

## Diagold Creation Private Limited

April 02, 2026

| Facilities/Instruments                    | Amount<br>(₹ crore) | Rating <sup>1</sup>                                       | Rating Action   |
|---|---------------------|---|---|
| Long Term / Short Term<br>Bank Facilities | 8.00                | CARE BB-; Stable / CARE<br>A4; ISSUER NOT<br>COOPERATING* | LT rating downgraded from CARE BB; Stable<br>and ST rating reaffirmed and moved to ISSUER<br>NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Diagold Creation Private Limited (DGPL) to monitor the rating(s) vide e-mail communications dated January 12, 2026, March 09, 2026, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CareEdge's opinion is not sufficient to arrive at a fair rating. Further, DGPL has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. The rating on DGPL's bank facilities will now be denoted as CARE BB-; Stable; ISSUER NOT COOPERATING\* & CARE A4; ISSUER NOT COOPERATING\*

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings have been revised on account of lack of adequate information and inability to monitor the performance of the company which is critical for assessing the credit profile of the company. The downgrade in the ratings assigned to the bank facilities of Diagold Creation Private Limited (DCPL) remain tempered by low profitability margins and working capital intensive nature of operations, small net worth base and weak debt coverage indicators, its presence in highly competitive and fragmented Gems & Jewellery (G&J) industry along with geographical concentration of revenues with foreign exchange fluctuation risk and customer & supplier concentration risk. The ratings, however, derive strength from growth in the scale of operations, sustained gross cash accruals (GCA), a long track record of operations, experienced management, and the locational advantage of the manufacturing unit.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on March 12, 2025, the following were the rating strengths and weaknesses (updated for the partial information received from DGPL).

### Key weaknesses

#### Small net worth base and leveraged capital structure

Despite an increase in the net worth base of the company from ₹9.14 crore as on March 31, 2024, to ₹10.44 crore as on March 31, 2025, it continues to remain low, which restricts financial flexibility. The overall gearing deteriorated from 1.09x as on March 31, 2024, to 1.48x as on March 31, 2025. The coverage indicator, denoted by total debt to gross cash accruals (GCA), continued to remain high at 6.58x as on March 31, 2024 and 9.46x as on March 31, 2025. This was driven by an increase in total debt from ₹9.92 crore in FY24 to ₹15.43 crore in FY25, despite an improvement in GCA from ₹1.51 crore in FY24 to ₹1.63 crore in FY25.

#### Working capital intensive nature of operations

The operations of DCPL remained working capital intensive in nature, marked by gross current assets days of 159 days in FY25 against 104 days in FY24, primarily due to elongation in debtor days. The combined average maximum utilisation of fund based limits remained high at 87.17% over the past 12 months ending February 2026, indicating sustained reliance on bank borrowings to fund working capital requirements.

#### Customer & supplier concentration risk

The top five suppliers accounted for ~96.16% of total raw material purchases in FY25 against 96.26% in FY24, indicating high dependence on a select set of suppliers, which restricts DCPL's bargaining power. DCPL derived 99.31% of its revenue from its top five customers in FY25 against 99.74% in FY24, reflecting high customer concentration. A single customer, Richline Group

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

Inc. (RGI; a wholly owned subsidiary of Berkshire Hathaway), accounted for ~94.76% of total revenue, while a further 2.94% was generated through RGI's group entity, S.A. Diamond, in FY25. This reflects high customer concentration risk and limits the company's bargaining power. Any adverse changes in the macroeconomics in export markets could have a significant bearing on demand for DCPL's products and its liquidity position.

#### **Geographical concentration and foreign exchange fluctuation risk**

DCPL continues to derive a significant portion of its revenue (~99%) from exports to the United States of America (USA), indicating high geographical concentration risk. Any adverse changes in the macroeconomics in the key export market could have a significant bearing on demand for its products and, in turn, its liquidity position. The highly export-driven nature of operations exposes the company to foreign exchange fluctuation risk. The management has been focusing on diversifying its customer profile by exporting to other geographies such as France and other European countries.

#### **Presence in competitive and fragmented industry**

Owing to the presence of a large number of players operating in the gems and jewellery industry and a low degree of product differentiation, the industry remains highly competitive and fragmented in nature. This limits the bargaining power of players such as DCPL, particularly in pricing and customer negotiations.

