

December 17, 2019

Skyline Millars Limited: Rating continues to remain under Non Cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based – Cash Credit	2.50	2.50	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the ‘Issuer Not Cooperating’ category
Fund based – Term Loan	3.50	3.50	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the ‘Issuer Not Cooperating’ category
Total	6.00	6.00	

*Issuer did not co-operate; based on best available information.

Rationale

The ratings for the Rs. 6.00 crore bank facilities of Skyline Millars Limited (SML) continues to remain under the ‘Issuer Not Cooperating’ category. The rating is denoted as “[ICRA]D ISSUER NOT COOPERATING”.

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers’ performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	Parent/Group Company: Not Applicable.
Consolidation / Standalone	Standalone

About the company:

SML was incorporated on 28th November 1919 by the Walchand Group in the name of ACME Manufacturing Company Limited. Mr. Ashok Patel acquired the shares from Walchand Group and took over the management of the company in 1972. Its name was changed to Millars India Limited on 04th January 2002 and later on changed to Skyline Millars Limited on 23rd October 2007 after sale of 43% stake to the Skyline Group. The company is currently operating out of three business segments viz: construction equipment realty and pipes. The manufacturing facility of the construction equipment unit is in Umreth Gujarat wherein the company manufactures transit mixers, high speed pan mixers and batching and mixing plants. However, the company is currently engaged in servicing of Old cranes and supplying spare parts for the Construction Equipments supplied by it earlier. SML is currently developing a residential unit in Ghatkopar, Mumbai and a residential complex in Karjat. The company is also into the manufacturing of concrete pipes and manholes and has its manufacturing unit at Wada, Maharashtra which is operational from December 2013.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	3.0	5.0
PAT (Rs. crore)	(3.4)	(0.2)
OPBDIT/ OI (%)	-45.5%	-4.7%
RoCE (%)	-12.1%	0.1%
Total Outside Liabilities/Tangible Net Worth (times)	0.2	0.1
Total Debt/OPBDIT (times)	(1.6)	0.0
Interest Coverage (times)	(13.8)	(0.8)

Source: AceEquity

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					17-Dec 2019	21-Sep-2018	30-Jun-2017	NA
1	Cash Credit	Long Term	2.50	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-
2	Term Loan	Long Term	3.50	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	-

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