SKY
GOLD & DIAMONDS
MAKE IN BHARAT, FOR THE WORLD

17th February 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001

Scrip Code: 541967

To,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400051

Trading Symbol: SKYGOLD

Subject: Upgradation in Credit Rating pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In terms of Regulation 30 read with Clause 3 of Para A of Part A of Schedule III of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024; we wish to inform that India Ratings & Research Private Limited vide their report dated 16th February 2026 has upgraded the Company's (issuer) credit rating from **"IND A-/Stable/IND A2+"** to **"IND A/Stable/IND A1"**

The Outlook remains **Stable**. The short-term rating has been upgraded from **"IND A2+"** to **"IND A1"** .

A summary of the rating action is as follows:

Name of the Agency	**Instrument type**	**Rating Type**	**Amount (₹ million)**	**Rating**	**Rating Action**
India Ratings & Research Private Limited	Bank Loan Facilities	Long-term/ Short-term	INR 4,500	**IND A/Stable/IND A1**	Upgraded
	Bank Loan Facilities	Long-term/ Short-term	INR 3,260	**IND A/Stable/IND A1**	Assigned

The detailed rating rationale issued by the rating agency is enclosed herewith.

Kindly take the above information on record.

Thanking you,
For Sky Gold and Diamonds Limited
(Formerly known as Sky Gold Limited)

MANGESH RAMESH CHAUHAN
Digitally signed by MANGESH RAMESH CHAUHAN
Date: 2026.02.17 11:40:51 +05'30'

Mangesh Chauhan
Managing Director
DIN: 02138048
Place: Navi Mumbai
Encl.: As above

India Ratings & Research
A Fitch Group Company

India Ratings Upgrades Sky Gold and Diamonds's Bank Loan Facilities to 'IND A'/Stable; Rates Additional Limits

Feb 16, 2026 | Gems | Jewellery And Watches

India Ratings and Research (Ind-Ra) has upgraded Sky Gold and Diamonds Limited's (SGDL, formerly Sky Gold Limited) bank loan facilities' long-term rating to 'IND A' from 'IND A-' with a Stable Outlook and short-term rating to 'IND A1' from 'IND A2+' as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan Facilities	-	-	-	INR4,500	IND A/Stable/IND A1	Upgraded
Bank loan facilities	-	-	-	INR3,260	IND A/Stable/IND A1	Assigned

Analytical Approach

Ind-Ra continues to take a fully consolidated view of SGDL and its wholly owned subsidiaries: Star Mangalsutra Private Limited (SMPL; debt rated at 'IND A-'/Stable/'IND A2+') and Sparkling Chains Pvt Ltd (SCPL; debt rated at 'IND A-'/Stable/'IND A2+') on account of the strong strategic and operational interlinkage among them.

Detailed Rationale of the Rating Action

The upgrade reflects the group's robust consolidated revenue growth over FY25-1HFY26, driven by its inorganic acquisitions, strong product acceptance, increased sales to reputed retail jewellers along with further additions of large gold retail players, leading to volume growth and improved sales realisations. The group reported further improvement in its gross margins in H1FY26, driven by scale of economies, design premiums, and lower gold loss, leading to improved EBITDA margins. The agency expects the margins to further expand through increased diamond sales and sale under the advance gold model which will support the gross margins FY27 onwards.

The rating also reflects Ind-Ra's expectation of SGDL maintaining credit metrics in the medium term, owing to the likely steady growth in the scale of operations along with the company's cost-optimisation initiatives, product mix and prudent hedging practises, leading to a steady improvement in the profitability. Ind-Ra continues to draw comfort from the steady long-term jewellery demand outlook which will ensure steady growth for the upstream manufacturing entities such as SGDL and the extensive experience of the promoters in the jewellery manufacturing business.

The rating, however, is constrained by the group's moderate operating margins; and high inventory requirements, resulting in moderately high net leverage levels. Ind-Ra notes a yoy increase in the group's reliance on bank loans amid strong volume and pricing growth to support the rapidly increasing scale. In addition, the high regulatory oversight and intense competition along with volatile commodity prices expose the group to margin pressures. SGDL has also been strengthening its corporate governance framework by professionalising management and improving internal controls.

