

February 16, 2026

## Rosy Blue (India) Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term: Fund-based Working Capital Limits	1,030.00	985.80	[ICRA]A- (Stable)/[ICRA]A2+; reaffirmed
<b>Total</b>	<b>1,030.00</b>	<b>985.80</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The reaffirmation of the ratings of Rosy Blue (India) Private Limited continues to draw comfort from its established market position in the Indian cut and polished diamond (CPD) industry, the extensive domain experience of its promoters, and its professional management set-up. The ratings favourably factor in the company's sightholder status and sourcing arrangements with miners, including De Beers and Rio Tinto Mining Corporation, among others, which lend it a competitive advantage. Rosy Blue is a well-recognised brand globally, and the company caters to reputed customers in the US and European markets. Its capital structure is satisfactory, characterised by gearing below 1 times as on March 31, 2025. RBIPL's liquidity position also remains comfortable.

At a consolidated level, RBIPL witnessed a YoY decline in revenues of 23% in FY2025 to Rs. 3,420.0 crore, with the operating profit margin (OPM) contracting to 3.8% from 5.2% in FY2024. Revenues and OPM are expected to remain under pressure in FY2026, amid a demand slowdown and the impact of operating deleverage. In the current fiscal year, the company has acquired the business of Leo Schachter Diamonds LLC. ICRA understands that the company aims to bolster its distribution network and customer connect through this acquisition, as well as add new customers, given the strong reputation of Leo cut diamonds. The total cost of acquisition is pegged at \$ 20 million, which was funded through internal accruals and cash and bank balances/liquid investments of RBIPL. The effective date of acquisition is January 30, 2026. In addition to the entity availing external loans, RBIPL will be providing loans to the new entity. Following the utilisation of internal accruals/liquid investments for the acquisition, RBIPL's reliance on debt has also increased. Coupled with the debt at subsidiary levels, this is expected to increase the total consolidated debt to Rs. 600-650 crore over the near term from Rs. 211.6 crore as on March 31, 2025. Notwithstanding this, the ratings remain adequately supported by the company's comfortable liquidity position, underpinned by cash and investment balances of Rs. 179.29 crore as on December 31, 2025 (including free cash and bank balances, the market value of listed investments, and mutual funds) at the standalone level. The company also had a cushion in the form of undrawn working capital limits of Rs. 564.2 crore (at the standalone level) as on December 31, 2025.

ICRA notes the initiatives taken by the company to strengthen its business profile to counter the slowdown in demand, including its exclusive tie-ups with some renowned retailers, besides the acquisition of the business of Leo Schachter. Industry-wide demand tailwinds, including the recent India-US trade deal announcement, wherein the tariff burden on exports from India to the US is proposed to be reduced to 18% from the current high levels of 50% once reciprocal tariff is implemented then further reduced to 0% after Annex 3 implementation, as well as BIS labelling norms for diamonds, are expected to provide some positive support to demand in the coming quarters. Nonetheless, the company's ability to increase its earnings while limiting its dependence on debt remains a monitorable.

The ratings, however, remain constrained by RBIPL's high working capital intensity of operations, inherent to the CPD and jewellery business. The profit margins also remain exposed to adverse fluctuations in diamond prices and stiff competition from unorganised as well as organised players. The company's profitability also remains susceptible to foreign exchange (forex)

fluctuation risk due to its export-dominated revenue profile, though a natural hedge through the import of rough diamonds mitigates the risk to a large extent. ICRA also notes that, as on December 31, 2025, loans and advances amounting to Rs. 288.0 crore have been provided to a related entity by RBIPL's step-down subsidiary. The timely recoverability of these loans and advances from Group concerns, as well as any further advancement of large loans and advances to related parties/group concerns, remains a key monitorable.

The Stable outlook on the [ICRA]A- rating reflects ICRA's opinion that RBIPL's credit metrics will gradually improve over the medium term as RBIPL ramps up the new acquisition and benefits from the initiatives undertaken. ICRA expects RBIPL to prudently manage its inventory position, which, along with limited capital expenditure (capex), will adequately support its liquidity position.

## Key rating drivers and their description

### Credit strengths

**One of the leading CPD exporter with a good market position; established brand name and distribution network** – RBIPL is an established player in the diamond manufacturing business with a track record of over six decades, supported by the extensive domain experience of its promoters. Such experience, coupled with a professional management team, enhances the competitive position of the company in the industry. RBIPL is a well-recognised brand globally, catering to reputed customers in the US, European and Indian markets.

