ *Pre-Machining - forged parts are pre-machined on conventional lathe and manually operated CNC turning centres;* ○ *CNC Turning & Vertical Machining Centres ("VMC") - milling, grooving, facing, threading, drilling, boring etc.*

Quality control and testing

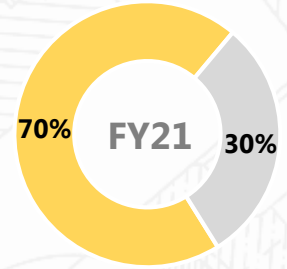
Long standing customer relationships and geographically diversified revenue base

In FY21, Rolex supplied bearing rings and automotive components to leading domestic & international customers spread across 60 customers in 17 countries

Revenue Split



Supply relations with Top 10 customers



- *Rolex suppliers to leading bearing manufacturers, Tier-1 & Tier – 2 suppliers and certain auto OEMs*
- *Rolex has customers across multiple sectors including automobile, industrial machinery, wind turbines & railways;*
- *In the auto sector, Rolex has customers across all vehicle segments (2W,PV,CV, OHVs & EVs)*

Management and key awards & certifications

Hands on promoter responsible for putting best-in-class processes…

Manesh D Madeka

Chairman & MD

- *Founded the company in 1978 & has over 40 years of work experience*
- *Versatile entrepreneur with experience across marketing, production & finance.*

…Supported by professional management team & specialized employees

Mihir R Madeka *Whole Time Director* *18 yrs work exp.*	**Bhautik D Madeka** *Whole Time Director* *18 yrs work exp*	**Hiren D Doshi** *Chief Financial Officer* *22 yrs of work exp*
Bharat J. Madeka *President –Operations & HR* *13 yrs work exp*	**Jiten D Madeka** *Joint Head of Plant & Maint.* *42 yrs work exp*	**Pinakin D Madeka** *Head – Forgings* *31 yrs work exp*
Hemal P. Madeka *President –Supply Chain & Quality Assurance* *18 yrs work exp*	**Hardik D Gandhi** *CS & Compliance Officer* *5 yrs work exp*	**Rupesh D Madeka** *Joint Head of Plant & Maint.* *42 yrs work exp*

Function	Number of employees, as of June 31, 2021
Production	*1,056*
Quality	*423*
Finance	*15*
Human Resources	*24*
Sales and Marketing	*44*
Procurement	*21*
Others	*232*
Total	**1,815**

Rolex Rings is widely recognized for its impeccable service & reliability

Year	Awards and Accreditations
2021	*Q1 Preferred Quality Status - Ford*
2019	*Supplier Quality Excellence Award – General Motors*
2018	*Excellence in New Product Development – Timken*
2018	*Supplier Quality Excellence Award – General Motors*
2016	*Excellence in Technology Advancement by Timken powered by VRIDDHI*
2014	*Certificate of Supplier Quality for fulfilling the quality assurance compliance by Hyundai Motors India Ltd.*
2014	*GM Supplier Quality Excellence Award*
2011	*Excellence in Technology – Timken*
2011	*Excellence in Cost and Productivity – Timken*