Ind-Ra notes that the company has large capex plans over FY26-FY28 to expand its manufacturing capacity and believes that a judicious funding mix for capex and growth working capital will be critical from the overall credit perspective. Furthermore, increasing sales under advance gold model (currently at 5%-7% of total revenue), which are likely to be bottom-line accretive and working-capital light, is likely to improve the return on capital employed (ROCE) over the medium term.

List of Key Rating Drivers

Strengths

- Improved scale of operations and credit metrics over FY25-H1FY26; likely to sustain
- Extensive experience of promoters
- Benefits from resilient demand prospects of retail jewellery sector
- Well-managed working capital cycle

Weaknesses

- Moderate operating margins due to nature of operations
- Customer concentration risk
- Regulatory risks and gold price volatility

Detailed Description of Key Rating Drivers

Improved Scale of Operations and Credit Metrics over FY25-H1FY26; likely to Sustain: The group's consolidated revenue increased 103% yoy in FY25 and 75% in 1HFY26, driven by inorganic acquisition of SMPL and SCPL, which contributed to revenue accretion (limited to 9MFY25 and full year impact in FY26). In addition, the revenue growth was supported by a 33% increase in sales volume in FY25, led by light and ultra-light weight and lower karat (9k, 14K, 18K) jewellery and higher sales realisations, reflecting strong gold price appreciation.

SGDL's reported consolidated EBITDA (post Ind-As) grew to INR1.96 billion in FY25 (FY24: INR0.77 billion), supported by the growth in the scale of operations and improved gross margins. SGDL's consolidated gross margins improved to 8.1% in 1HFY26 (FY25: 7.0%; FY24: 6.0%; FY23: 4.3%) and EBITDA margins to 7.0% (5.5%; 4.4%; 3.1%), driven by economies of scale, design premiums, lower gold loss and increasing studded and high margin products in the product mix. While the scale up remains to be seen, the acquisition of Speed Bangle Pvt. Ltd. (SBPL) and M/s Shri Rishabh Gold (SRG) in FY26 on advance gold model is likely to support its bottom line, the ROCE and promote a working capital light and efficient business segment going forward.

In FY25, the company's consolidated gross interest coverage (operating EBITDAR/gross interest expense + rent) increased to 4.43x (FY24: 3.76x; FY23: 3.36x) and the net leverage (net debt (including lease liabilities and considering only free cash)/EBITDAR) reduced to 3.15x (4.10x; 3.52x). Its gross debt levels increased to INR8,137 million in 1HFY26 (FY25: INR6,303 million; FY24: INR3,299 million; FY23: INR1,464 million) as operations scaled up.

Over the medium term, SGDL plans to develop a 540,000 square feet (sf) facility which will increase the production capacity to 4.5 tonnes per month (tpm). It has purchased the land in Navi Mumbai in 2025. This property is intended to be transformed into a jewellery park for the Sky Group (SGDL + SMPL + SCPL + SBPL) after achieving near-full utilisation in the current facility. The consolidation of operations at this new site is expected to reduce gold loss percentages and enhance profitability. As per the management, the group does not plan any material acquisitions and consequently does not have any fund-raising for such acquisitions over the next 12-15 months, given its recent prudent acquisitions.

Extensive Experience of Promoters: SGDL's promoters have over two decades of experience in the gold manufacturing/processing business. SGDL is a family-owned listed entity that was listed on the BSE Limited's Small and Medium Enterprises (SME) platform in October 2018, and on the National Stock Exchange in January 2023. The promoters have demonstrated coherent strategy and strong track record in implementation and the company is well-positioned to continue its capacity expansion plans. The company has also completed successful fund-raising rounds, adding a few large mutual fund houses, and though a qualified institutional placement (QIP) worth INR2,700 million in October 2024.