**Sightholder status with De Beers and sourcing arrangement with mining companies ensure steady supply of roughs at competitive rates** – The CPD industry depends heavily on global miners such as De Beers and Rio Tinto, among others, for sourcing rough diamonds. However, due to stringent qualification requirements imposed by miners, only a few companies globally have direct access to rough supply. RBIPL features among these top global companies and is a sight-holder with De Beers, with access to rough supply from Rio Tinto, among others. This lends competitiveness to the company's operations in the form of a steady supply of quality roughs at competitive prices. The company directly procures 55-60% (including procurement from associate companies) of its rough requirements from primary sources, which include sights and auctions.

**Comfortable liquidity position** – The company's liquidity position remains comfortable, with cash and investments of around Rs. 179.29 crore (including free cash and bank balances, the market value of listed investments, and mutual funds) as on December 31, 2025, at the standalone level. Even after the increase in working capital limits utilisation in December 2025 following the ongoing acquisition of Leo Schachter's business, the company has sufficient headroom in the form of unutilised bank limits amounting to Rs. 564.2 crore as on December 31, 2025. Besides, RBIPL's debt profile, at both standalone and consolidated levels, like most CPD and jewellery companies, is largely short-term in nature to meet its high working capital requirements. RBIPL's gearing remained comfortable at below unity as on March 31, 2025, at both the standalone and consolidated levels. Moreover, the total outside liabilities to net worth remained comfortable at 0.4 times as on March 31, 2025.

### Credit challenges

**Moderation in credit profile** – RBIPL's revenues declined 23% YoY to Rs. 3,420 crore in FY2025 on a consolidated basis, with OPM contracting to 3.8% from 5.2% in FY2024 amid subdued demand conditions, inflationary pressures in the US, increasing competition from lab-grown diamonds (LGDs), and changing consumer preferences (towards gold) in China. Demand pressures accentuated in the current fiscal following the implementation of US tariffs. All these factors culminated in continued pressure on revenues and margins for RBIPL in YTD FY2026. This has resulted in moderation in RBIPL's credit profile as well. In the current fiscal year, the company has acquired the business of Leo Schachter Diamonds LLC. The total cost of acquisition is pegged at \$ 20 million, which was funded through internal accruals and cash and bank balances/liquid investments of RBIPL. The effective date of acquisition is January 30, 2026. Additionally, RBIPL has provided/will be providing loans to the new entity, in addition to the entity availing new external loans. Following the utilisation of internal accruals/liquid investments for the acquisition, RBIPL's reliance on debt has also increased. Coupled with the debt at subsidiary levels, this is expected to increase

the total consolidated debt to Rs. 600-650 crore over the near term from Rs. 211.6 crore as on March 31, 2025. Notwithstanding this, the ratings remain adequately supported by the company’s comfortable liquidity position. ICRA also notes the initiatives taken by the company to strengthen its business profile to counter the slowdown in demand. The ability of the company to increase its earnings while limiting its dependence on debt remains a monitorable.

**High working capital intensity of operations** – The company’s working capital intensity of operations, as reflected by net working capital vis-à-vis operating income, remains high in the range of 35-40% due to the inherently elongated working capital cycle of the CPD and jewellery businesses, primarily characterised by high inventory days. However, the company’s utilisation of bank limits remained moderate at 23% during the 13-month period ending December 31, 2025 (at the standalone level), providing an adequate liquidity buffer. Furthermore, RBIPL did not witness any inventory losses in FY2025 and YTD FY2026 despite the turbulent market conditions.

**Exposed to intense competition from unorganised and organised players, margins susceptible to fluctuations in forex rates and diamond prices** – The diamond industry is fragmented, with low value addition and intense competition. RBIPL faces intense competition from unorganised players as well as a few established organised players, which limits its pricing power. However, the company’s established presence in the industry and its reputed brand name have helped it develop healthy business relationships with customers as well as suppliers.

### Liquidity position: Adequate

RBIPL’s liquidity position remains adequate, supported by balances of Rs. 179.29 crore comprising free cash and bank balance along with investments in equity shares and mutual funds, as on December 31, 2025, at the standalone level (following the acquisition of business of Leo Schachter Diamonds LLC). The company has a sizeable cushion in the form of undrawn working capital limits, with average utilisation of 41% of bank limits as on December 31, 2025 at the standalone level. As the company’s debt profile, like most CPD and jewellery entities, is short-term in nature for meeting its working capital requirements, it does not have any scheduled debt repayments. Apart from maintenance capex of Rs. 5-10 crore, RBIPL does not have any major capex plans in FY2027 and FY2028.