IATF 16949

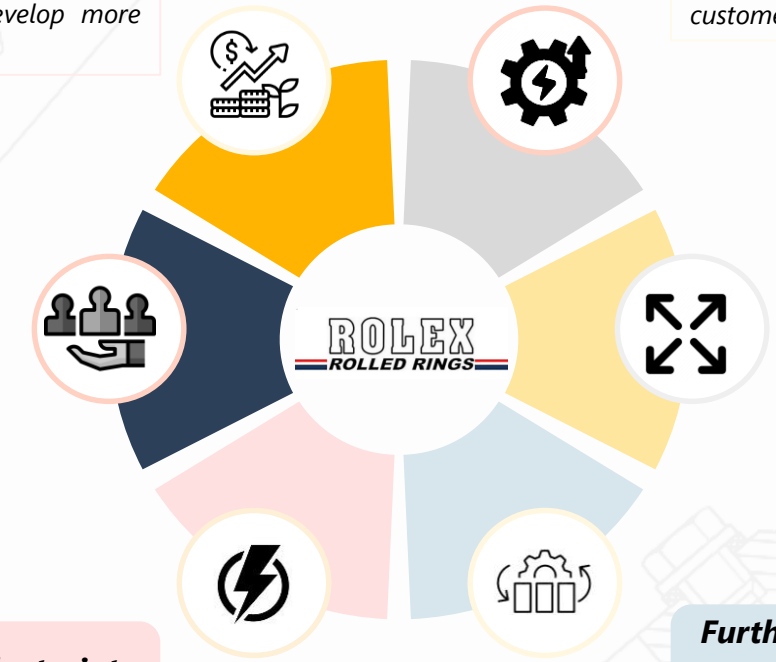
Key Strategies going forward

Increasing share of business amongst existing customers

Over the years, Rolex has developed long-standing, extensive relationship with some Tier-1 suppliers & OEMs which can be leveraged into an increase in share of business and can be leveraged to develop more complex, high-margin products.

Expanding customer base

Rolex intends to continue to leverage its product portfolio and long-term relationships and credentials with existing customers to source new business



Further improve our financial risk profile

Rolex is scheduled to exit the CDR scheme in March 2022 which should offer the company flexibility in managing borrowings and taking other business-related decisions. A healthy financial profile will permit Rolex to explore new opportunities and invest in expanding capacities.

Continuing focus on improving operational efficiency

Rolex aims to continue to improve profitability by constant cost optimization, improving product mix by enhancing contribution of higher-value added machined products and increasing capacity utilization.

Reduce power costs and reduce carbon footprint

Power and fuel expenses contribute one of the largest single expense for the company and the company intends to de-risk business dependence on changes in power tariffs and reduce carbon footprint through investment in renewable energy

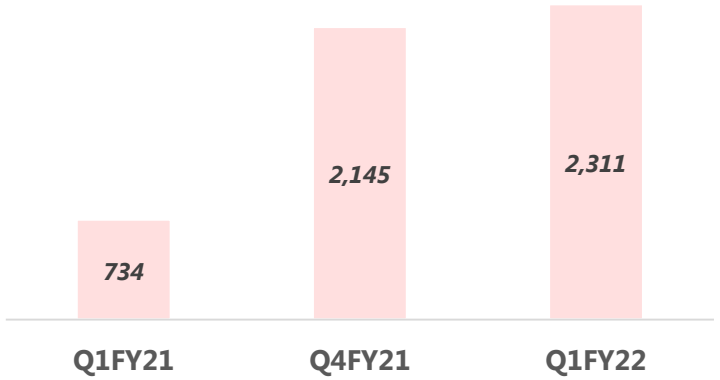
Further enhance manufacturing infrastructure and product portfolio

Rolex continues to evaluate changes in technology, market trends and changing customer preferences to enhance existing capabilities in machining and post machining processes. The company is currently in the process of expanding cold rolling, machining and heat treatment facilities.

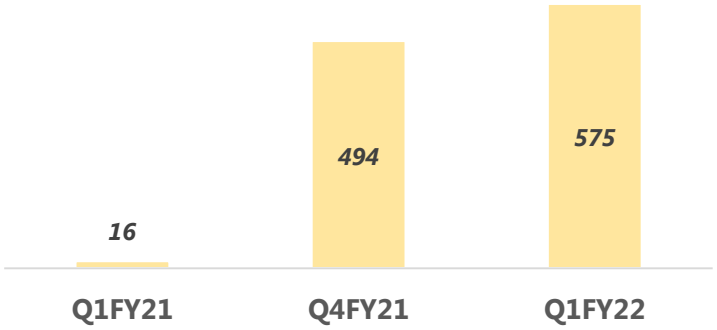
Financial Highlights

Financial Performance - Quarterly

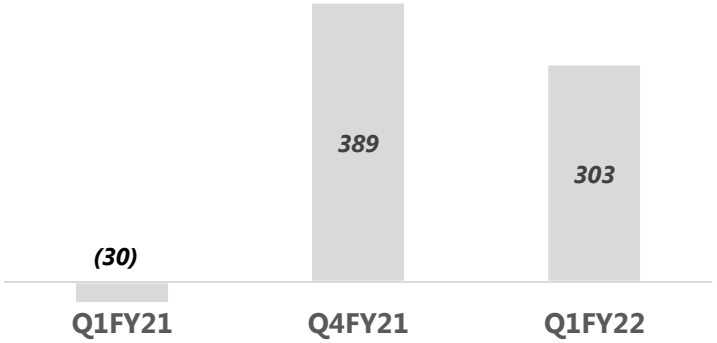
Total Income (₹ mn)



