ROLEX ROLLED RINGS

ROLEX RINGS LIMITED

[CIN: L28910GJ2003PLC041991]

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

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Ref. RolexRings/Reg30/Revision in Ratings/1 June 19, 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: Upgradation of Credit Rating of the Company- Intimation under 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 IndiaRatings & Research on the bank facilities, the Ratings of the Company has been **upgraded.**

In accordance with the Regulation, please find below the details of the upgradation in rating for the bank loan facilities of the company:

Rating Action:

Facilities	Rating Type	Previous Rating/Outlook	New Rating/Outlook	Rating Action
Bank Loan Facilities	Long Term/Short Term	IND A-/ Positive/IND A1	IND A/Stable/ IND A1	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

Digitally signed by Hardik Dhimantbhai Gandhi
DN: c=IN, o=Personal, title=6599, pseudonym=6897d79ff14f4c508dfe7a2e6c24c7d3, 2.5.4.20=f155c1b6346787019f871ccb7fda97ca51d3fc281178705de076db344bae7e58, postalCode=360002, st=Gujarat, serialNumber=800c5cd4d119aed4c97338989ca872c94ea94957bf4b8d1bd8210965bab36468, cn=Hardik Dhimantbhai Gandhi
Date: 2026.06.19 15:55:40 +05'30'

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

Title

India Ratings Upgrades Rolex Rings Limited's Bank Facilities at 'IND A' and revised the Outlook from Positive to Stable

Brief

India Ratings and Research (Ind-Ra) has taken the following rating actions on Rolex Rings Limited's (RRL) debt instruments:

Details of Instruments

Instrument Description	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Bank Loan Facilities	-	-	-	INR1,040(reduced from INR1,894)	IND A/Stable /IND A1	Upgraded

Analytical Approach

Ind-Ra continues to take a standalone view of RRL to arrive at the ratings.

Detailed Rationale of the Rating Action

The upgrade reflects largely stable revenues and EBITDA in FY26 despite some moderation in demand from USA due to increased tariffs during the year along with full repayment of the complete Right of Recompense (ROR) liability towards consortium lenders. The ratings also reflect RRL's diversified business profile, continued healthy cash flow generation, healthy scale of operations and sustained healthy EBITDA margins. The ratings also facture in strong credit profile which is expected to remain similar over FY27-28. The ratings are, however, constrained by RRL's subdued revenue growth in FY25-FY26 along with an elongated working capital cycle.

List of Key Rating Drivers

Strengths

- Diversified Business Profile; Long Track record of Operations
- Settlement of ROR Liability
- Healthy EBITDA margins; expected to remain rangebound in FY27
- Longstanding customer relationships
- Robust credit profile

Weaknesses

- Elongated working capital cycle, largely due to high inventory days
- Customer concentration risk
- Forex risk

Detailed Description of Key Rating Drivers

Diversified Business Profile; Long Track record of Operations: RRL has been engaged in the manufacturing and supply of bearing rings (contributing 47% in total revenues) and auto components (contributing 45% of total revenues) through the forging process for more than four decades, and its operations have significantly expanded over the years. RRL is one of the leading players in the Indian forging industry, with various types of forging lines, and over 500 stock keeping units as of May 2026. The company's revenue grew at a CAGR of 13% during FY21-FY26 and stood at INR11,435 million in FY26 (FY25: INR11,548; FY24: INR12,218 million). The revenue moderation in FY26 was owing to a reduction in export volumes specially in US amid tariff related uncertainties during FY26. However, the revenue was supported by increased traction from Europe and strong demand for RRL's bearing rings in the domestic market.

Ind-Ra believes the revenue to grow by 7-9% yoy in FY27, led by recovery of volumes in export market particularly from USA following easing of tariff related uncertainties and sustained healthy demand expected from the domestic market.

Settlement of ROR Liability: RRL completed the full settlement of its Right of Recompense (ROR) liability towards consortium lenders during FY26, resulting in the complete extinguishment of this obligation from its balance sheet. The total outflow toon account of that was INR 1010 million. The one-time settlement led to an exceptional expense of INR504 million in FY26; with the balance INR506 million already been provided for during FY24–FY25. The resolution of this liability has enhanced RRL's financial flexibility and materially reduced contingent risks.

Healthy EBITDA Margins, expected to remain rangebound in FY27: RRL's margins remained healthy and ranged between 20% - 22% during FY23- FY26. The EBITDA margin stood at 20.1% in FY26 (20.8%; 21.5%), declined largely due to one-time legal expenditure incurred on account of settlement of ROR liability. Adjusting for this, EBITDA margin for FY26 remained largely stable at 20.7%. EBITDA margin during the year was supported by a decline in power costs aided by company's installed 17.8MW of solar and 3.75MW of wind capacity established during FY23-FY25. The company further added 9 MW of solar capacity during FY26 which is likely to be commissioned by 1QFY27 and as per management the combined in-house solar and wind capacity for captive consumption likely to reduce power cost further by 2%-25% during FY27. The ROCE for RRL stood healthy at 17% in FY26 (FY25: 20%).

The EBITDA margins for RRL are dependent upon the product mix, and Ind-Ra believes the margins would benefit from company's efforts to increase revenue share of auto components for exports, which offer better margins compared to bearing rings. Furthermore, any volatility in prices of steel, its primary raw material, would only affect the entity's EBITDA margins for the short term as the company has the ability to pass on a major portion of the price increase to its customers on a quarterly basis. Ind-Ra expects the EBITDA margins to remain healthy in the range of 19% - 20% in FY27.