### Rating sensitivities

**Positive factors** – The ratings may be upgraded if there is a sustained improvement in the scale of operations and profitability, along with a reduction in the working capital intensity of operations, resulting in an improvement in RBIPL’s credit metrics. An improvement in interest cover to over 4.5 times on a sustained basis at the consolidated level will also be a positive rating factor.

**Negative factors** – Pressure on RBIPL’s ratings could arise if there is a deterioration in earnings or a stretch in the working capital cycle, resulting in a deterioration in its financial profile and/or liquidity position on a sustained basis. Specific credit metrics that could lead to a ratings downgrade include interest coverage remaining below 3.0 times on a sustained basis at the consolidated level.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology - Cut &amp; Polished Diamonds</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of the company. As on January 31, 2026, RBIPL had four subsidiaries and three step-down subsidiaries, which are listed in Annexure-II.

## About the company

Late Mr. Bhanuchandra Bhansali and Late Mr. Arunkumar Mehta incorporated the partnership firm, B. Arunkumar, in 1960 to cut and polish rough diamonds in Mumbai. The firm, which began as a contract manufacturer, soon started procuring roughs from the open market and manufacturing CPDs under its own name. As the business expanded across geographies, the management adopted a brand name to encompass all its business operations. Consequently, the company (Everest Gems) was renamed Rosy Blue (India) Private Limited (RBIPL). The company is beneficially owned by members of the Bhansali and Mehta promoter families, along with certain minority shareholders. The Bhansali promoter family is a silent partner in the company, and day-to-day operations are managed by the Mehta family.

The business is divided into three key operations: rough diamond procurement, diamond manufacturing and polished trading. Although independent, these operations are united by a customer-centric approach and underpinned by long-standing relationships. RBIPL's manufacturing and trading sales mix is usually 35:65. The company primarily deals in small-sized, non-certified diamonds.

The Rosy Blue Group includes its subsidiaries, which are primarily involved in the jewellery manufacturing business. RBIPL's key subsidiaries are include Inter Gold (India) Private Limited and Leo Schachter (New York) Inc (acquired on January 30, 2026), USA. Inter Gold (India) Private Limited and Leo Schachter (New York) Inc, USA, are involved in the manufacturing and wholesale exporting/selling of diamond-studded jewellery. Orra Fine Jewellery Private Limited ceased to be a subsidiary with effect from July 03, 2023

### Key financial indicators (Audited)

RBIPL (Consolidated)	FY2024	FY2025
Operating income	4,433.1	3,420.0
PAT	132.0	119.6
OPBDIT/OI	5.2%	3.8%
PAT/OI	3.0%	3.5%
Total outside liabilities/Tangible net worth (times)	0.7	0.4
Total debt/OPBDIT (times)	2.0	1.6
Interest coverage (times)	3.2	3.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	FY2026		FY2025		FY2024		FY2023	
		Amount Rated (Rs. crore)	Feb 16, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based Working Capital Limits	Long Term /Short Term	985.80	[ICRA]A-(Stable)/[ICRA]A2+	Jan 08, 2025	[ICRA]A-(Stable)/[ICRA]A2+	Jan 05, 2024	[ICRA]A-(Stable)/[ICRA]A2+	Jan 02, 2023	[ICRA]A-(Stable)/[ICRA]A2+

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short -term – Fund-based working capital Limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based working capital facilities	NA	NA	NA	985.80	[ICRA]A-(Stable)/[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Rosy Blue (India) Private Limited	Rated entity	Full Consolidation
Inter Gold (India) Private Limited	Subsidiary	Full Consolidation
Rosy Blue Foundation	Subsidiary	Full Consolidation
Tai Shan Gems Limited	Subsidiary	Full Consolidation
Leo Schachter (New York) Inc.	Subsidiary	Full Consolidation
Rosy Blue Jewellery Inc	Step-down subsidiary	Full Consolidation
Inter Gold Europe NV	Step-down subsidiary	Full Consolidation
Leo Schachter Fifth Avenue	Step-down subsidiary	Full Consolidation

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### Branches



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