

Rolex Rings Limited

October 30, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term Bank Facilities	RBI	0.99 (Reduced from 14.99)	CARE A; Stable	Upgraded from CARE A-; Stable
Short Term Bank Facilities	RBI	69.00 (Reduced from 135.00)	CARE A1	Upgraded from CARE A2+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upward revision in the ratings assigned to the bank facilities of Rolex Rings Limited (RRL) is on the back of successful resolution of impending Right to Recompensate (ROR) liability while maintaining strong financial risk profile and liquidity. The ratings also factor in sustained healthy scale of operations in FY26 (refers to the period April 1 to March 31) despite geopolitical uncertainty along with healthy profitability.

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.

The ratings, however, continue to remain constrained on account of high customer concentration, susceptibility of profitability to volatile raw material prices as well as foreign exchange rate and its presence in a highly competitive industry with demand linked to cyclical end-user industries (including automobile, engineering and capital goods and heavy machinery).

CARE Ratings Limited (CareEdge Ratings) has withdrawn the ratings assigned to the fund based & non-fund based bank facilities of Union Bank of India and Punjab National Bank, fund based facilities of Indian Overseas Bank and Bank of India on the basis of 'No Due Certificate' with immediate effect, as the company has repaid the aforementioned facility in full and there is no amount outstanding under the said facilities as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in scale of operations with total operating income (TOI) of more than ₹1500 crore while maintaining healthy PBILDT margin and comfortable financial risk profile.

Negative factors

- Decline in scale of operations below ₹1000 crore along with significant moderation in PBILDT margin 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: Stable

Stable outlook reflects CareEdge Ratings' expectation of sustenance of RRL's operational performance on account of its long standing association with reputed clientele.

Detailed description of key rating drivers

Key strengths

Successful resolution of ROR liability while maintaining strong liquidity

During FY25, the company had received a demand notice aggregating ₹227 crore from its erstwhile consortium of banks, including compounded interest on the original RoR sacrifice amount. Following a mutually agreed independent legal review, the liability was settled at ₹101 crore in Q4FY26. Consequently, RRL recognised an additional provision of ₹50.4 crore in FY26, over and above the ₹50.6 crore provided earlier, and fully discharged the obligation on March 31, 2026, resulting in the extinguishment of the RoR liability. Despite the resultant cash outflow, the company's liquidity profile remained strong, supported by free cash and bank balances of ₹357.6 crore as on March 31, 2026, negligible utilisation of working capital limits, and the absence of long-term debt.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Healthy scale of operations and profitability

Despite continued global inflationary pressures and moderation in demand from the US market, RRL's total operating income (TOI) remained resilient at ₹1,181.28 crore in FY26 vis-à-vis ₹1,167.89 crore in FY25. The moderation in demand from the US was largely offset by higher offtake from European market, supported by addition of new plant locations of key customers, along with sustained domestic demand. Consequently, exports accounted for 44% of total sales in FY26 as against 52% in FY25, while the share of domestic sales increased to 56% from 48% during the same period.

RRL's profitability remained robust, with the PBILDT margin improving to 22.69% in FY26 from 21.72% in FY25, supported by its focus on manufacturing high-precision engineered components and favourable product mix.

Further, as per the provisional financial results for Q1FY27, the company reported TOI of ₹304 crore as against ₹292 crore in Q1FY26, while the PBILDT margin stood at 22.70% compared with 22.23% in the corresponding period of the previous year.

Going forward, CareEdge Ratings expects RRL's operational performance to sustain supported by its established relationships with marquee global customers, diversified presence across geographies and user industries, and continued focus on high-precision engineering products.

Strong financial risk profile

RRL's financial risk profile continued to remain strong with overall gearing of 0.01x as on March 31, 2026 with no exposure to long term debt and strong net worth base of ₹1212.85 crore.

