Diatrends Jewellery Private Limited

July 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	45.00	CARE BBB+; Stable / CARE A2	Upgraded from CARE BBB; Stable / CARE A3+

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Upgrade in ratings assigned to bank facilities of Diatrends Jewellery Private Limited (DJPL) factors in significant increase in the scale of operations in FY26 (FY refers to April 01 to March 31) over FY25. Rating upgrade also factors in the improvement in profitability margins.

The company's total operating income (TOI) grew by 29.29% in FY26 to ₹504.98 crore from ₹390.60 crore in FY25 considering increased sales volumes and average realisation led by increased gold prices. Profitability margins have also improved as marked by profit before interest, lease rentals, depreciation, and taxation (PBILDT) and profit after tax (PAT) margin stood at 10.51% and 6.36% respectively in FY26 against 8.77% and 5.58% in FY25 supported by increased scale of operations.

Ratings continue to derive strength from experienced and resourceful promoters with an established track record in the gems and jewellery (G&J) business, long-standing relationship with well-established and reputed clientele, and supplier base. It also derives strength from comfortable capital structure and debt coverage indicators, moderate yet improved profitability margins and adequate liquidity position.

These rating strengths continue to be tempered by moderate but growing scale of operations, working capital intensive operations, susceptibility to volatility in diamond and gold prices, foreign exchange rate fluctuation risk, client concentration risk, and presence in competitive and fragmented nature of G&J industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations with TOI exceeding ₹1000 crore through diversification in the customer base while maintaining healthy profitability margins.

Negative factors

- Significantly lower-than-envisaged turnover and profitability margins, leading to deteriorating cash accruals on a sustained basis.
- Significant deterioration in capital structure with debt to PBILDT above 3x on a sustained basis.
- Deterioration in liquidity position with elongation in collection period exceeding 120 days on a sustained basis

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that DJPL will achieve sustainable increase in its scale of operations considering successful completion of capex with stable operating performance backed by long-term relationship with key customer notwithstanding the near-term moderation in overall demand mainly in the export markets.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Experienced and resourceful promoters and management team having established track record in G&J industry

DJPL's promoters, Kothari and Mehta families, have established themselves in the G&J industry in the last three decades and have established relationships with suppliers present in the diamond and gold markets in Gujarat and Maharashtra. Directors provide need-based financial support to the company through unsecured loans per the company's funding requirements. The second line of management is also qualified and has adequate experience in their respective fields.

Moderate yet improved profitability margins

DJPL's PBILDT margin remained moderate between 7%-11% for five years ended FY26. It improved to 10.51% in FY26 compared to 8.77% in FY25 owing to increased realisations and reduction in other expenses. Margins are exposed to raw material price volatility and realisation fluctuations due to competition and foreign exchange movements. PAT margin also improved to 6.20% in FY26 compared to 5.36% in lines with the PBILDT margin. Going forward, operating margins are expected to remain moderate considering recent global headwinds and its sustenance remains a key credit monitorable.

Comfortable capital structure and debt coverage indicators

DJPL's capital structure remained comfortable marked by overall gearing at 0.35x as on March 31, 2026, compared to 0.38x as on March 31, 2025. The company's debt profile comprises vehicle loans, interest free unsecured loans from promoters and working capital borrowings. Total outside liabilities to tangible net worth also remained comfortable at 0.71x as on March 31, 2026 (0.89x as on March 31, 2025).

Debt coverage indicators also remain comfortable marked by interest coverage ratio of 12.53x in FY26 compared to 10.07x in FY25. Total debt to gross cash accruals (TD/GCA) also improved to 1.30x in FY26 compared to 1.91x in FY25. Improvement in ratios were due to the company's improved profitability of. Capital structure and debt coverage indicators are expected to remain comfortable considering no major debt-funded capex planned in the near future.

Key weaknesses

Growing but moderate scale of operations

DJPL's overall scale of operations remained moderate marked by TOI in the range of ₹226 crore to ₹505 crore in FY22 to FY26. TOI has increased by ~29% in FY26 to ₹504.98 crore compared to 390.60 crore in FY25, primarily driven by an increase volumes sold and increase in gold prices, leading to increase in sales realisation. However, the company's ability to sustain off-take from existing customers and diversify its customer base amidst recent global headwinds remains a key credit monitorable. Tangible net worth also stood moderate at ₹141.25 crore as on March 31, 2026 (₹122.61 crore as on March 31, 2025).

