



Press Release

Skyz Stones Private Limited (SSPL)

April 07, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	5.50 (Reduced from Rs.15.99 Crore)	IVR BB/ Stable (IVR Double B with Stable Outlook)	IVR BB/ Stable (IVR Double B with Stable Outlook)	Reaffirmed	Simple
Short Term Bank Facilities	61.00 (Enhanced from Rs. 41.00 Crore)	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Proposed Short Term Bank Facilities	1.78 (Enhanced from Rs. 1.29 Crore)	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	68.28 (Enhanced from Rs. 58.28 Crore) (Rupees Sixty-Eight Crore and Twenty-Eight Lakh Only)				

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 reaffirmed its rating assigned to the bank facilities of SSPL which derive strength from its experienced promoters with long track record, locational advantage and moderate capital structure and satisfactory debt protection matrices. However, the rating strengths are partially offset by vulnerability of profit margins to fluctuation foreign exchange rates, highly competitive market with dependence on the real estate sector and working capital intensive nature of operations.

The stable outlook reflects experienced management & Moderate capital structure and satisfactory debt protection matrices.



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Key Rating Sensitivities:

Upward Factors

- Substantial improvement in revenue and/or profitability margins leading to sustained improvement in debt coverage indicators may lead to a positive rating action.

Downward Factors

- Any deterioration in revenue and/or profitability margin leading to deterioration in debt coverage indicators may lead to a negative rating action.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with long track record:

The promoters have over three decades of experience in the respective industry. Mr. Mukesh Modani (MD) is at the helm of the affairs of the company with support from two other directors and a team of experienced professionals. The company started in 1990, thus enjoying about three decades of operational track record.

Locational advantage:

The manufacturing facilities of SSPL are located at Ajmer and they have 5 quarries in Khatoo district in Rajasthan, 3 quarries of teakwood sandstone and 2 Quarries of rainbow sandstone. Easy availability of raw material and easy availability of skilled manpower are the key advantages in the area.

Moderate capital structure and satisfactory debt protection matrices:

The capital structure is marked by overall gearing ratio of 1.97 times as on March 31, 2024, 2.39x as on March 31, 2023 and expected to remain at 1.26x as on March 31, 2025, supported by equity infusion of Rs. 5.00 crore in FY2025. Further, Interest coverage ratio is satisfactory at 1.93 times as on March 31, 2024 and expected to remain at similar levels going forward.



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Key Rating Weaknesses

Vulnerability of profit margins to fluctuations in foreign exchange rates:

SSPL exports part of its products to various countries, which exposes its profit margins to foreign exchange fluctuation risks in the absence of an active foreign exchange hedging policy. Therefore, any adverse change in the prices of foreign currency can negatively affect the profitability margin of the company.

Highly competitive market with dependence on the real estate sector:

The natural stone slabs industry is highly competitive due to facts like low entry barriers and easy availability of raw materials. However, SSPL faces stiff competition from established players in the organized market. This apart, SSPL's sales and profitability remain vulnerable to demand from the cyclical real estate sector.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post- Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

The Company had a comfortable current ratio of 1.14x on March 31, 2024. The average utilisation of working capital limits was moderate at around 78% for the 12 months ended February 2025. No capex is planned for FY24-26. The overall liquidity of the company is Adequate.



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About the Company

Skyz Stone Private Limited deals in natural stones for architects, designers, estate developers. The company is located in Jaipur, it was started at a small scale by the director Mr. Mukesh K Modani.

Natural stones are categorized in many forms, SSPL has focus on sandstone and granites as they have their own quarries. The business earlier was dealing in majority of sandstone, in a year of time they have introduced other categories like limestone & granite which has wide accepted applications and uses.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	103.10	119.59
EBITDA	9.32	7.90
PAT	1.18	4.73
Total Debt	58.80	57.85
Tangible Net Worth	24.63	29.35
EBITDA Margin (%)	9.04	6.60
PAT Margin (%)	1.14	3.82
Overall Gearing Ratio (x)	2.39	1.97
Interest Coverage (x)	3.26	1.93

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (FY2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in FY2023-24	Date(s) & Rating(s) assigned in FY 2022-23	Date(s) & Rating(s) assigned in FY 2021-22
					(February 20, 2024)	-	-
1	Long Term Bank Facilities	Long Term	5.50	IVR BB/Stable	IVR BB/Stable	-	-
2	Short Term Bank Facilities	Short Term	61.00	IVR A4	IVR A4	-	-
3	Proposed Short Term	Short Term	1.78	IVR A4	IVR A4		

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] 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.

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



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

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term loan	-	-	-	June 2025	0.70	IVR BB/Stable
GECL	-	-	-	December 2026	4.80	IVR BB/Stable
Export Credit	-	-	-	-	51.00	IVR A4
SLC	-	-	-	-	10.00	IVR A4
Proposed	-	-	-	-	1.78	IVR A4

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SkyzStone-apr25.pdf>

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.