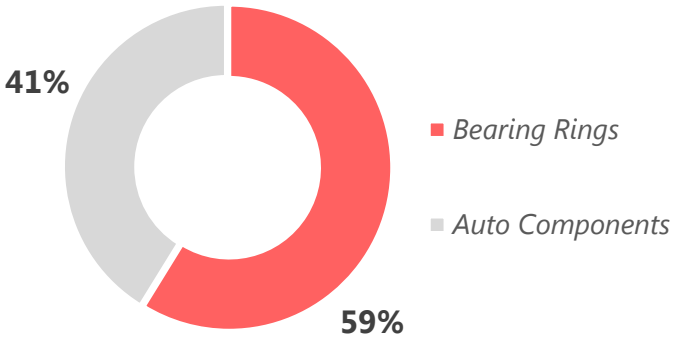
EBITDA (₹ mn)

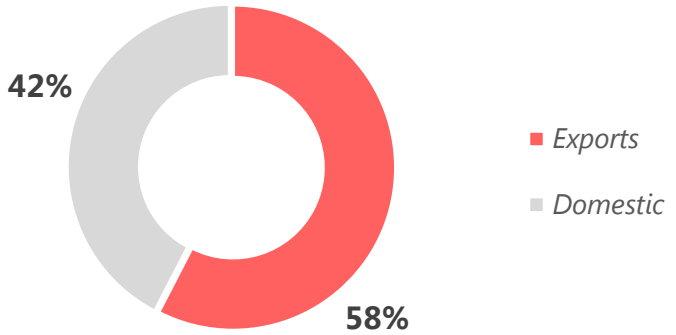


Profit after Tax (₹ mn)



Revenues from Operations (excluding scrap) for Q1 FY22

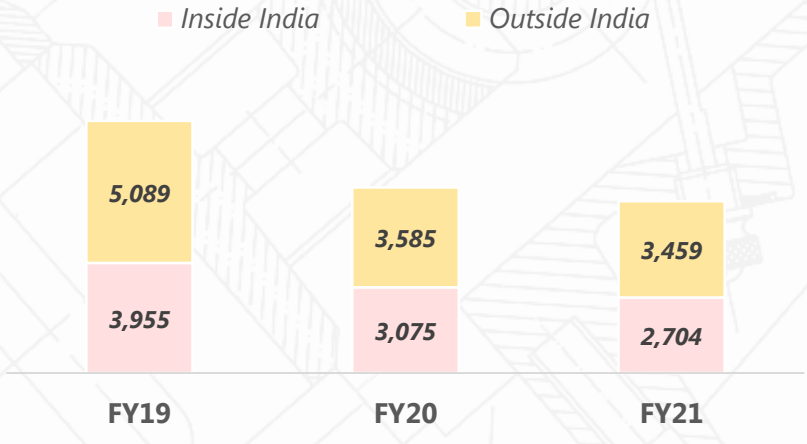


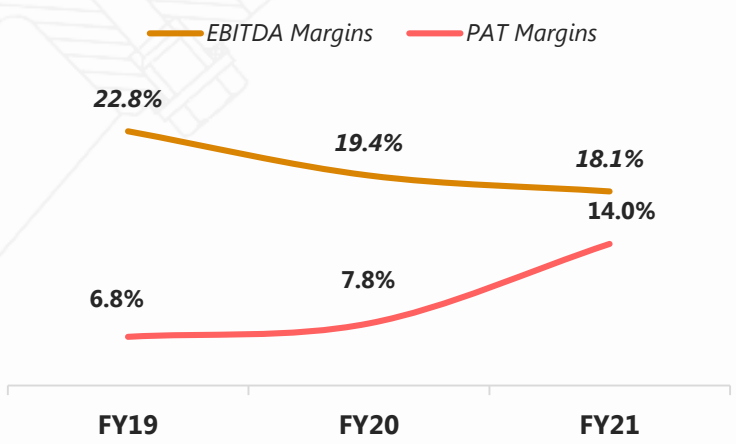


- *We witnessed strong business environment during Q1 FY22 and continue to see good traction across segments and geographies;*
- *Our margins were supported by improved utilization, change in product mix and continued focus on optimising fixed costs; normalized tax rates led to lower PAT margins;*
- *We expect commissioning of 4.2MW in ground mounted solar by end of CY21 and are planning to commission additional 12MW in ground mounted solar by June 2022;*