#### **Key strengths**

##### **Moderation in profitability despite revenue growth**

In FY25, the operating income of DCPL increased by ~17% to ₹192.24 crore against ₹165.71 crore in FY24, primarily driven by improvement in realisations, despite moderation in sales volumes. However, the operating profitability, measured by profit before interest, lease rentals, depreciation, and taxation (PBILDT), declined, with the PBILDT margin reducing to 0.69% in FY25 from 1.73% in FY24. Consequently, the profit after tax (PAT) margin moderated marginally to 0.73% in FY25 from 0.80% in FY24.

##### **Long track record of operations with experienced promoters in the gems & jewellery industry and established relation with customers**

The company has an established operating track record of around two decades in the gems and jewellery industry. Rajesh Doshi, the promoter, has over two decades of experience and oversees overall operations, having developed long-standing relationships with customers and suppliers, which supports business stability and repeat order inflows. M/s. Samuel Aaron International (now part of the Richline group, a step-down subsidiary of Berkshire Hathaway) holds a 24.48% stake in the company and brings extensive experience in the design, manufacturing, and distribution of diamond and gold jewellery.

##### **Locational advantage of the unit**

The location of DCPL's unit in SEEPZ (Santacruz Electronics Exports Processing Zone) also known as SEZ (Special Economic Zone) is eligible for exemption of customs, duty & Goods & Service Tax. However, the above is subject to 100% exports of products manufactured in that unit and no domestic sale allowed out of that zone.

#### **Environment, social, and governance (ESG) risks: Not Applicable**

#### **Applicable criteria**

[Information Adequacy Risk and Issuer Non-Cooperation](#)  
[Definition of Default](#)  
[Rating Outlook and Rating Watch](#)  
[Manufacturing Companies](#)  
[Financial Ratios – Non financial Sector](#)  
[Short Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

| Macroeconomic indicator | Sector            | Industry          | Basic industry              |
|-------------------------|-------------------|-------------------|-----------------------------|
| Consumer Discretionary  | Consumer Durables | Consumer Durables | Gems, Jewellery And Watches |

Incorporated in 2001, Diagold Creations Private Limited (DCPL) is engaged in the manufacturing and export of gold and silver necklaces, diamond-studded jewellery, rings, bracelets, and designer accessories across various sizes and shapes. The company primarily deals in 10–18 carat gold and sterling silver jewellery and derives its entire revenue from exports, with the United States of America (USA) being the key market. This high export orientation is expected to continue in the near term. DCPL procures gold domestically through Union Bank of India and also imports gold from Dubai and other locations, based on customer-specific quality and design requirements. Dependence on imported gold exposes the company to price volatility and regulatory risks, which are expected to remain key sensitivities. As on March 31, 2024, DCPL has an installed capacity of 1,00,000 jewellery pieces per annum, with its manufacturing facility located at SEEPZ, Andheri (East), Mumbai.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income     | 165.71             | 192.24             |
| PBILDT*                    | 2.87               | 1.33               |
| Profit after tax (PAT)     | 1.33               | 1.41               |
| Overall gearing (x)        | 1.09               | 1.48               |
| Interest coverage (x)      | 2.84               | 1.46               |

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

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

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument     | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook                  |
|----------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT/ST-EPC/PSC |      | -                             | -               | -                          | 8.00                        | CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* |

\*Issuer did not cooperate; based on best available information.

#### 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 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023  |
| 1       | Fund-based - LT/ST-EPC/PSC             | LT/ST           | 8.00                         | CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* | -   | 1)CARE BB; Stable / CARE A4 (12-Mar-25)     | 1)CARE BB-; Stable / CARE A4 (29-Dec-23)    | 1)CARE BB-; Stable / CARE A4 (06-Mar-23)<br>2)CARE BB-; Stable / CARE A4 (05-Apr-22) |

\*Issuer did not cooperate; based on best available information.

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: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument      | Complexity Level |
|---------|-----------------------------|------------------|
| 1       | Fund-based - LT/ ST-EPC/PSC | Simple           |

**Annexure-5: 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.

## Contact us

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