



Rating Rationale

Spectra Industries Ltd

29 Sept 2020

Brickwork Ratings revises the long term rating and the short term rating for the Bank Loan facilities of ₹ 42.68 Crore of Spectra Industries Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (January, 2019)	Present
Fund based	7.68	7.68	Long Term	BWR B Stable [Downgraded] Issuer Not Cooperating	BWR D [Downgraded] Issuer Not Cooperating*
Non-fund Based	35.00	35.00	Short Term	BWR A4 [Reaffirmed] Issuer Not Cooperating	BWR D [Downgraded] Issuer Not Cooperating*
Total	42.68	42.68	INR Forty Two Crores Sixty Eight lakhs Only.		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate, based on best available information.

Details Bank facilities is provided in Annexure-I

RATING ACTION / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the company has been revised and short term has been reaffirmed based on the available information as the client has not submitted any information for ascertaining the financial risk profile/performance of the company. We have therefore continued the rating under the “Issuer Not Cooperating” category.

The rating was due for surveillance in January 2020. The company was being regularly followed up for surveillance, vide telephone calls and emails dated 08.09.2020, 14.09.2020 and 16.09.2020 for obtaining the latest information for the review of the rating, however, the client did not submit the required documents despite repeated follow up.

In the absence of adequate information from the company/bank, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information and lack of management cooperation, BWR recommends to downgrade the rating of the Bank Loan Facilities of the company at BWR D **Issuer Not Co-operating &**



also the fact that as per the information available from the public domain, The Total Revenue for six latest 6 quarters (from June 2019 to June 2020) is “ZERO”. It appears that the business is closed. EBIT for the quarter ended June 2019 to June 2020 is “ZERO” because of closure of business operations. Net Profit after tax (PAT) for the quarter ended June 2019 to December 2019 is 0, for March 2020 is Rs -8.00 cr and again “ZERO” for June 2020. Tangible Net Worth for FY 20 is Rs (-)37.00 Cr.

- The company has earned a total revenue of Rs 0.03cr in FY20 which has decreased from Rs 0.61 cr in FY19 whereas PAT Rs -8.79cr in FY20 which has increased from Rs -29.08 cr in FY19 as available from the public domain.
- The Total Revenue for six latest 6 quarters that is from June 2019 to June 2020 is “ZERO”. It appears that the business is closed.
- EBIT for the quarter ended June 2019 to June 2020 is “ZERO” because of closure of business operations.
- Net Profit after tax (PAT) for the quarter ended June 2019 to December 2019 is 0, for March 2020 is Rs -8.00 cr and again “ZERO” for June 2020.
- Tangible Net Worth for FY 20 is Rs (-)37.00 Cr.
- In the absence of adequate information from the Company/Bank, BWR is unable to assess the Company’s financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 16	FY 15
Result Type		Audited	Audited
Operating Income	₹ Cr	130.82	121.44
EBITDA	₹ Cr	-0.95	1.14
PAT	₹ Cr	1.25	0.23
Tangible Net Worth	₹ Cr	13.48	12.23
Total Debt /TNW	Times	0.97	1.76
Current Ratio	Times	1.04	1.02

KEY FINANCIAL INDICATORS (in ₹ Cr) [As Available with Money Control]

Key Parameters	Units	FY 20	FY 19	FY 18
Result Type		Audited	Audited	Audited
Operating Income	₹ Cr	0.00	0.53	85.99
EBITDA	₹ Cr	-0.33	-29.28	69.55
PAT	₹ Cr	-8.79	-29.08	-12.22
Tangible Net Worth	₹ Cr	-37.00	-28.00	1.00
Total Debt /TNW	Times	NA	NA	NA
Current Ratio	Times	0	0	1

COMPANY PROFILE (Information as on October 2017)

Spectra Industries Ltd (SIL) was incorporated in 1992 at Mumbai, Maharashtra. The Spectra Industries Ltd (SIL) is promoted by the Gupta family of Mumbai who has been in Manufacturing and Trading Business for the past four decades. The chairman of the company is Mr. Bharat Bhushan Gupta. The managing director of the company is Mr. Vinod Kumar Gupta & the executive director of the company is Mr. Jaidev Gupta. Initially, the company was in a Manufacturing of automobile sheet metal components for Fiat in Mumbai , However from 2010 SIL engaged in the dealership of heavy and light commercial vehicles manufactured by Mahindra & Mahindra Ltd. The Company also trades various items such as Fabrics, Steel, and coal. The dealership business is in Heavy Commercial Vehicles & Light Commercial Vehicles manufactured by Mahindra & Mahindra Ltd (Exclusive dealer for Entire Mumbai, Thane and Raigad District). The Company has set up the showroom for automobiles in ajivali village, Panvel and two workshops at Panvel and Mira road (east) Mumbai. The company currently sells around 400 vehicles this year.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Nil

HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Instrument /Facility	Current Rating			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	January, 2019	2018	October 2017*
Fund Based	Long Term	7.68	BWR D [Downgraded] Issuer Not Cooperating*	BWR B Stable [Downgraded] Issuer Not Cooperating	-	BWR B+ Stable [Reaffirmed]
Non-fund Based	Short Term	35.00	BWR D [Downgraded] Issuer Not Cooperating*	BWR A4 [Reaffirmed] Issuer Not Cooperating	-	BWR A4 [Reaffirmed]
Total		42.68	INR Forty Two Crores Sixty Eight lakhs Only.			

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

Note: The initial rating of BWR B+ (Stable)/ BWR A4 was assigned in October 2014. In June 2016, the rating was reaffirmed at BWR B+ (Stable)/ BWR A4.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non Co-operation](#)

For any other criteria obtain hyperlinks from website

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ANNEXURE I
Spectra Industries Ltd
Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]
1	Bank Of India	Fund based Cash Credit	5
2		Non Fund Based Letter Of Credit	30.00
3		Non Fund Based Bank Guarantee	(10)
4	HDFC	Fund based Term Loan	2.68
5	ICICI	Non Fund Based Inventory Funding	5
TOTAL			42.68



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