Financial performance - Annual

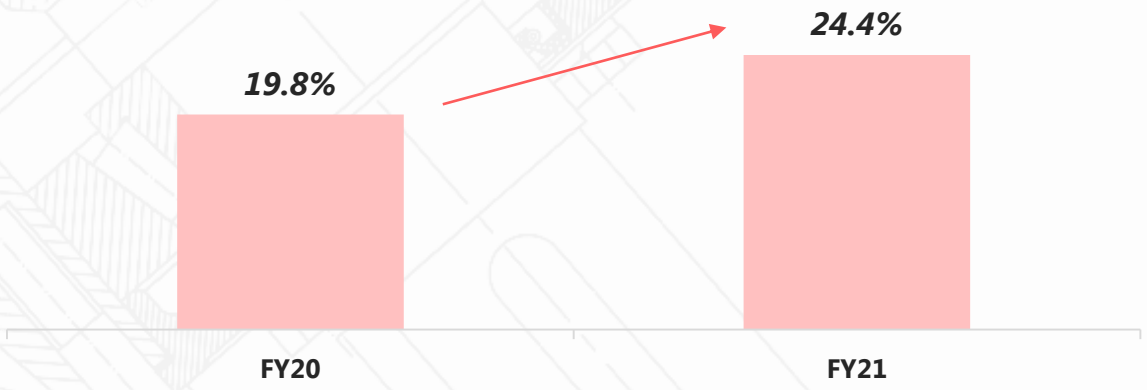
Revenues from Operations (₹ mn) and margins (%)



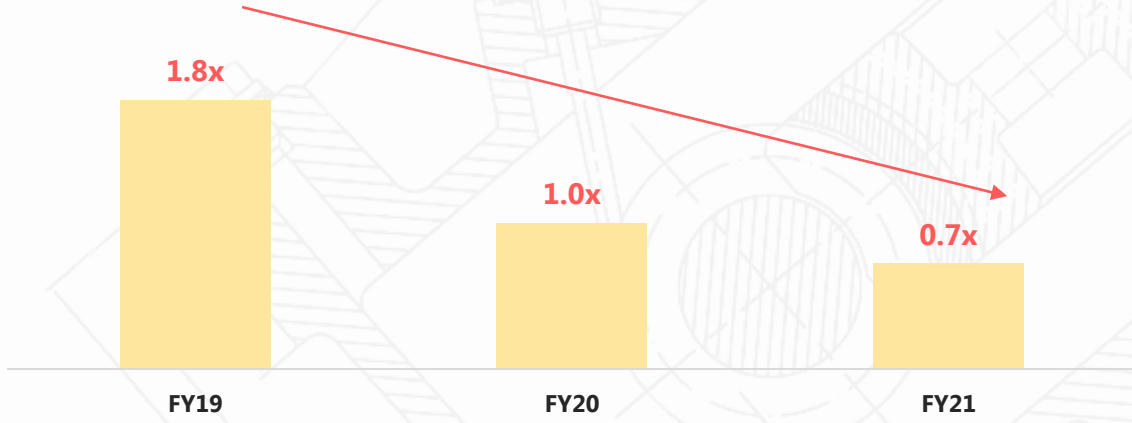


- *Fiscal 2020 revenues impacted by unfavourable demand scenario in the automobile industry and because of COVID-19 pandemic;*
- *Operations were closed for last few days of the Fiscal 2020 because of government stipulations to contain COVID-19*
- *Fiscal 2021 revenues were also impacted in the early months due to unfavourable demand caused by the COVID-19 pandemic*

Return on Net Worth (%)



Leverage (Debt : Equity) (x)



Note : PAT Margins indicate 'Restated profit for the year'/ Total Income for the year

