



Press Release
Spartan Engineering Industries Private Limited
January 07, 2025
Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---------------------|--|--|
| Bank Loan Ratings | 38.00 | ACUITE D Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 14.00 | - | ACUITE D Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 52.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

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

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE D' (read as ACUITE Df) from 'ACUITE BB+' (read as ACUITE double B plus) and short-term rating to 'ACUITE D' (read as ACUITE Df) from 'ACUITE A4+' (read as ACUITE A four plus) on the Rs.52.00 Cr. bank facilities of Spartan Engineering Industries Private Limited (SEIPL).

The downgrade is based on recent delays in debt servicing by the entity and account categorisation as 'Special Mention Account' (SMA) as intimated by one of the banker. Additionally, the company has not provided latest NDS (No Default Statements) for last 3 months consecutively.

The rating is now flagged as "Issuer Not-Cooperating" on account of information risk and is based on the best available information.

About the Company

Mumbai-based Spartan Engineering Industries Private Limited (SEIPL), was incorporated in 1988. The company is engaged in the manufacturing and trading of construction equipment and machines. It sells products in India and abroad under various brands namely 'Spartan', 'Sky Plus', 'Elite Aviator' and 'Hercules'. The directors of the company are Mr. Mahendra Pranjivandas Mehta, Mr. Vikram Mahendra Mehta and Mrs. Hiral Vikram Mehta. SEIPL's manufacturing facility is located at Atgaon near Nashik.

Unsupported Rating

Not Applicable.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on

which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable**Other Factors affecting Rating**

None.

Key Financials

| Particulars | Unit | FY 24 (Provisional) | FY 23 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 210.77 | 176.95 |
| PAT | Rs. Cr. | 4.54 | 2.44 |
| PAT Margin | (%) | 2.15 | 1.38 |
| Total Debt/Tangible Net Worth | Times | 3.42 | 3.44 |
| PBDIT/Interest | Times | 1.67 | 1.64 |

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|----------------------------------|------------|-----------------|----------------------------------|
| 30 Jul 2024 | Letter of Credit | Short Term | 14.00 | ACUITE A4+ (Reaffirmed) |
| | Term Loan | Long Term | 5.60 | ACUITE BB+ Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.61 | ACUITE BB+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 28.00 | ACUITE BB+ Stable (Reaffirmed) |
| | Proposed Long Term Bank Facility | Long Term | 2.79 | ACUITE BB+ Stable (Reaffirmed) |
| 03 May 2023 | Letter of Credit | Short Term | 14.00 | ACUITE A4+ (Reaffirmed) |
| | Cash Credit | Long Term | 28.00 | ACUITE BB+ Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.61 | ACUITE BB+ Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.60 | ACUITE BB+ Stable (Reaffirmed) |
| | Proposed Long Term Bank Facility | Long Term | 2.79 | ACUITE BB+ Stable (Reaffirmed) |
| 24 Mar 2022 | Letter of Credit | Short Term | 14.00 | ACUITE A4+ (Reaffirmed) |
| | Term Loan | Long Term | 5.60 | ACUITE BB+ Stable (Reaffirmed) |
| | Proposed Long Term Bank Facility | Long Term | 2.79 | ACUITE BB+ Stable (Reaffirmed) |
| | Cash Credit | Long Term | 28.00 | ACUITE BB+ Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.61 | ACUITE BB+ Stable (Reaffirmed) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 28.00 | Simple | ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB+) |
| Bank of India | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 14.00 | Simple | ACUITE D Downgraded Issuer not co-operating* (from ACUITE A4+) |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 2.79 | Simple | ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB+) |
| Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Oct 2025 | 1.61 | Simple | ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB+) |
| Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | 30 Jul 2024 | 5.60 | Simple | ACUITE D Downgraded Issuer not co-operating* (from ACUITE BB+) |

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

Contacts

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| Mohit Jain Senior Vice President-Rating Operations | Contact details exclusively for investors and lenders |
| Dhruvi Chauhan Associate Analyst-Rating Operations | Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in |

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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