With negligible reliance on debt, debt coverage indicators remained strong in FY26 marked by PBILDT interest coverage of 186 times (PY: 107 times) and total debt/ PBILDT of 0.05x (P.Y.: 0.17x)

CareEdge Ratings expects RRL to sustain its strong financial risk profile on the back of no major debt funded capex planned over the medium term. Furthermore, as indicated by the management, the company is also in the process of surrendering its existing fund based facilities with envisaged healthy cashflow from operations.

Experienced promoters with established track record of operations

The promoters of RRL, i.e., the members of the Madeka family, are well-qualified and have vast experience in the auto components industry which is evident from the satisfactory operations of over four decades. RRL is into operations since 1980 and is one of the leading suppliers of forged bearing rings and various automobile components like engine, transmission, chassis, and exhaust system parts depicting established track record of operations in auto components industry.

Approved supplier for reputed clientele

RRL caters to the requirement of engineered capital goods & automobile sector and has a reputed clientele comprising of leading bearing and auto component manufacturers. Due to its long-standing relationship with the customers as an approved vendor for various parts, RRL is able to secure repeat orders from its customers. The company derives around 44% (PY:52%) of its revenue from exports as most of its customers are global players with presence across various countries primarily, USA and Europe. The moderation in exports in FY26 is on account of reduced exports to USA on account of increase in tariff on Indian exports to USA.

Key weaknesses

Customer concentration risk

RRL is exposed to customer concentration risk with top customer groups accounting for ~77% of its total sales in FY26 (~84% in FY25). However, RRL has long-standing relationships with majority of its customers for over a decade. RRL, being a Tier II manufacturer in auto component supply chain, supplies bearing rings and other components to Tier I manufacturers who in turn supply components to original equipment manufacturers (OEMs) primarily from auto industry which limits its bargaining power with its customers who are relatively large players in the industry.

Vulnerability of profit margins to adverse fluctuation in raw material prices and foreign exchange rates

Steel and its alloys form the key raw material required for manufacturing of bearing rings and auto components. The prices of steel and its alloys, being commodity items, are volatile in nature. Further, RRL does not have any long-term supply agreements with steel suppliers. Consequently, RRL's profitability is exposed to adverse movement in raw material prices. However, the sales contracts with most of RRL's clients are revised on a quarterly basis, which mitigates its exposure to any adverse fluctuations in raw material prices to a certain extent. Also, due to its exports, which contributed around 44% of its TOI (PY: 52%) in FY26, RRL is exposed to forex rates fluctuation risk. However, RRL has a partial natural hedge by way of imports for its export receivables, while the balance is hedged largely by way of use of working capital borrowings in foreign currency as well as forward contracts. RRL imported ~12% of its total raw material consumed during FY26 (15% in FY25) and reported foreign exchange gain of ₹37.78 crore (PY: ₹13.09 crore) during FY26.

Presence in a competitive industry with demand linked to the cyclicalities in various end-user industries; albeit stable demand outlook

RRL operates in the highly competitive auto component industry and engineered & capital good segment, with demand largely linked to end-user segments such as automobiles, engineering, capital goods, and railways. The global demand outlook for engineered and capital goods is expected to grow moderately in CY26, supported by investments in infrastructure, energy transition, industrial automation, and manufacturing expansion. Growth will be strongest in Asia, while North America benefits from reshoring and supply-chain diversification initiatives. Further, the India auto component industry is expected to grow in CY26, supported by strong domestic demand, higher OEM offtake, and a resilient aftermarket segment. While exports remain subject to global macroeconomic and geopolitical uncertainties, the medium-term outlook is favourable, driven by growth in domestic vehicle production, infrastructure spending, localisation initiatives, OEM capacity expansions, and continued policy support for manufacturing.

Liquidity: Strong

RRL's liquidity remained strong marked by nil working capital utilization, nil scheduled debt repayments, healthy cash flow from operations and sufficient liquidity in the form of free cash and bank balance. The company has maintained free cash and bank balance (including liquid investments) of ₹357.59 crore as on March 31, 2026 (₹309.85 crore as on March 31, 2025).

