

Rating Rationale

06 Feb 2026

Ritesh Export

Brickwork Ratings has removed the ratings of Ritesh Export from the 'Issuer Not Cooperating (INC)' category and upgraded the long-term and short-term bank loan ratings. The long-term rating has been upgraded to BWR BB+/Stable and the short-term rating to BWR A4+/Stable. These ratings pertain to the company's bank loan facilities aggregating to Rs. 66.54 crore.

Particulars:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating*	
	Previous	Present		Previous(15 Dec 2025)	Present
Fund Based					
Post Shipment Sanctioned	47.65	37.35	Long Term	BWR BB/Stable continue to be in Issuer not Cooperating category/Reaffirmed	BWR BB+ /Stable Removal from INC Category/ Upgraded
EPC / PCFC / FBP/PSFC sanctioned	27.35	22.65			
GECL sanctioned	10.29	2.59			
Covid Term Loan	00.26	0.00			Withdrawal
Term Loan -Outstanding	2.82	0.00			
GECL Sanctioned	11.00	0.00			
FCL/ CE limit	00.59	3.95	Short Term	BWR A4 continue to be in Issuer, not Cooperating category/Reaffirmed	BWR A4+ /Stable Removal from INC Category/ Upgraded
Sub Total	99.96	66.54			
Grand Total	99.96	66.54	(Rupees Sixty Six Crores and Fifty-four lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities are provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings upgrades the long-term & the short-term rating. It removes the rating from Issuer Not Cooperating Category to Upgraded for the bank loan facilities of Rs. 66.54 Crs.

The rating derives strength from the extensive experience of the promoters in the diamond manufacturing and trading industry and the consistent improvement in the scale of operations, supported by capacity enhancement through the commissioning of the new processing facility, which has significantly increased throughput. The entity continues to maintain a healthy financial

risk profile, marked by moderate leverage and comfortable debt protection metrics, along with an adequate liquidity position. Financial flexibility remains strong, underpinned by inter-company support and the timely infusion of funds by the partners to support business expansion and working capital requirements.

However, the ratings remain constrained by the inherent volatility in rough and polished diamond prices, exposure to foreign exchange fluctuations, & high working capital-intensive nature of the business. The industry remains highly fragmented and competitive, which limits pricing power and exposes the profitability of the company to demand variances.

The Stable outlook reflects that the firm will continue to benefit from the extensive experience of its promoters in the Cut Polished Diamond industry and diversified customer base.

KEY RATING DRIVERS

Credit Strengths:-

Established market presence, backed by promoters:

Supported by the extensive experience of the partners, Ritesh Exports has established its position in domestic and international cut and polished diamond markets for more than three decades. The firm is a family-run business, and the promoters have maintained longstanding relations with customers while successfully navigating through several business cycles over the years. The firm's diversified customer base enables a high bargaining power with its customers, and deep insight into consumer buying patterns; thus, the firm can identify emerging market trends early. It operates in the US, Belgium and Hong Kong, among other regions, and derives around 50% revenue from exports.

Healthy profitability margins & Low Leverage :

The company's operating margin has remained healthy. Operating margin improved from 4.87% in FY24 to 7.25% in FY25 (prov.), while net margin strengthened from 1.68% in FY24 to 3.39% in FY25 (prov). Leverage indicators showed a notable improvement, reflecting prudent debt management. The total debt to TNW (TOL/TNW) ratio reduced from 0.81x in FY24 to 0.60x in FY25, indicating a comfortable capital structure. Additionally, the total debt to TNW (TOL/TNW) ratio declined from 0.97x to 0.87x, demonstrating better control over liabilities and improved solvency.

Credit Risks:-

Working capital-intensive operations :

Although working capital requirements remain intensive, inventory and receivables are typically held for around 30 days under normal conditions. Upfront payments for rough diamonds and extended credit to customers create a short-term funding gap, exposing the firm to credit and liquidity risks. Efficient working capital management has supported stable operations and is expected to continue in the near to medium term.

Susceptible to volatility in Diamond prices amid intense competition, resulting in moderate operating profit margins:

The diamond industry is expected to remain highly fragmented due to persistently low entry barriers, supported by relatively modest capital and technology requirements, which continue to attract a large number of unorganised players. Ritesh Exports is likely to remain exposed to

volatility in diamond prices, given its inventory of rough and polished diamonds, with rough diamonds predominantly sourced from international markets. This exposes the company to global price fluctuations, currency movement risks, and demand-supply mismatches. Additionally, with relatively limited value addition in its operations and increasing competitive intensity,

Foreign currency fluctuation risk:

Foreign Currency Risk: The firm is exposed to foreign currency fluctuations as a significant portion of its purchases and sales are denominated in foreign currencies. This exposes the company to the risk of adverse movements in exchange rates, which could impact profitability and cash flows. To mitigate this risk, the company uses forward exchange contracts to hedge its exposure on recognised assets and liabilities, as well as highly probable future transactions

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone performance of the company. BWR has applied its rating methodology as detailed in the Rating Criteria.