Statement of Profit and Loss

Particulars (₹ mn)	Q1FY22	Q4FY21	Q-o-Q %	Q1FY21	Y-o-Y %
Income					
Revenue from operations	2,273.64	2,086.54		731.30	
Other income	37.44	58.44		2.50	
Total income (I)	**2,311.08**	**2,144.98**	***7.7%***	**733.80**	***214.9%***
Expenses					
Cost of raw materials and components consumed	1,093.56	1,073.39		288.29	
Decrease/ (increase) in inventories of finished goods and work-in progress	(63.09)	(144.07)		109.20	
Employee benefits expense	143.17	147.26		112.31	
Finance costs	67.06	40.88		(0.73)	
Depreciation and amortization expense	62.53	63.29		62.50	
Other expenses	562.36	574.49		208.06	
Total expenses (II)	**1,865.59**	**1,755.24**		**779.63**	
Profit before tax (III) = (I - II)	**445.49**	**389.74**	***14.3%***	**(45.83)**	***1072.1%***
Tax expense					
Current tax expenses	153.61	68.37		-	
Deferred tax charge / (Credit)	(11.30)	(67.38)		(16.01)	
Total tax expense (IV)	**142.31**	**0.99**		**(16.01)**	
Profit for the period (V) = (III - IV)	**303.18**	**388.75**	***(22.0%)***	**(29.82)**	***1,116.6%***

Balance Sheet - Snapshot

Particulars (₹ mn)	FY21	FY20	FY19
Assets			
Non-current assets			
Property, plant, and equipment	3,713.93	3,730.30	3,808.40
Capital work in progress	11.52	-	9.52
Right-of-use assets	0.50	0.66	0.82
Intangible assets	9.48	11.70	14.14
Financial assets			
a) Loans	-	25.00	33.30
b) Other financial assets	139.63	33.70	125.00
Income tax assets (net)	19.66	19.50	19.66
Other non-current assets	288.23	111.29	131.41
Current assets			
Inventories	1,710.73	1,305.71	1,602.01
Financial assets			
a) Loans	0.76	30.87	1.23
b) Trade receivables	1,708.01	1,276.72	1,814.96
c) Cash and cash equivalents	46.12	12.45	1.38
d) Bank balances other than Cash and cash equivalents	58.05	151.91	45.25
e) Other financial assets	67.96	59.99	102.00
Other current assets	194.66	91.93	113.49
Total assets	**7,969.24**	**6,861.73**	**7,822.57**

Particulars (₹ mn)	FY21	FY20	FY19
Equity and liabilities			
Equity			
Equity share capital	239.81	239.81	239.81
Other equity	3,327.52	2,441.24	1,913.63
Total equity	**3,567.33**	**2,681.05**	**2,153.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
a) Borrowings	323.45	442.43	913.40
b) Lease liabilities	0.67	0.94	1.18
Income tax liabilities (net)	179.31	179.31	170.53
Deferred tax liabilities (net)	324.06	569.45	506.17
Provisions	31.09	30.89	23.40
Current liabilities			
Financial Liabilities			
a) Borrowings	1,835.72	1,939.26	2,343.25
b) Lease liabilities	0.39	0.39	0.39
c) Trade payables	1,176.35	738.47	912.99
d) Other financial liabilities	433.97	261.22	671.18
Other liabilities	14.75	8.43	13.23
Provisions	7.27	7.19	6.52
Income tax liabilities (net)	74.88	2.70	106.89
	3,543.33	2,957.66	4,054.45
Total liabilities	4,401.91	4,180.68	5,669.13
Total equity and liabilities	**7,969.24**	**6,861.73**	**7,822.57**

Summary Statement of Profit and Loss

Particulars (₹ mn)	FY21	FY20	FY19
Income			
Revenue from operations	6,163.32	6,659.94	9,043.23
Other income	34.25	93.38	69.31
Total income (I)	**6,197.57**	**6,753.32**	**9,112.54**
Expenses			
Cost of raw materials and components consumed	3,165.94	3,137.41	4,529.36
Decrease/ (increase) in inventories of finished goods and work-in progress	(291.60)	155.92	(190.06)
Employee benefits expense	518.66	526.59	608.41
Finance costs	116.99	321.69	412.33
Depreciation and amortization expense	254.09	265.24	254.24
Other expenses	1,681.64	1,625.64	2,085.37
Total expenses (II)	**5,445.72**	**6,032.49**	**7,699.65**
Restated profit before tax (III) = (I - II)	**751.85**	**720.83**	**1,412.89**
Tax expense			
Current tax expenses	130.42	127.17	308.90
Deferred tax charge / (Credit)	(248.12)	64.25	487.45
Total tax expense (IV)	**(117.70)**	**191.42**	**796.35**
Restated profit for the year/ period (V) = (III - IV)	**869.55**	**529.41**	**616.54**

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