Benefits from Resilient Demand Prospects of Retail Jewellery Sector: By virtue of being present in the upstream manufacturing activities, SGDL benefits from the resilient demand outlook of the retail jewellery sector. The sector is highly reliant on artisans or contract manufacturers for jewellery supplies, leading to demand prospects and scalability of business-to-business design-led manufacturing. For jewellers, reliance on contract manufacturers such as SGDL provides significant procurement synergies and help remain capital light. Despite price apprehensions, domestic jewellers are confident about demand outlook, considering the strong pipeline of store additions over the next 12-15 months that will aid ramp-up of SGDL's existing capacities. This reinstates long-term demand potential for the sector. While challenges such as higher old-gold exchange volumes and declines in volumes persist, the long-term structural growth fundamentals remain strong as jewellers continue to expand, adding stores, while adopting strategies to navigate price fluctuations and optimise inventory.

Given the backdrop, the company has proposed to scale up its manufacturing capacity to 4.5 tpm by FY28/1HFY29 from 1.2 tpm (including capacity under the advance gold model) as a strategic priority to enable availability of adequate capacities to meet the incremental retail demand.

Well-managed Working Capital Cycle: SGDL's net working capital cycle increased to 88 days in FY25 (FY24: 80 days; FY23: 85 days), due to a decline in inventory day to 44 days (59 days; 106 days) and a rise in receivable days to 47 days (21 days; 3 days; FY22: 11 days). While a credit period of up to one month is provided to the customers, festive sales pick-up and the addition of new customers have led to an increase in receivable days over March 2025 and September 2025. SGDL purchases bullion from different sources including banks through gold metal loan (GML) facilities (1HFY26: 1%; FY25: 0%; FY24: 7% of short-term borrowings). While SGDL has to buy on a cash basis, increasing GML facility, which provides a tenure up to 180 days and lower interest cost, can aid in reducing the working capital cycle. Furthermore, increasing proportion of exports (FY25: 8%, aimed to scale up to 15-20% by FY27) and studded jewellery (1HFY26: 1.5%), which will entail a longer credit period available on diamond sourcing, will help improve the working capital cycle in the medium term. SGDL engages in advance gold sales which accounted for 5%-7% of volumes in FY26 which is efficient for reducing lead time and mitigates price risks.

SGDL during metal procurement, hedges its position on multi-commodity exchange (MCX) and reverses it towards completion of manufacturing and embossing when the gold price gets fixed for all its order thus being 100% hedged. The hedging and market related inventory gains offset each other.

Moderate Operating Margins due to Nature of Operations: SGDL is engaged in the manufacturing and processing of gold bullion into gold jewellery and works on an asset-light model wherein the profit margin is low. The operating margin improved but remained moderate at around 7.0% in 1HFY26 (FY25: 5.53%), driven by strong solar operations, expanded product catalogues and sub brands offering better margins on value-added products. Additionally, an increase in its capacity following the inorganic acquisitions, which resulted in a rise in sales volumes, higher EBITDA scale and better cost absorption, also supported its operating margins.

Customer Concentration Risk: SGDL generates revenue from the sale to gold retail players; with the top 10 customers contributing over 62% in FY25. Ind-Ra, however, notes that the counter party credit risk remains low as the top five customers are reputed brands in gold retail industry namely Malabar Gold and Diamonds Limited (debt rated 'IND A+'/Stable/'IND A1'), Kalyan Jewellers India Limited (debt rated 'IND AA-'/Stable/'IND A1+') and Joyalukkas India Limited (debt rated 'IND AA-'/Stable/'IND A1+').

Regulatory Risks and Risks from Gold Price Volatility: The gold jewellery industry has witnessed high regulatory oversight, with several policy interventions over the past decade. Gold imports represent a significant burden on India's trade balance, and any increase in the taxes/duties could affect demand and cost structure of gold jewellers. Conversely, a reduction in tariffs could trigger a sudden drop in gold prices, potentially leading to inventory losses. Wide volatility in gold prices could impact the margins of jewellery players. SGDL mitigates the price risk by engaging in future contracts during the lead time of processing and availing gold metal loan. Furthermore, the industry has been subject to several compliance requirements, including mandatory hallmarking, along with restrictions on bullion purchase and gold saving schemes in the past. The introduction of any new regulation could increase compliance costs for the industry. In addition, if acceptance for lab grown diamond increases, it poses risks to the pricing and demand for natural diamonds.

