Rolex Rings Private Limited

July 25, 2017

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	316.56	**CARE D (Single D)**	**Revised from CARE B+; Stable**
Short Term Bank Facilities	290.74	**CARE D (Single D)**	**Revised from CARE A4**
Total Facilities	**607.30 (Rupees Six Hundred Seven Crore and Thirty Lakh Only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Rolex Rings Private Limited (RRPL) takes into account of ongoing delays in servicing of its debt obligations as a result of its stressed liquidity arising from elongated working capital cycle.

Detailed description of the key rating drivers

Ongoing delays in debt servicing: Debt servicing of RRPL is irregular as reflected by delays in servicing of its term loan installment on the back of stressed liquidity position due to elongated working capital cycle.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology-Manufacturing Companies
Financial ratios – Non-Financial Sector

About the Company

RRPL was initially established as a partnership firm by Mr. Rupesh D. Madeka in 1980 and was later on reconstituted into a Private Limited Company in 2003. The company is currently managed by Mr. Manesh Madeka, his brothers and their sons. The primary business of the company is manufacturing of bearing rings/races and automotive components through forging and turning processes. It caters to the requirement of automobile sector and has a reputed clientele comprising global bearing and auto manufacturers. The company has two manufacturing units, both located in Rajkot district of Gujarat, with a combined installed capacity of 85,000 MTPA for manufacturing forging rings, machined rings and automobile part, as on March 31, 2016.

Brief Financials (Rs. crore)	FY15 (Audited)	FY16 (Audited)
Total operating income	559.20	600.07
PBILDT	95.91	111.08
PAT	13.08	24.61
Overall gearing (times)	Not Meaningful	Not Meaningful
Interest coverage (times)	1.48	1.92

Status of non-cooperation with previous CRA: ICRA vide its press release dated July 18, 2017 stated its inability to carry out the surveillance exercise due to lack of information on the company's current credit profile.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June, 2024	283.71	CARE D
Fund-based - LT-Cash Credit	-	-	-	32.85	CARE D
Fund-based - ST-Working Capital Limits	-	-	-	196.83	CARE D
Non-fund-based - ST-Letter of credit	-	-	-	93.91	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	283.71	CARE D	1)CARE B+; Stable (16-May-17) 2)CARE B+; Stable (18-Apr-17)	-	-	-
2.	Fund-based - LT-Cash Credit	LT	32.85	CARE D	1)CARE B+; Stable (16-May-17) 2)CARE B+; Stable (18-Apr-17)	-	-	-
3.	Fund-based - ST-Working Capital Limits	ST	196.83	CARE D	1)CARE A4 (16-May-17) 2)CARE A4 (18-Apr-17)	-	-	-
4.	Non-fund-based - ST-Letter of credit	ST	93.91	CARE D	1)CARE A4 (16-May-17) 2)CARE A4 (18-Apr-17)	-	-	-

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