Working capital intensive operations

The entity's operations are working capital intensive as reflected by gross current asset days and working capital cycle of 141 days (PY: 167 days) and 95 days respectively in FY26 (PY: 92 days). Working capital cycle remained stable considering an increase in inventory holding period and reduction in receivable period. Inventory holding period remained moderate at 58 days in FY26 (PY: 52 days). Receivable period was moderately high at 67 days in FY26 (PY: 79 days). Credit period availed from suppliers was low at 30 days in FY26 (PY: 38 days).

Reputed clientele and supplier base with client concentration risk

DJPL deals with one of the leading jewellery manufacturer and retailer, which has presence in over 500 retail stores across 85 countries. The company has dealt with this reputed customer for over a decade. Sales to a single client remained high over 80% for three years ending FY26, reflecting concentration risk, comfort can be drawn from the fact that the client is well-established with its presence in the global markets, mainly in the UK, Germany, Poland, France, Hungary, Italy, Romania, Thailand, Saudi Arabia, the US, and the UAE. This also helps the company in maintaining consistent sales and profitability in the last few years and ensures repeated orders from it. However, the company is making attempts to diversify its revenue through sales to well-established brands in India, which currently remains low at ~5%-9% of its total sales. Hence, the company's ability to diversify the customer base achieving revenue growth remains key credit monitorable.

The company also deals with reputed suppliers for procurement of gold and diamonds, and the diamonds are RJC and GMP certified. The diamond purchasing is done through sight holders. Top 10 suppliers contribute to 95% of total raw material purchase.

Foreign exchange fluctuation risk

DJPL continues to derive ~90% revenue from export sales leading to foreign exchange fluctuation risk. However, the company imported ~30% of its material requirement, comprising polished diamonds, alloy and gold, which partially provides a natural hedge. The company does not enter forward contracts to hedge exchange rate fluctuation risk. As the company has the facility to use foreign exchange limits (USD), it procures goods and makes payments in USD and receives payments in USD as well, which reduces the risk of forex volatility to an extent. Foreign exchange fluctuation persists due to timing differences. The company reported a forex gain of ₹5.76 crore in FY26 against ₹3.20 crore in FY25.

Presence in highly competitive and fragmented jewellery business

The G&J industry is a fragmented industry with high level of competition from organised and largely unorganised sectors, involving small and medium-sized players engaged in manufacturing diamond and gold jewellery, which largely limits its pricing power. The macroeconomic environment continues to remain uncertain and poses a major challenge for the G&J industry, which is mainly export-driven.

Liquidity: Adequate

DJPL's liquidity position remained adequate, marked by sufficient cushion in accrual against no debt repayments in the near-to-medium-term. The free cash and bank balance stood at ₹4.08 crore as on March 31, 2026 (PYE: ₹11.94 crore). Average and maximum utilisation of its fund-based working capital limits remained high at 75.43% and 92.93% respectively for 12 months ended April 2026. As on March 31, 2026, the company's current ratio stood comfortable at 1.98x (PY: 1.71x) and quick ratio at 1.09x (PY: 1.20x). Cash flow from operating activities stood positive at ₹11.59 crore in FY26 (PY: positive of ₹1.83 crore).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Cut and Polished Diamonds

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 2000 by Mehta family, DJPL is engaged in manufacturing and exporting diamond studded gold, platinum and silver jewellery (mainly rings, pendants, earrings, bangles and necklace) with exclusive designs catering to the needs of retail chains primarily across Europe (with France contributing ~85% of total sales in FY26 (PY: 79.43%) to a leading jewellery manufacturer group, USA – 4.96% in FY26 (PY: 12.89%) and the balance to other countries. The company operates through its manufacturing facility at MIDC, Andheri with in-house design development team, which develops designs according to the latest market trends and customer preferences. DJPL also has certifications such as supply chain security (SCS), chain of custody (COC), GMP, COC, RJC and ISO 27001.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	390.60	504.98
PBILDT	34.27	53.07
Profit after tax	21.80	32.12
Overall gearing (x)	0.38	0.35
Interest coverage (x)	10.07	12.53

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

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		-	-	-	45.00	CARE BBB+; Stable / CARE A2

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/ ST-EPC/PSC	LT/ST	45.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB; Stable / CARE A3+ (01-Jul-25)	1)CARE BBB; Stable / CARE A3+ (08-Oct-24)	1)CARE BBB; Stable / CARE A3+ (20-Oct-23)

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others, The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

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

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

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Akhil Goyal Director **CARE Ratings Limited** Phone: 022-67543590 E-mail: akhil.goyal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Ashish Kambli Associate Director **CARE Ratings Limited** Phone: 022-67543597 E-mail: Ashish.k@careedge.in Saurabh Darak Lead Analyst **CARE Ratings Limited** E-mail: Saurabh.darak@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com