The average fund-based utilization of working capital limits for the past 12 months ended March 2026 remained nil which is facilitated by healthy cash flow from operations of ₹ 149.31 crore in FY26 (PY: ₹ 242.86 crore).

RRL's operations are working capital intensive on account of large inventory holding due to a large product range and credit period required to be offered to its established client base. However, with efficient management of receivables and inventory days, RRL's operating cycle remained stable at 133 days in FY26 (PY: 129 days).

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks

Parameters	Compliance and action taken by the company
Environmental	<ul style="list-style-type: none"> Adopted clean technology for eliminating waste and minimizing pollution. Regular health and safety audits to identify any gaps related to occupational health and safety hazards. Conduct energy audits to identify high energy usage areas and find ways to implement energy efficient technologies or process to reduce overall energy consumption. Adopt energy management systems to improve energy efficiency process.
Social	<ul style="list-style-type: none"> RRL has made contribution in promoting awareness of cyber security through affirmative actions such as seminars, posters etc. RRL has a sewage treatment plant installed to ensure industrial wastewater is treated before it is released into the environment. Furthermore, has implemented water conservation ways to reduce the freshwater consumption. Also, regularly monitor and report the water usage performance for implementing efficient methods of water management. Implemented efficient emission monitoring systems to track and identify any hazardous/ toxic pollutants released directly into the air.
Governance	<ul style="list-style-type: none"> RRL continue to implement robust systems and practices to ensure ethical behaviour, transparency, and accountability in corporate decision-making. RRL engages into regular monitoring, independent audits, and board oversight to operate sustainably and help mitigate any risk.

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Auto Components & Equipments](#)
[Short Term Instruments](#)
[Withdrawal Policy](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments

Rajkot based (Gujarat), RRL (Erstwhile; Rolex Rings Private Limited) was established as a partnership firm by Mr. Rupesh D. Madeka in 1980 and later on reconstituted as a public limited company in 2021 and is presently managed by Mr. Manesh D. Madeka and family. RRL is engaged in manufacturing (forging and machining) of bearing rings and auto -components like engine parts, transmission parts, exhaust system parts, chassis parts, etc. It caters to the requirement of reputed clientele comprising leading bearing manufacturers as well as global and domestic auto -component manufacturers. The company has two manufacturing units which are located near Rajkot in Gujarat. RRL's debt was restructured under Corporate Debt Restructuring (CDR) mechanism in FY13, and the company closed CDR loans in FY22. In August 2021, RRL got listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and raised ₹.731 crore through Initial Public Offer (IPO). Out of this, ~₹.56 crore was infused in the company as equity, while balance was offer for sale and paid to stake selling shareholder 'Rivendell PE LLC'.

Particular (Rs. Crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1167.89	1181.28	304.00
PBILDT	253.72	268.03	69.00
PAT	174.00	141.10	60.00
Overall gearing (times)	0.04	0.01	0.00
Interest coverage (times)	106.65	185.75	NM

A: Audited; UA: Unaudited; Note: these are latest available financial results. NM: Not Material as the company have very negligible interest cost in Q1FY27.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	NA	-		-	-	0.99	CARE A; Stable
Fund-based - ST-Working Capital Limits	RBI	NA	-		-	-	6.00	CARE A1
Non-fund-based-Short Term	RBI	NA	-		-	-	63.00	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (07-Jul-23)
2	Fund-based - LT-Cash Credit	LT	0.99	CARE A; Stable	-	1)CARE A-; Stable (04-Aug-25)	1)CARE A-; Stable (24-Jul-24)	1)CARE BBB+; Positive (07-Jul-23)
3	Fund-based - ST-Working Capital Limits	ST	6.00	CARE A1	-	1)CARE A2+ (04-Aug-25)	1)CARE A2+ (24-Jul-24)	1)CARE A2 (07-Jul-23)
4	Non-fund-based-Short Term	ST	63.00	CARE A1	-	1)CARE A2+ (04-Aug-25)	1)CARE A2+ (24-Jul-24)	1)CARE A2 (07-Jul-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Lender details**

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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