Longstanding Customer Relationships: The customers of RRL include entities that manufacture semi-finished components and industrial machinery for passenger vehicle (PV) and commercial vehicles (CV) producing OEMs. RRL longstanding relationships with majority of its customers have been lending strong support and sustainability to its business operations even during the period of volatility in macro environment.

Robust Credit Profile: RRL's credit metrics continued to remain during FY25-FY26. The company maintained a net cash position during FY24-FY26 and reported a nil debt position at FYE26. Its gross interest coverage (operating EBITDA/gross interest expense) improved to 160x in FY26 (101x ; 97x), led by a reduction in gross interest expenses to INR14 million (INR24 million ; INR27 million) which primarily include only bank charges. Ind-Ra expects the credit profile to remain strong over FY27-FY28, led by healthy operating cash flow coupled with no debt raise plans as per management in the near to medium terms. RRL has repaid its entire long-term debt in FY23 and has not borrowed any debt since then and neither does have any large debt-funded capex plans. Any significant increase in overall debt and net leverage remains a key monitorable.

Elongated Working Capital Cycle, largely due to High Inventory Days: The company's operations remain working capital intensive, largely due to elevated inventory days. The net working capital cycle stretched to 188 days in FY26 (177 days; 167 days) due to an increase in receivable days to 70 days in FY26 (61 days; 65 days). Inventory days continued to remain high due to a large product range and increased marginally to 155 days (152 days; 140 days). The company maintains adequate inventories of raw material to support its manufacturing operations and a portion of the total inventory (about 33%) remains in transit. The payable days continue to remain the range of 40 – 50 days.

Customer Concentration Risk: The top five customer groups accounted for around 61% of RRL's revenue during FY26 (60% ; 66%). However, the company has been associated with many of its top customers for more than a decade. Moreover, as per the management, the company has long-term agreements for five-to-seven years with most of its major customers. RRL has been receiving orders from new customers in the domestic as well as exports markets, which would enable it to diversify its customer base. Ind-Ra believes RRL's counterparty risk is low due to its established market position.

Forex Risk: RRL is exposed to foreign currency exchange rate risk, as 44% of its revenue comes from exports, predominantly from the US (21% of revenues) and Europe (20%) and 8%-10% of its raw material requirements are imported (mainly from Japan). The company obtains some pre- and post-shipment credit in foreign currencies depending on requirements, which reduces its finance costs and create a natural hedge against the receivables. However, the utilisation of the same remains negligible during FY26.

Liquidity

Adequate: RRL's cash and equivalents stood at INR3,576 million at FYE26 (INR3,099 million; INR1,232 million), including marketable investments. The company has not its fund based working capital facilities during past 12 month ending May 2026. The cash flow from operations moderated in FY26, however remained healthy at INR1,899 million (INR2,629 million; INR2,205), primarily due to higher working capital requirements.

RRL continues to maintain a net cash position, with no term loan outstanding as on date. The company has been utilising its internal accruals to fund the working capital requirements. The company has also announced a buyback of INR1800 million in May 2026 which would be done in FY27. RRL incurred capex of INR357 during FY26 (INR523 million; INR550 million) largely towards expanding its solar capacity along with maintenance capex. Ind-Ra expects the expenditure towards capex to remain moderate at INR400 million– 500 million annually over FY27-FY28 and is likely to be funded via internal accruals.

Rating Sensitivities

Positive: A significant improvement in the scale of operations while maintaining the credit profile and liquidity on a sustained basis will lead to a positive rating action.

Negative: Significant deterioration in the scale of operations or profitability or liquidity due to unexpected debt-funded capex or stretch in working capital cycle resulting in net adjusted leverage (inc. leases and sales bill discounting) increasing above 2.0x on a sustained basis will lead to a negative rating action.

Disclosures for CE Rating

Disclosures for Provisional Rating

ESG Issues

Any Other Information

Not applicable

About the Company

RRL is a manufacturer and global supplier of hot-rolled forged and machined bearing rings, and automotive components for two-wheelers, PVs, CVs, off-highway vehicles, electric vehicles, industrial machinery, wind turbines and railways, among others. Its product portfolio includes bearing rings, parts of gear box and automotive components. The entity has three manufacturing units in Rajkot, with a total installed capacity of 1,65,000 metric tonnes per annum. RRL's promoters are Rupesh Dayashankar Madeka, Jiten Dayashankar Madeka, Manesh Dayashankar Madeka, Pinakin Dayashankar Madeka and Bhautik Dayashankar Madeka.

Key Financial Indicators

Particulars (Consolidated)	FY26	FY25
Net revenue (INR million)	11435	11548
EBITDA (INR million)	2302	2406
EBITDA margin (%)	20.1	20.8
Interest coverage (x)	160	101
Net adjusted leverage (x)	Net Cash	Net Cash

Source: RRL ; Ind-Ra

Applicable Criteria

- Evaluating Corporate Governance
- Short-Term Ratings Criteria for Non-Financial Corporates
- Corporate Rating Methodology
- The Rating Process

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating	Historical Rating/Outlook		
				26 May 2025	27 February 2024	22 September 2023
Issuer rating	Long-term	-	-	-	-	WD
Bank Loan Facilities	Long-term/ Short-term	INR1,040	IND A/Stable / IND A1	IND A-/Positive/ IND A1	IND A-/Positive/ IND A1	-

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank Loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

Contact

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SOLICITATION DISCLOSURES

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ABOUT INDIA RATINGS AND RESEARCH

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has six branch offices located at Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Kolkata. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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