

**Credit Update- Rolex Rings Limited**

February 25, 2025

**Updates**

As per stock exchange announcement dated February 05, 2025, Rolex Rings Limited (RRL; rated CARE A-,Stable/ CARE A2+) has received communication from Union Bank of India demanding Right of Recompense ("RoR") amount of Rs.227.86 crore on behalf of consortium member banks in respect of a Corporate Debt Restructuring (CDR) previously concluded between the company and the said consortium of banks in 2013.

RRL has also stated in the announcement that the said demand from the bank is not in line with the Master Restructuring Agreement as well as other agreements, executed with the Bank. The company has refuted the basis for computation of RoR and has already communicated the same to Union Bank of India and other consortium banks too. RRL continues to engage with Union Bank of India and other consortium banks for settlement of RoR in an expeditious manner.

CARE Ratings Limited (CARE Ratings) notes that RRL has made provision of Rs.50.60 crore towards the ROR liability till Q3FY25 end. Furthermore, the company has adequate liquidity on hand in the form of unutilised line of credit as well as unencumbered cash and liquid investments which is expected to be sufficient for meeting the said liability. However, CARE Ratings will continue to monitor the development in the said event and its consequent impact on RRL's business and financial risk profile.

Please refer to the following link for the previous detailed rationale that captures key rating drivers, rating sensitivities, liquidity position and brief financial indicators: [Click Here](#)

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