Liquidity

Adequate: SGDL maintained adequate liquidity with cash of INR109 million, encumbered fixed investments and quoted investments worth INR2,700 million as of March 2025. With the land purchased for proposed Navi Mumbai facility, the company has land bank on books which will be used to replace the cash/liquidity investments collateral leading to freeing up of the same to some extent. The management stated that the same is under review by the lenders and expect a closure in 1QFY27. The cash flow from operations, as per Ind-Ra's calculations, remained negative at INR3,042 million in FY25 (FY24: INR1,557 million) with elevated gold prices necessitating higher working capital requirements. Ind-Ra expects the cash flow from operations to improve but remain negative in the near term supported by improved EBITDA generation. The inventory requirements will largely be funded through a mix of working capital borrowings and internal accruals.

On a standalone basis, SGDL's average utilisation of the fund-based working capital limits for the 12 months ended November 2025 was 88%, SMPL was 96% and SCPL was 78% and is likely to have remained at similar levels as of December 2025 and January 2026. The group also has access to short-term limits available outside of the drawing power including bill discounting limits. SGDL also has some liquidity cushion on available inventory, which enables the company to avail higher sanctioned limits. Furthermore, Ind-Ra derives comfort from the company's inventory being easily monetisable. The entity has minimal outstanding long-term debt repayments in FY26 and FY27. The company plans to add capacities in a new facility in Navi Mumbai over the next three years and believes that a judicious funding mix will be critical to maintain a comfortable credit profile.

Rating Sensitivities

Positive: Events that could, individually or collectively, lead to a positive rating action include:

- a sustained improvement in the scale of operations while maintaining EBITDA above 5% and an adequate liquidity profile leading to the net leverage (net debt (including lease liabilities and considering all liquid investments)/EBITDAR) sustaining below 1.75x
- a successful ramp-up of the new facility without meaningful deterioration in the credit ratios

Negative: Events that could, individually or collectively, lead to a negative rating action include:

- any deterioration in the operational performance and/or reduction in the cash flow generation and any unexpected debt-funded capex, leading to the net leverage debt (including lease liabilities and considering all liquid investments)/EBITDAR) exceeding 2.75x on a sustained basis,
- any delay in successful ramp-up of the new facility with meaningful deterioration in the credit ratios

Any Other Information

Standalone Financials: SGDL's revenue was INR29,249 million in FY25 (FY24: INR17,455 million), EBITDA margins were 5.69% (4.43%), net leverage was 2.2x (3.3x) and interest coverage was 4.2x (3.8x).

About the Company

SGDL, established in 2005 in Mumbai, manufactures and markets gold jewellery. It operates on an asset-light, B2B model, and caters large gold retailers, midrange jewellers, and boutique stores. On a consolidated basis, it has a capacity of 1.2 tpm (including capacity under the advance gold model) of ornaments.

SMPL and SCPL are engaged in the manufacturing of mangalsutra and chains, respectively, with a production capacity of 150 kg/month each.

Key Financial Indicators

Particulars (Consolidated)	1HFY26	FY25	FY24
Revenue (INR million)	26,157	35,480	17,455
EBITDA (INR million)	1836	1964	772
EBITDA (%)	7.0	5.5	4.4
Interest coverage (x)	3.1	4.4	3.8
Net leverage (x)	1.6	2.3	3.0
Source: SGDL, Ind-Ra			
Note: Interest coverage and net leverage for 1HFY26 considers EBITDA.			

Particulars – SGDL (Standalone)	FY25	FY24
Revenue (INR million)	29,249	17,455
EBITDA (INR million)	1,664	773
EBITDA (%)	5.7	4.4

Interest coverage (x)	4.2	3.8
Net leverage (x)	2.2	3.3
Source: SGDL, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook	Historical Rating/Outlook
				3 February 2025
Bank loan facilities	Long-term/Short-term	INR7,760	IND A/Stable/IND A1	IND A-/Stable/IND A2+

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process