



Press Release
SIM DIAM PRIVATE LIMITED
September 30, 2025
Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.86	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	133.00	ACUITE BBB- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	144.86	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to '**ACUITE BBB-**' (read as **ACUITE triple B minus**) from '**ACUITE BB+**' (read as **ACUITE Double B plus**) on the Rs. 133.00 crore bank facilities of Sim Diam Private Limited (SDPL). The outlook is '**Stable**'.

Further Acuite has assigned the long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 11.86 crore bank facilities of Sim Diam Private Limited (SDPL). The outlook is '**Stable**'.

Rationale for Upgrade

The company has migrated from the status of 'Issuer not co-operating'. The rating upgrade further consider the consistent growth in the operating performance of the company marked by improvement in operating income and healthy profitability margins. The rating considers the extensive experience of promoters, long track record of operations along with healthy financial risk profile and adequate liquidity position of the company. However, the rating remains constrained by moderately intensive working capital operations and its exposure to intense competition within a fragmented industry. Despite the increase in US tariff rates, the impact on the company's performance is expected to be limited. This is primarily because a significant portion of the company's export revenue is derived from markets outside the United States, thereby reducing its exposure to tariff-related risks. This strategic market diversification continues to serve as a buffer against geopolitical and regulatory uncertainties, supporting stable revenue generation and margin sustainability. The revenue of the company is going to improve in near to medium terms.

About the Company

Sim Diam Private Limited (SDPL), based in Mumbai, is engaged in manufacturing and trading (~70 per cent) of cut and polished diamonds at its facilities at Chhapi, Gujarat. The company has established presence since 1998, later changed to a private limited company in 2006. The company is promoted by Mr. Roshan Sethia and family. The company operates in India and derives 60 to 65 percent of revenues through exports to countries like Hong Kong, USA, Israel, Thailand, Europe and Belgium.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and risk profile of SDPL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

SDPL was operational as a partnership firm since 1998, prior to being incorporated as a private limited company in 2006. The Company is owned and operated by Mr. Roshan Sethia along with his family members. Mr. Sethia

possesses over two decades of experience in gems and jewellery industry. The promoters are ably supported a line of mid-level managers. The Company exports around 60-70 percent of its total sales in key markets of Hong

Kong, US, Israel, Thailand, European countries and Belgium. Acuité believes that the company will continue to benefit from its experienced management and long-standing presence in the industry over the medium term.

Steady operating performance

The revenue of the company stood at Rs. 480.39 crore in FY25 as compared to revenue of Rs. 455.20 crore in FY24. The PAT margin of the company stood at 2.44 percent in FY25 as against 2.52 percent in FY24. The EBITDA margin increased to 5.59 percent in FY25 as against 5.26 percent in FY24. EBITDA increased to 26.87 percent in FY25 as compared to 23.93 percent in FY24. The company exports its products to USA, Hong Kong, Belgium, Sri Lanka, Switzerland, UAE & Israel amongst others, which contributes around 63 percent of sales in FY2025. Despite the increase in US tariff rates, the impact on the company's performance is expected to be limited as significant portion of the company's export revenue is derived from markets outside the United States, thereby reducing its exposure to tariff-related risks. This strategic market diversification continues to serve as a buffer against geopolitical and regulatory uncertainties, supporting stable revenue generation and margin sustainability.

Acuité believes, the sustenance of operating margins while consistently increasing its scale will remain a key monitorable.

Above Average Financial Risk Profile

The company has an above average financial risk profile marked by tangible net worth of Rs. 167.25 crore as on 31 March 2025 as against Rs.155.53 crore as on 31 March 2024. The increase in the net worth is due to the accretion of profits to reserves. The gearing level of the company stood at 0.77 times as on FY2025 as against 0.80 times as on FY2024. The total debt of the company stood at Rs. 129.20 crore as on March 31, 2025. The total debt comprised of working capital borrowing of Rs. 108.19 crore, unsecured loan from promoters of Rs. 9.00 crore, long-term debt of Rs. 6.72 crore and CPLTD of Rs. 4.15 crore as on 31 March 2025. The coverage ratios of the company stood moderate with Interest Coverage Ratio (ICR) of 2.42 times for FY25 for against 2.80 times for FY24. The Debt Service Coverage Ratio (DSCR) stood at 1.53 times for FY25 against 1.72 times for FY24. The total outside liabilities to tangible net worth (TOL/TNW) of the company stood at 1.04 times in FY2025 against 1.36 times in FY2024. Further, Net Cash Accruals to Total Debt (NCA/TD) stood at 0.10 times for FY2025 as against 0.10 times for FY2024. Acuité believes Going forward, the financial risk profile of the company is expected to improve and remain healthy on account of no planned capex.