RATING SENSITIVITIES

Going forward, the ability of the firm to improve the scale of operations and profitability, maintain a strong liquidity position, and strengthen the overall credit profile would be the key rating sensitivities.

Positive :

- Sustained improvement in operating income growth of 8–10% annually and operating margins improving to over 6.0%, leading to higher cash accruals and net profit margins of 3% on a sustained basis.
- Strengthening of the capital structure and debt servicing ability, marked by a reduction in Total Debt/TNW to less than 0.50x, improvement in Debt/EBITDA to less than 4.0x, and ISCR and DSCR remaining consistently above 2.0x

Negative:

- Further decline in business volumes or revenue, contraction of over 5% year-on-year or sustained stagnation, resulting in operating margins falling below 4.5% and weakening cash accruals.
- Deterioration in leverage and coverage metrics, with Total Debt/TNW increasing above 0.75x, Debt/EBITDA remaining above 5.5x, and/or ISCR or DSCR falling below 1.5x on a sustained basis.

LIQUIDITY INDICATORS - Adequate

The company's liquidity position has strengthened, supported by an improvement in key coverage indicators. The current ratio improved from 1.85x during FY24–25 and is expected to be 1.96x in FY25-26, reflecting comfortable coverage of short-term liabilities. Liquidity is further supported by improving cash flows, which translates into better debt servicing ability. The interest service coverage ratio (ISCR) improved from 0.97x to 1.05x, while the debt service coverage ratio (DSCR) improved from 0.88x to 0.97x. These improvements indicate better alignment of cash accruals.. Overall, the improvement in liquidity and coverage metrics reflects better internal cash generation and disciplined financial management.

ABOUT THE ENTITY

M/s Ritesh Export was started as a partnership firm in 1986. The firm deals in the import and local purchase of rough diamonds. These rough diamonds are processed into cut and polished diamonds through job workers and are sold in both international and Indian markets. For the last several years, the firm has been supplying high-quality diamonds to overseas customers and has earned a strong reputation for quality and reliability. The firm is now focusing on expanding its domestic sales, while continuing its export business.

Ritesh Export has strong support, which allows it to supply high-quality diamonds regularly, in large quantities, and without delays. Although the firm supplies diamonds that are equal in quality to goods, in terms of cut, colour, size, and finish.

Each rough diamond is first analysed using advanced planning techniques, including 3D scanning and expert assessment, to determine the best possible cut, shape, and yield.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY22-23	FY 23-24	FY 24 -25
Result Type		Audited	Audited	Audited
Operating Revenue	Rs.Crs.	377.87	294.78	277.27
EBITDA	Rs.Crs.	12.44	14.48	14.89
PAT	Rs.Crs.	3.24	2.45	2.77
Tangible Net Worth	Rs.Crs.	110.57	113.02	115.74
Total Debt /Tangible Net Worth	Times	0.86	0.81	0.60
Current Ratio	Times	1.90	1.86	1.85

As on 31st Dec 2025, the total sale was Rs 171.36 Crs.

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA Not Applicable

ANY OTHER INFORMATION

Nil

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal and suspension)

Facilities		Current Rating (2025)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Ratings	Date	Rating	Date	Rating
Fund Based	LT	62.59	BWR BB+ /Stable Removal from INC Category/ UpgradeD	15Decv 2025	BWR BB/Stable (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	19Dec 2024	BWR BBStable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	12Dec 2023	BWR BB+ Stable (ISSUER NOT COOPERATING* /Downgrade)
Fund Based	ST	0.59	BWR A4+ Removal from INC Category/ Upgraded	15 Dec 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	19 Dec 2024	BWR A4+ (ISSUER NOT COOPERATING* /Downgrade	14Sep2 022	BWR A3+(ISSUER NOT COOPERATING* /Downgraded)
Grand Total		66.54	(Rupees Sixty Six Crores Fifty Four lakhs Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Manufacturing Company](#)
- [Short Term Debt](#)
- [BWR Withdrawal Policy](#)

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Ritesh Export

ANNEXURE I Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	State Bank of India	EPC	10.65	-	10.65	Simple
2	State Bank of India	PSC	13.35	-	13.35	Simple
3	Union Bank of India	EPC	12.00	-	12.00	Simple
4	Union Bank of India	PSC	24.00	-	24.00	Simple
5	Union Bank of India	GECL LOAN	2.59	-	2.59	Simple
6	Union Bank of India	CE LIMITED	-	3.95	3.95	Simple
Total			62.59	3.95	66.54	
(Rupees Sixty Six Crores and Fifty-four lakhs Only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / [download](#) / [ComplexityLevels.pdf](#). Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE II INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III List of entities consolidated NIL

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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