



Press Release

Sky Gold Limited

July 05, 2024

Ratings

Security Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	247.00	IVR BB+; Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook; Issuer Not Cooperating)	IVR BBB-; Stable (IVR Triple B Minus with Stable outlook)	Downgraded with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities/ Short Term Bank Facilities	3.00	IVR BB+; Negative/ IVR A4+; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook / IVR A Four Plus; ISSUER NOT COOPERATING)	IVR BBB-; Stable/ IVR A3 (IVR Triple B Minus with Stable outlook/ IVR A Three)	Downgraded with revision in outlook and moved to ISSUER NOT COOPERATING category	Simple
Total	250.00 (Rupees two hundred and fifty crore only)				

*Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Sky Gold Limited because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.

Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk.



Press Release

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics Ratings has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated February 26, 2024, February 28, 2024, February 29, 2024, and March 01, 2024, May 01, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to Rs. 250.00 crore of Sky Gold Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Ratings and the long-term rating will be noted as IVR BB+; Negative; ISSUER NOT COOPERATING; Based on best available information (IVR Double B Plus with Negative outlook; Issuer Not Co-operating; Based on best available information) and the long-term/ short-term rating will be noted as IVR BB+; Negative/ IVR A4+; ISSUER NOT COOPERATING; Based on best available information (IVR Double B Plus with Negative outlook / IVR A Four Plus; Issuer Not Co-operating; Based on best available information). The outlook remained negative due to information availability risk.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Policy of default recognition](#)

[Criteria on complexity](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.



Press Release

About the company

Sky Gold Limited is engaged in the business of designing, manufacturing and marketing of gold jewellery since 2008. The company work with 22 karat gold jewellery, offering a wide variety of designs to suit the preferences of their customers. Company caters to variety of customers having unique preferences with extensive range of designs and use studded American diamonds and/ or coloured stones in many of their jewellery products. The manufacturing unit is located in the heart of Mumbai City in Mulund (West) where casting of jewellery is done. Sky Gold also has central sales office at Kalbadevi and branch offices in Kerala and Telangana.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	1153.80	1745.48
EBITDA	36.31	77.26
PAT	18.61	40.48
Total Debt	145.93	298.75
Tangible Net Worth	97.59	233.90
EBITDA Margin (%)	3.15	4.43
PAT Margin (%)	1.61	2.32
Overall Gearing Ratio (x)	1.50	1.28
Interest Coverage (x)	3.36	3.76

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					May 10, 2023	Nov 30, 2022	Mar 22, 2022
1.	Term Loans	Long Term	17.39	IVR BB+; Negative; ISSUER NOT COOPERATING	IVR BBB-; Stable	IVR BBB-; Stable	IVR BBB-; Positive
2.	Cash Credit	Long Term	145.00	IVR BB+; Negative;	IVR BBB-; Stable	IVR BBB-; Stable	IVR BBB-; Positive



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					May 10, 2023	Nov 30, 2022	Mar 22, 2022
				ISSUER NOT COOPERATING			
3.	Cash Credit/ Pre-Shipment Credit [^]	Long-Term/ Short-Term	3.00	IVR BB+; Negative/ IVR A4+; ISSUER NOT COOPERATING	IVR BBB-; Stable/ IVR A3	IVR A3 [^]	IVR A3 [^]
4.	Proposed Cash Credit	Long Term	84.61	IVR BB+; Negative; ISSUER NOT COOPERATING	IVR BBB-; Stable	IVR BBB-; Stable	IVR BBB-; Positive

[^]in 2023 Pre-shipment credit was considered as short-term facility but 2024 onwards it has become a sublimit of Cash Credit hence short-term rating was reclassified to long term/short term rating.

Analytical Contacts:

Name: Nidhi Sukhani	Name: Avik Podder
Tel: (033) 46022266	Tel: (033) 46022266
Email: nsukhani@infomerics.com	Email: apodder@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



Press Release

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan	-	-	-	Jan 2026	2.67	IVR BB+; Negative; ISSUER NOT COOPERATING
Long Term Bank Facilities - Term Loan	-	-	-	Dec 2027	8.90	IVR BB+; Negative; ISSUER NOT COOPERATING
Long Term Bank Facilities - Term Loan	-	-	-	Dec 2025	2.88	IVR BB+; Negative; ISSUER NOT COOPERATING
Long Term Bank Facilities - Term Loan	-	-	-	Dec 2027	2.94	IVR BB+; Negative; ISSUER NOT COOPERATING
Long Term Bank Facilities – Cash Credit	-	-	-	-	145.00	IVR BB+; Negative; ISSUER NOT COOPERATING
Long Term Bank Facilities/Short Term Bank Facilities – Cash Credit/ Pre-Shipment Credit	-	-	-	-	3.00	IVR BB+; Negative/ IVR A4+; ISSUER NOT COOPERATING



Press Release

Long Term Bank Facilities – Proposed Cash Credit	-	-	-	-	84.61	IVR BB+; Negative; ISSUER NOT COOPERATING
--	---	---	---	---	-------	--

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.