Weaknesses

Working capital intensive operations

The company is having intensive working capital operations as evident marked by moderately intensive Gross Current Asset (GCA) Days of 234 days in FY2025 as against 268 days in FY2024. The GCA days are high majorly on account of high inventory levels of 156 days for FY2025 compared against 157 days for FY2024. The debtor days stood at 84 days for FY2025 against 112 days for FY2024. The creditor days of the company stood at 36 days for FY2025 as against 75 days for FY2024. The average utilization of the working capital limits of the company remained on the moderate side of ~83.16 percent in last six months ended June, 2025. Acuité believes that SDPL's working capital operations are likely to remain moderately intensive over the medium term, given the nature of its business. The company's operations are inherently working capital intensive, driven by the nature of the diamond trading and manufacturing business. This results in high reliance on short-term borrowings and sustained funding requirements for inventory and receivables, which can exert pressure on liquidity, especially during periods of demand fluctuation. Geopolitical tensions and foreign trade policy shifts are impacting sourcing and trade dynamics.

Susceptibility of profitability to volatility in raw material prices and foreign exchange fluctuation risk

The Company is exposed to volatility of diamond prices. Hence the company is exposed to price fluctuation risk, and it derives ~ 70 per cent of its revenues from export sales and imports ~10 per cent of total purchases. While this helps company hedge the forex exposure naturally to an extent, the absence of forward contract or any other mechanism exposes company's profitability to fluctuations in forex rates.

Rating Sensitivities

- Sustained growth in scale of operations while improving profitability.
- Elongation of working capital cycle

Liquidity Position

Adequate

The company has an adequate liquidity position marked by adequate net cash accruals against its maturing debt obligations. The company generated cash accruals of Rs.12.69 crore in FY25 as against maturing debt obligation of Rs. 4.15 crore over the same period. The company is expected to generate net cash accruals in the range of Rs. 13.50 Cr – Rs.14.20 Cr. as against its repayment debt obligations in the range of Rs. 4.00 Cr. – Rs.5.50 Cr for FY2026-27. The unencumbered cash and bank balances of the company stood at Rs. 0.56 crore as on March 31,

2025. The current ratio stood at 1.96 times in FY2025. The average bank utilization of the company is approximately ~83.16 percent in last six months ended June, 2025. Team believes that, the company is likely to maintain adequate liquidity position on account of steady accruals.

Outlook

Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	480.39	455.20
PAT	Rs. Cr.	11.72	11.45
PAT Margin	(%)	2.44	2.52
Total Debt/Tangible Net Worth	Times	0.77	0.80
PBDIT/Interest	Times	2.42	2.80

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Sep 2025	PC/PCFC	Long Term	26.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Post Shipment Credit	Long Term	26.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	PC/PCFC	Long Term	10.75	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Bills Discounting	Long Term	12.25	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Bills Discounting	Long Term	8.40	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	PC/PCFC	Long Term	3.60	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	PC/PCFC	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Bills Discounting	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	PC/PCFC	Long Term	6.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Post Shipment Credit	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
21 Jun 2024	PC/PCFC	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Post Shipment Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	Post Shipment Credit	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	10.75	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	12.25	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	8.40	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	3.60	ACUITE BBB- Stable (Reaffirmed)
06 Apr 2023	PC/PCFC	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Post Shipment Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	Post Shipment Credit	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	10.75	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	12.25	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	12.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)

27 Jan 2022	Post Shipment Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	Post Shipment Credit	Long Term	26.00	ACUITE BBB- Stable (Reaffirmed)
	PC/PCFC	Long Term	10.75	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	12.25	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	12.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Central Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.25	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Indusind Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.40	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Central Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.75	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Indusind Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.60	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Bank of India	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.70	Simple	ACUITE BBB- Stable Assigned
Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	5.67	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Nov 2028	3.49	Simple	ACUITE BBB- Stable Assigned

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