

RATING RATIONALE

Spectrum Foods Ltd.

Brickwork Ratings reaffirms the Long Term ratings for the Bank Loan Facilities of ₹ 11.34 Crores of Spectrum Foods Ltd. based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sep, 2018)	Present
Fund Based					
Cash Credit	2.00	2.00	Long Term	BWR D [Downgraded]	BWR D [Reaffirmed] “Issuer Not Cooperating”
Term Loan**	9.34	9.34			
Total	11.34	11.34	INR Eleven crores and thirty four lakhs Only		

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

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

**O/s balance available as per information available with BWR in Sep, 2018

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the company has been reaffirmed at BWR D under the ‘Issuer Not Cooperating’ category.

BWR had initially assigned rating of BWR B(Stable) for the bank loan facilities on 03 Feb’ 2016. The long term rating was reaffirmed at BWR B(Stable) on 25 Mar’ 2017. On 28 Sep’2018; the long term rating was downgraded to BWR D. The rating was due for review in Sep, 2019. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Monthly No Default Statement (NDS) is also not being submitted by the client. Further, as we are unable to reach the bankers, conduct of account is not available .

Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm’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, noncooperation 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 the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

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

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	8.06	8.46
EBIDTA	₹ Cr	1.83	2.31
PAT	₹ Cr	(1.63)	(1.77)
Tangible Networkth	₹ Cr	2.35	3.97
Total Debt : TNW	Times	6.82	4.95
Current ratio	Times	1.34	1.23

COMPANY PROFILE (As available with BWR in Sep, 2018)

The company was incorporated as Spectrum Leasing and Finance Limited in February 1994, as a part of the Saboo Group (SG) of companies. The name was subsequently changed to SFL in November 1998. The group is promoted by Mr. Girdhar Saboo and his family members and has interests in refining of salt, trading of spices, and power generation. SFL has been listed on the Bombay Stock Exchange since February 2001. SFL is presently engaged in the trading of salt, that is produced by its group company, Saboo Sodium Chloro Limited, and power generation through wind mills. The company’s work office and plant is located in Jaipur , Rajasthan and the new plant for Spices started its commercial operation in January 2017.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Available

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	28 Sep, 2018	25 Mar' 2017*
Fund Based Cash Credit Term loan	Long Term	2.00 9.34	BWR D [Reaffirmed] “Issuer Not Cooperating”	-	BWR D [Downgraded]	BWR B/ Stable [Reaffirmed]
Total		11.34	INR Eleven crores and thirty four lakhs Only			

*On 03 Feb' 2016; long term rating BWR B(Stable) was assigned.

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-Cooperation](#)

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ANNEXURE I
Spectrum Foods Ltd.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	State Bank Of India	Cash Credit Term loan	2.00 9.34	- -	2.00 9.34
TOTAL					11.34

Total Rupees Eleven crores and thirty four lakhs only.

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